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REPORT

Recife, Brazil, 2-7 October 1988

Twentieth FAO Regional Conference for Latin America and the Caribbean



Food and Agriculture Organization of the United Nations

REPORT OF THE TWENTIETH FAO REGIONAL CONFERENCE FOR LATIN AMERICA AND THE CARIBBEAN

Recife, 2 - 7 October 1988

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Rome, 1988

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SUMMARY OF THE MAIN RECOMMENDATIONS

Situation and outlook of Food and Agriculture in the Region

For the attention of Governments

- 1. Declared its solidarity with the countries devastated by Hurricane Gilbert, particularly Jamaica and Mexico, and underlined the urgency of providing more emergency aid, assessing the direct and indirect damage, and supporting these countries' endeavours to recover from the disaster (para. 16).
- Highlighted the urgency of reversing the long process of economic deterioration and of recovering the capacity for growth through a solid, equitable development model which would be sustainable in the long term as an indispensable condition to sustain progress in democracy, to maintain political stability and to consolidate peace in the Region (paras. 17 and 19).
- 3. Stressed the need for a coordinated strategy to tackle common problems and take maximum advantage of the Region's potential (para. 26).
- 4. Pointed out that developed countries should increase their technical and financial assistance to support the efforts being made by the countries of the Region in overcoming the crisis (para. 27).
- 5. <u>Highlighted</u> the urgent need that, under the principle of corresponsibility, creditors adopt more flexible criteria in treating and solving the foreign debt problems of the countries in the Region (para. 28).
- 6. <u>Called for</u> a reactivation of foreign capital flows to the Region, as well as the elimination of barriers to their exports, as necessary conditions for the achievement of an external balance compatible with growth and development (paras. 21 and 29).
- Recognized the urgent need to make progress in regional integration, not only as regards trade but also in harmonizing different economic and financial policies, and in promoting regional food security in encouraging scientific and technological development and cultural exchanges and in intensifying frontier complementarities (para. 30).

8. Stressed the need to continue strengthening inter-agency cooperation in order to avoid duplication, and to make optimum use of international technical cooperation ventures in accordance with the Region's priorities (para. 31).

For the attention of FAO

The Conference:

9. Requested FAO to update the study on tobacco made by the Organization in 1982 (para. 34).

Potentials for Agricultural and Rural Development in Latin America and the Caribbean

For the attention of Governments

- Recognized that the study on Potentials for Agricultural and Rural Development in Latin America and the Caribbean and its resulting Plan of Action, constituted a general strategic framework to orient the agricultural and rural development policies and programmes of the Region (para. 39 and 43).
- Fully agreed on the need for a development policy for rural areas and for a clear change in the orientation of the agricultural sector to help small and medium-scale farmers and peasants (para. 44).
- Requested that attention be paid to the negative effects created by economic adjustment measures on the poor and ill-fed populations (para. 45).
- Urged the international community, including developed countries and international financing agencies, to support the implementation of the Plan of Action approved by the Conference (paras. 56 and 96).
- Called for the elimination of protectionism, subsidies and other practices that restricted international trade; the alleviation of the burden of foreign debt; the suppression of the use of food as an instrument of political pressure; and the strengthening of the participation of women in productive activities carried out in the rural areas (para. 96).

- Reiterated the basic commitment to spare no efforts to revitalize and strengthen programmes for the eradication of hunger, malnutrition and rural poverty, the achievement of food security and prevention of deterioration of the natural resources (para. 96).
- Expressed the urgency to promote the establishment and consolidation of permanent economic links between the countries of the Region, with a view to increasing cooperation, intraregional trade and economic integration by emphasizing food production, agriculture and integrated rural development (para. 96).

For the attention of FAO

- 17. Considered that the background documents (the Main Report and the five Annexes) had been well prepared and contained a wealth of information, and should therefore be widely distributed (para. 42).
- 18. Suggested that efforts be continued for incorporating into the development strategy considerations derived from the analysis of relations between the State and the private sector, as well as for the role of transnational enterprises (para. 46).
- 19. Urged FAO to provide assistance to Member Nations, at their request, in the formulation and execution of agricultural and rural development strategies and plans. This should be done in cooperation with other governmental and non-governmental organizations working in the region, especially those with a mandate similar to that conferred on FAO two years ago (para-47).
- 20. Requested the substantiation of the specific recommendations and the technical assistance to detain the alarming loss of the Region's phytogenetic resources (para. 49).
- 21. Suggested that FAO intensify its activities in support of the establishment of agroindustries in the rural zones of Latin America and the Caribbean (para. 50).
- 22. Recommended that consideration be given, within the strategy of the Plan of Action, to a regional programme for aquacultural development, with the support of FAO (para. 52).

- 23. <u>Suggested</u> an increase in FAO technical assistance in identifying, designing, formulating and executing development projects financed by international institutions (para. 55).
- Requested the Director-General of FAO to make every possible effort to assist Governments in the region that so request to put into effect the proposals contained in the Plan of Action (para. 96).
- Requested that FAO, as the United Nations technical agency specialized in food and agriculture, to allocate sufficient resources in its Regulr Programme and to help mobilize external funds from the internationa community to carry out the proposals and measures spelt out in the Plan of Action (para. 96).

FAO Activities in the Region

For the attention of Governments

The Conference:

- 26. Expressed its willingness to continue sharing knowledge, experiences and progress through the System of Technical Co-operation Networks sponsored by RLAC and recognized the positive results that have been achieved through its operation (para. 66).
- 27. Requested all Member Nations of FAO, particularly the major contributor, to pay promptly their contributions to the budget of the Organization (para. 68).

For the attention of FAO

- 28. Reiterated its request for an expanded emergency assistance to the countries seriously affected by Hurricane Gilbert (para. 64).
- Emphasized the urgent need for Latin America and the Caribbean to receive a larger share in the distribution of the Organization's resources and the allocation of UNDP funds (para. 65).
- Requested that the Regional Office, with the assistance of the countries themselves, continue to identify and prepare regional and subregional projects that would meet the present needs of the Region and that would coincide with the priorities of some donor countries, in order to secure their financing (para. 67).

Promoting Agroforestry for Improved Land Husbandry

For the attention of Governments

The Conference:

- Exhorted Member Nations to continue efforts to halt the process of environmental deterioration and to reverse the present situation of degradation of the natural resources by reinforcing forestry and environmental protection programmes (para. 72).
- Recommended the adoption of the Regional Tropical Forestry Action Plan, which was discussed at the high-level meeting held in Jamaica in April 1988 (para. 74).

For the attention of FAO

The Conference:

- Requested FAO to increase its assistance to countries introducing viable agri-silvi-pastoral models as the most effective way of ensuring sustained use of the natural resources (paras. 69 and 73).
- Recommended that the Technical Cooperation Network on Agroforestry be reinforced so that it could carry out its task even more effectively and that FAO submit to the UNDP a proposal for a regional project to promote agroforestry systems (para. 74).

Representation of the Region in the Consultative Group on International Agricultural Research (CGIAR)

For the attention of Governments

The Conference:

- 35. Elected Brazil to represent the Region on the CGIAR during the period 1989-1992 (para. 79).
- 36. Stressed the desirability of improving the flow of information regarding the Group's activities between representatives of the Region on CGIAR and countries (para. 8c).

For the attention of FAO

37. Suggested that the FAO Regional Office provide an effective channel for communication between representatives of the Region on CGIAR and countries (para. 8c).

Other Business

For the attention of FAO

The Conference:

Requested that FAO, in consultation with countries' Permanent Representatives in Rome, study ways of organizing future Regional Conferences for Latin America and the Caribbean so as to make possible the organization of debates that would enable Ministers of Agriculture to participate more for a short period of time (para. 81).

Date and Place of the Twenty-First FAO Regional Conference for Latin America and the Caribbean

For the attention of FAO

The Conference:

Noted with satisfaction the offer of the delegation of Ecuador to host the twenty-First Regional Conference for Latin America and the Caribbean in 1990, and requested the Director-General to determine the date and place of the Conference after consultation with the Government of Ecuador and other Member Governments of the Region (para. 82).

INTRODUCTORY ITEMS

Organization of the Conference

- 1. The Twentieth FAO Regional Conference for Latin America and the Caribbean was held in Recife, Brazil, from 2 to 7 October 1988.
- 2. The Conference was attended by delegates from 23 Member Nations of the Region, observers from three countries outside the Region, and representatives of various United Nations agencies, specialized agencies and non-governmental organizations. The Agenda of the Conference, the List of Participants, the List of Documents and the Statement by the Director-General of FAO are given in Appendices A, B, C and D, respectively, of this Report.

Inaugural Ceremony

- 3. Mr. Edouard Saouma, Director-General of FAO, thanked the Government and people of Brazil for their hospitality and invited the Minister of State of Agriculture of Brazil, Mr. Iris Rezende de Machado, to declare the Conference open.
- 4. The Minister of Agriculture of Brazil thanked the State of Pernambuco for the Conference arrangements and expressed his gratitude to FAO for its assistance in tackling the serious agricultural problems of the North-East of Brazil. He congratulated the Director-General of FAO on the preparatory work for the Twentieth Regional Conference.
- 5. The Governor of the State of Pernambuco expressed his appreciation for the efforts made by FAO to assist Brazil, particularly the North-East, and trusted that this Conference would generate new ideas to overcome the Region's problems, regalvanize the economy, and lead to more equitable development.
- 6. The Inaugural Ceremony concluded with the launching of a special postmark commemorating the Twentieth FAO Regional Conference, by a representative of the Brazilian Post and Telegraph Office.
- 7. During a pause in the work of the Conference, the attending delegations paid hommage to Josué de Castro and Nelson Chaves.

Election of the Chairman, Vice-Chairmen and Rapporteur

8. The Conference unanimously elected the Minister of Agriculture of Brazil, Mr. Iris Rezende, as Chairman. As Vice-Chairmen the Conference unanimously elected: the Minister of Agriculture, Fisheries, Lands and Housing of Antigua and Barbuda, Mr. Hilroy Humphreys; the Minister of Agriculture of Belize, Mr. Dean Lindo; the

Minister of Agriculture of Colombia, Mr. Gabriel Rosas Vega; the Minister of Agriculture and Natural Resources of Haiti, Mr. Frederic Agenor; the Secretary of Agriculture and Hydraulic Resources of Mexico, Mr. Eduardo Pesqueira Olea; and the Minister of Agricultural Development and Agrarian Reform of Nicaragua, Mr. Jaime Wheelock Román. The Conference also unanimously elected as Rapporteur Mr. Pedro Olmos, Assistant Director-General of the Ministry of Agriculture and Fisheries of Uruguay. In the preparation of the Declaration of Recife, the Rapporteur was assisted by a Drafting Committee.

Adoption of the Agenda

9. The Conference unanimously agreed to include under Agenda Item 6 a discussion on the devastation brought by hurricane Gilbert and possible FAO action to assist the worst-hit countries. It also agreed to extend its working hours and conclude Conference activities on 7 October. With these modifications, the Agenda and Timetable were adopted unanimously.

Statement by the Director-General

- The Director-General of FAO, Mr. Edouard Saouma, expressed his deep distress for the catastrophe caused by Hurricane Gilbert in various countries of the Region, especially Jamaica and Mexico, and Organization's indicated willingness to assist reconstruction of the agricultural sector in the affected countries. He referred to the sustained economic development experienced by the Region between 1950 and 1980 which abruptly ended at the beginning of 1980's. Referring the agricultural to sector, the Director-General mentioned the stagnating demand for tropical products and rising protectionism in developed countries that subsidized their own production, that imposed import restrictions on products from countries with low production costs, and that established import quotas which were sometimes used as instruments of political pressure. He also referred to the deterioration in the terms of trade and the enormous weight posed by the external debt situation on the countries of the Region.
- 11. The Director-General also referred to the situation and perspectives for food and agriculture, mentioning, among other things, the reduction in world cereal production, the relatively-low price levels for tropical products exported by the countries of the Region, the need to reconcile the different positions assumed by participants in the Uruguay Round and the serious problem of the external debt. He suggested that imagination and creativity were necessary in seeking adequate solutions to these problems. He addressed the subject of the FAO Study on Potentials for Agricultural and Rural Development in the Region, indicating that this, in conjunction with the Main Report, its five Annexes and the Plan of Action, constituted

an entirely new and original framework encompassing, for the first time, a large number of basic data which had been thoroughly and systematically analyzed in order to identify possible options and strategies which could improve agriculture, forestries and fisheries in the Region.

- 12. As financial situation regards the Director-General indicated that in spite of increasing needs of Member Nations he was obliged to reduce the services provided to them because of the policy of some of the major contributors in fulfilling their financial obligations to the Organization in part only or with considerable delay. He mentioned the in-depth review of certain aspects of the goals and operation of the Organization that was entrusted to the Programme and Finance Committees by the FAO Conference, for further consideration by the FAO Council. Council, in turn, would then transmit the Council's recommendations to the Twenty-fifth Session of the Conference.
- 13. The Director-General, in concluding, referred to the unanimous support given to FAO by the countries of the Region, to the enormous diversity existing between them, and to their many common aspects and great sense of dignity. The complete text of the Director-General's statement is given in Appendix D to this report.

SUMMARY OF PROCEEDINGS

Situation and Outlook of Food and Agriculture in the Region

- 14. The Conference thanked the Government and people of Brazil for their generous hospitality and congratulated the Government of the State of Pernambuco for the excellent facilities provided for the Regional Conference.
- 15. The Conference expressed its acknowledgement to FAO for the Organization's continued assistance to the countries of the Region in their struggle to overcome the problems of food, agriculture and rural development. It also expressed appreciation on the organization of the Regional Conference and the quality of the preparatory work.
- 16. The Conference declared its solidarity with the countries devastated by Hurricane Gilbert, particularly Jamaica and Mexico, and underlined the urgency of providing more emergency aid, assessing the direct and indirect damage, and supporting these countries' endeavours to recover from the disaster.
- 17. The Conference expressed its deep concern with the continued deterioration in the economic and social situation in the countries of Latin America and the Caribbean, which not only entailed enormous sacrifices for the people of the Region but also jeopardized the progress achieved in consolidating democracy and ensuring political stability.
- 18. The Conference stressed the close interrelation between development and peace, each of which was essential to maintain the stability of the other.
- 19. The Conference <u>highlighted</u> the urgency of reversing the long process of economic deterioration and of recovering the capacity for growth through a solid, equitable development model which would be sustainable in the long term. It condemned the use of food as an instrument of political pressure, as well as other coercive measures, such as economic blockades or commercial embargoes.
- 20. The Conference stressed the paramount importance of external debt as a cause of the economic crisis, and pointed out the impossibility of continuing to service this debt at the expense of inhibiting the Region's capacity for growth now and in the future, and of postponing solutions to its people's urgent, basic needs.
- 21. The Conference <u>called for</u> a reactivation of foreign capital flows towards the Region through investment and credit, which, together with greater flexibility of debt servicing terms, would make it possible to revert the next exportation of capital from the Region to developed countries, and which had impeded the recovery of its growth capacity.

- 22. The Conference condemned the protectionist pactices enforced by some developed countries, and demanded elimination of the enormous subsidies to agricultural production and exprots in those countries which distorted markets, generated instability and led to irrational actions and confrontations in world trade.
- 23. The Conference analyzed external factors affecting the crisis and their interaction with structural problems deeply rooted in history, which had resulted in a long and severe recession, depreciating incomes, increased unemployment, gallopping inflation and a deterioration in the already poor living conditions of most of the population.
- 24. The Conference recognized that the food and agricultural situation in the Region had worsened and pointed out that the ability of food aid to remedy it was limited; first, because there was not enough aid, and second, because it failed to attack the causes of the problem.
- 25. The Conference recognized the general nature of the economic crisis in the Region and confirmed that, despite the great differences between the economies of the various countries, the problems they were facing were largely the same.
- 26. The Conference stressed the need for a coordinated strategy to tackle common problems and take maximum advantage of the Region's potential.
- 27. The Conference emphasized the urgency of transforming the process of economic adjustment to make it compatible with the requirements of growth, while safeguarding the living conditions of the poor. It pointed out that this inevitably implied that the developed countries should increase the technical and financial assistance necessary to support efforts in overcoming the crisis.
- 28. The Conference <u>highlighted</u> the urgent need that, under the principle of co-responsibility, creditors adopt more flexible criteria in treating and solving the foreign debt problems of the countries in the Region.
- 29. The Conference $\underline{\text{demanded}}$ the elimination of protectionist measures, barriers and restrictions on Latin American and Caribben exports to developed countries. In this connection, it stressed the importance of the General Agreement on Tariffs and Trade (GATT) negotiations, particularly the Uruguay Round.
- 30. The Conference recognized the urgent need to make progress in regional integration, not only as regards trade but also in harmonizing different economic and financial policies, in promoting regional food security, in encouraging scientific and technological development and cultural exchanges, and in intensifying frontier complementarities. It underlined the importance of international agencies and multilateral and bilateral agreements in this connection.

- 31. The Conference highlighted the important role to be played by agriculture in overcoming the crisis, both because of the size of the population directly involved in the sector's activities and because of its share in external trade. The agricultural sector was also important because of its multiple interrelations with the principal national objectives: control of inflation, better income distribution, minimum welfare standards for the poor, increased employment and protection of the environment.
- 32. The Conference referred to the Plan of Action presented by FAO, recognizing that its objectives were in line with the main objectives of the countries in the Region, and that it was generally compatible with development models in all of them.
- 33. The Conference stressed the need to continue strengthening interagency cooperation in order to avoid duplication, and to make optimum use of international technical cooperation ventures in accordance with the Region's priorities.
- 34. It was requested that FAO update the study on tobacco made by the Organization in 1982.
- 35. The Regional Director for Latin America and the Caribbean of the United Nations Development Programme (UNDP) expressed his Organization's agreement with the basic orientations outlined in the statement by the Director-General of FAO, stressing in particular the need for harmonious growth in the different sectors and emphasizing the need for social justice. He described the scope and scale of UNDP funds allocated to the Region, and the proportion devoted to the agricultural sector. Lastly, he mentioned UNDP's participation in coordinating the immediate response of United Nations Agencies to the emergencies caused by Hurricane Gilbert.
- 36. The Economic Commission for Latin America and the Caribbean (ECLAC), through its representative at the Conference, underlined the strategic value of the Study and Plan of Action prepared by FAO, noting their compatibility with the Commission's own approach. It also indicated its agreement regarding the need to modify adjustment policies to make them compatible with development goals that guarantee equity and the elimination of poverty through a strategy that would integrate social needs with economic growth.

37. The Deputy Director of Operations of the Inter-American Institute for Cooperation on Agriculture (IICA), noted the excellence of the work presented by FAO and its capacity to influence policy decisions affecting economic, employment and inflation levels, as well as the balance of payments and conditions of equity in a positive and decisive manner. He also pointed out that this work was complementary to that of IICA.

- 38. In introducing this item, the Secretariat pointed out that the Study on Potentials for Agricultural and Rural Development in Latin America and the Caribbean 1/ requested from the Director-General by the Ministers of Agriculture at the Nineteenth Regional Conference, held in Barbados in 1986, was the result of two years of intensive work conducted in consultation and collaboration with the countries of the Region and various multilateral organizations active in it.
- 39. It stated that the Study included a Main Report and five Annexes, each of them devoted to one of the major problems involved in restoring dynamism to agriculture and in achieving broad-based rural development and food security. It recognized that the Plan of Action was the essence of the Study, and as such constituted a general framework and analytical basis which countries could use in preparing their own agricultural and rural development strategies, policies and programmes.
- 40. It highlighted two fundamental concepts of the Plan of Action. The first was that dynamic interdependence produced a balanced articulation between agriculture, industry and services, and the productivity were the key links of agricultural It pointed out that this alternative intersectoral connections. strategy for development in the Region implied the introduction of a pronounced change in economic and social policies in favour of rural areas. It indicated that the second basic concept consisted in the assignment of new priorities within the rural sector, decisively and preferentially, to help small farmers and peasants instead of discriminating against them as had occurred hitherto.

- 41. It reiterated that throughout the whole Study, the challenge of creating a rural development environment as a source of prosperity, employment and greater international competitiveness was emphasized. It highlighted that a process of this nature involved the application of policies encompassing incentives, redistribution, technology, investment and employment, which, coupled with the expansion of the internal market and transformation of the production structure, would develop and diversify agricultural exports. It stated that financial policy should be understood not only as public expenditure for development, but also as a major instrument for government promotion of balanced development, to be implemented in cooperation with the productive activity of the private sector.
- 42. The Conference congratulated the Director-General and the staff of FAO for the high quality of the Study prepared by the Organization. It pointed out that the request made to the Director-General had been met in a highly satisfactory manner, that the problems examined had been numerous and complex and that there was evident analytical progress which should be highlighted. It considered that the components of the Study had been prepared with professionalism and imagination and contained ample basic and anlytical information, and suggested that they should therefore be widely distributed.
- 43. The Conference <u>fully supported</u> the framework for action, the major objectives and the seven principal components of the Regional Plan of Action resulting from the Study. It expressed that this, together with the background documents, provided a general strategic framework that would allow the countries and sub-regions to design their policies and programmes for agricultural and rural development. It was mentioned that these documents contained alternative strategic guidelines that would have a bearing on the development of rural areas in Latin America and the Caribbean up to the next century, and that the deliberations and results of this important Regional Conference would have an impact on the future.
- 44. The Conference <u>fully agreed</u> on the need for a development policy for rural areas and for a clear change in the orientation of agricultural policies and programmes to help small and medium-scale farmers and peasants. It highlighted the critical impact of the external debt and trade restrictions on the general development of national economies and societies, which would undoubtedly set back agricultural and rural development. It therefore suggested that greater attention be paid to the implications of external obstacles for development in the Plan of Action.

- 45. The importance of macro-economic and development policies for growth in rural areas and the agricultural sector was emphasized. It was therefore, mentioned that greater attention should be paid to the negative effects created by economic adjustment measures, particularly on the poor and ill-fed populations. It was pointed out that these measures had frequently been imposed by multilateral financing sources and had been supported by the governments of creditor countries.
- 46. The Conference noted the changing functions of the public and private sectors in the development process. It agreed that the role of the State as main development agent had diminished as a result of the crisis and adjustment measures. In this connection, some delegations suggested that the statements on the role of the State and of transnational corporations in the Plan of Action should be set out in greater detail, taking full account of the more complete assessment contained in the component documents of the Study and others prepared on the subject by FAO and by other competent organizations.
- 47. The Conference <u>urged</u> FAO to provide assistance to Member Nations, at their request, in the formulation of agricultural and rural development strategies and plans, as well as in their execution and evaluation. It was indicated that this should be done in cooperation with ther governmental and non-governmental organizations working in the Region, especially those with a mandate similar to that conferred on FAO two years ago. In this connection, it was recognized that the coordination of international assistance was a primary responsibility of national governments.
- 48. The need to include plant and animal health in the Plan of Action as essential elements of agricultural development was pointed out. It was indicated that these aspects should be explicitly considered within the context of technology. The particular importance of including those aspects in the agreements among several countries when undertaking joint actions was highlighted.
- 49. The Conference pointed out that the priority assigned by the Plan of Action to checking the alarming loss of phytogenetic resources should be substantiated by clear recommendations that would help to preserve these resources, since their loss would be invaluable.
- 50. It was considered that the process of agricultural modernization described in the Plan of Action should give fuller consideration to agroindustrial development. Moreover, it was suggested that FAO intensify its activities in support of the establishment of agroindustries in the rural areas of Latin America and the Caribbean.

- 51. The insufficient treatment given to the subject of agricultural inputs in the Plan of Action was also pointed out, as well as the need to include the strengthening of international and regional organizations responsible for agricultural input supplies as part of the regional agricultural development strategy.
- 52. The Conference $\underline{\text{expressed}}$ the $\underline{\text{need}}$ to include in the strategy of the Plan of Action a programme for the development of aquaculture and mariculture supported by FAO.
- 53. The Conference suggested that within the agroforestry development strategy, greater priority should be given to establishing criteria for the conservation of natural resources, and to encouraging investments that combined such conservation with economic growth in a balanced way. It was pointed out that the preservation of nature and the environment must be based, not on prohibition, but on the establishmet of a process of economic development that would be consistent with national priorities and sustainable in the long term.
- 54. The need was pointed out to take a comprehensive look at all the different forms, spheres and mechanisms of technical cooperation in the Region: North-South cooperation; South-South cooperation; intra-regional cooperation; TCDC and ECDC activities; and specific agreements and programmes.
- 55. It was <u>suggested</u> that FAO's technical assistance in identifying, designing, formulating and executing development projects financed by international institutions be increased.
- The Conference stressed the importance of coordinated action in implementing the Plan of Action, recognizing that coordination was a primary responsibility of the Member Nations and their sub-groups. Implementation would require cooperation and assistance from all the regional and international organizations, and especially those providing technical and financial assistance for food security, rural and agricultural development.
- 57. The Conference assembled all the specific comments made by delegates on the Plan of Action. The Secretariat duly noted them (see Appendix E). Some delegations also made comments in writing on the contents of the Annexes, the Main Report and the Plan of Action, and the Secretariat was requested to take them into account, should the occasion arise.
- 58. Considering the Plan of Action as being exceptionally important, the Conference decided to adopt the Declaration of Recife, the text of which is annexed to the present report.

Report on FAO activities in the Region, including action taken on the main recommendations of the Nineteenth Regional Conference and Programme of Work and Budget for 1988/89

- 59. The FAO Assistant Director-General and Regional Representative for Latin America and the Caribbean, Mr. Mario E. Jalil, introduced this item. He referred to document LARC/88/2 reviewing the main FAO activities in the Region in the 1986/87 biennium and the measures adopted to implement the recommendations of the Nineteenth Regional Conference, and summarized the main lines of action programmed for the present biennium, 1988/89.
- 60. He emphasized the role of the technical cooperation networks in which all FAO Member Nations in the Region participated through more than 300 national institutions. He indicated that the networks system already had sufficient experience and capacity to establish long-term objectives for each network, and to work out the steps necessary to achieve them.
- 61. He described the important and increasing challenges to the Region's development in the near future, highlighting particularly relevant areas such as the promotion of aquaculture, the development of management and production systems for small farmers, the creation of agroforestry systems and the marketing of agricultural inputs and products, among others. In this respect, he highlighted the support being provided by FAO to regional aquaculture through the AQUILA project financed by the Government of Italy.
- 62. He provided information on activities conducted as follow-up to the recommendations made by the Nineteenth Regional Conference, and on FAO's participation in joint actions with other international organizations and with authorities in the devastated countries in dealing with the emergency caused by Hurricane Gilbert.
- 63. He referred to the Programme of Work for the 1988-89 biennium proposed by the Director-General and approved by the Twenty-Fourth Session of the FAO Conference and to the lines of action programmed for each of the technical programmes in document LARC/88/2. It also reviewed the allocation of resources earmarked for the Region.
- 64. The Conference expressed its satisfaction with the fact that the recommendations made by the previous Regional Conference, in Barbados, had been fully complied with, and thanked FAO for its serious and efficient response to countries' requests. It also expressed its appreciation for the immediate assistance given by FAO to the countries affected by Hurricane Gilbert and reiterated its request that this emergency aid be expanded.

- organization for having maintained its high and effective level of activity in technical assistance to the Region despite the reduction in resources. However, it emphasized the urgent need for Latin America and the Caribbean to receive a larger share in the distribution of the Organization's resources and in the funds allocated by UNDP to the Region. It highlighted the significance of that agency's resources, particularly in the face of the crisis, and requested UNDP to continue to support the efforts of those countries of the Region who were capable of executing some projects by themselves. Although it recognized the importance of catering to overriding needs in other regions, it pointed out that the impact of the crisis on Latin America and the Caribbean should be reflected in a proportional increase in resources that would make it possible to meet urgent requests in various countries and areas within the Region.
- 66. Several delegations referred to their participation in the technical cooperation networks system sponsored by the FAO Regional Office for Latin America and the Caribbean. They emphasized the positive results being obtained, which confirmed the effectiveness of the system, and expressed their willingness to continue sharing knowledge, experience and progress with the other countries of the Region.
- 67. Some delegations <u>requested</u> that the Regional Office, assisted by the countries themselves, continue to identify and prepare regional and subregional projects that would meet the present needs of the Region and that would coincide with the priorities of some donor countries in order to secure their financing.
- 68. The Conference, concerned with the financial crisis that affected the Organization's activities, <u>requested</u> all the Member Nations of the Organization, and in particular the first contributor, to comply with the commitment of paying their contributions to the FAO budget.

Promoting Agroforestry for Improved Land Husbandry

- 69. The Secretariat presented document LARC/88/4 and called the attention of the Conference to the extent to which the natural resource base was being degraded. It pointed out that the most effective way of ensuring sustained use of the natural resources was to integrate trees and forests into rational land use systems, for which viable agri-silvi-pastoral models were already available.
- 70. It was stressed that the Tropical Forestry Action Plan (TFAP) could provide a framework for the adoption of these alternative systems. Therefore, high priority was being given to agroforestry in the 27 countries of the Region participating in the Plan.

- 71. The Conference expressed its concern with the effects of unfavourable international economic systems on renewable natural resources, particularly the accelerated deforestation and marginalization of land caused by inadequate use.
- 72. The Conference, aware that this unfavourable international climate led to the expansion of poverty and to a greater pressure on the natural resources of developing countries, exhorted Member Nations to continue their efforts to promote environmental conservation and rational and adequate use of natural resources, thus reinforcing forestry and environmental protection programmes.
- 73. It agreed that agroforestry constituted a valuable means for solving land use conflicts and stabilizing the rural population through sustained production systems, and requested FAO to increase its assistance to countries in introducing these alternative systems.
- 74. The Conference recommended adoption of the Regional Tropical Forestry Action Plan, which had been discussed at a high-level meeting in Jamaica, and requested support for the declaration issued at that meeting. It also recommended that the Technical Cooperation Network on Agroforestry systems be reinforced so that it could carry out its task even more effectively. Likewise, it recommended that FAO submit to the UNDP a proposal for a regional project to promote agroforestry systems.
- 75. The Deputy Director of Research of the Tropical Agricultural Research and Training Centre (CATIE) made a detailed statement on the research programmes being conducted by his institution in this field and emphasized how these programmes coincided with those of the TFAP.

OTHER MATTERS

Representation of the Region in the Consultative Group on International Agricultural Research (CGIAR)

- 76. The Secretariat presented document LARC/88/5 describing the structure and objectives of the CGIAR, the composition of the Secretariat and the Technical Advisory Committee, and recent events which had occurred in the system.
- 77. The Conference was informed that the Brazilian delegation had formally expressed its wish to assume responsibility for representing the Region in CGIAR and to accept the responsibilities inherent in this mandate.
- 78. The Delegation of Argentina expressed its support for the nomination of Brazil to represent the Region in CGIAR and renounced its intention to seek a renewal of its mandate, an attitude which was highly acknowledged by the Conference.

- 79. All the delegations seconded Argentina's proposal and indicated their agreement to Brazil being unanimously <u>elected</u> to represent the Region. This decision was adopted by the Conference, which also expressed its appreciation for the fruitful work accomplished by the representative of Argentina during his term of office.
- 80. The Conference stressed the desirability of improving the flow of information between representatives of the Region on CGIAR and countries regarding the Group's activities. In this connection, it was recommended that for member countries of the Caribbean Community, information be sent to CARICOM, which would take responsibility for its distribution. It was suggested that the FAO Regional Office could provide an effective channel for communication between representatives of the Region on CGIAR and countries.

Other Business

81. Several delegations requested that FAO, in consultation with countries' Permanent Representatives in Rome, study ways of organizing future Regional Conferences for Latin America and the Caribbean so as to make possible the organization of debates that would enable Ministers of Agriculture to participate more for a short period of time.

Date and Place of the Twenty-First FAO Regional Conference for Latin America and the Caribbean

82. The Conference took note of the offer by the delegation of Ecuador to host the Twenty-First Regional Conference in 1990, and requested the Director-General to determine the date and place of the Twenty-First Regional Conference after consultation with the Government of Ecuador and other Member Governments of the Region.

Adoption of the Report

83. The Chairman presented for the consideration of the Conference, the Provisional Report prepared by the Rapporteur with the support of the Secretariat. The Conference, after examining each point of the Provisional Report and introducing the amendments it considered pertinent, unanimously approved it.

Closure of the Conference

- 84. In his closing statement, the Director-General of FAO, Mr. Edouard Saouma, expressed his thanks to the Federative Republic of Brazil for its kind invitation to host the Twentieth Regional Conference for Latin America and the Caribbean in that country.
- 85. In particular, he thanked Mr. Miguel Arraes, Governor of Pernambuco, and Mr. Iris Rezende Machado, Minister of Agriculture of Brazil, for their hospitality, and made a public acknowledgement of the important work of both in favour of the agricultural and rural development of Brazil.

- 86. The Director-General expressed his satisfaction with the attendance of delegations from most of the countries of the Region, highlighted the presence of the Ministers and Heads of Delegation, and expressed his commitment to inform those countries who were unable to send a delegation of the results of the Conference.
- 87. The Director-General stressed the importance of the country statements in updating the analysis of the problems facing the Region and orienting FAO on means by which to contribute in solving them.
- 88. He thanked the Conference for its comments regarding the Special Study on Potentials for Agricultural and Rural Development in Latin America and the Caribbean and noted that he felt it was a document that could be amply used by all those concerned in analyzing and in formulating solutions for the agricultural, forestry and fisheries problems of Latin America and the Caribbean.
- 89. He recognized that the amendments made by the Conference to the Plan of Action proposed by FAO were positive, and stressed the particular importance of the Plan's unanimous approval by the Conference.
- 90. He agreed with the view of the Conference that the Plan of Action constituted a general framework, but that national policies and programmes would be required for its execution. He reaffirmed his willingness to intensify FAO's cooperation with the countries in order to follow-up on the Plan of Action and to consolidate its implementation at the subregional and national levels.
- 91. He expressed his satisfaction with the Conference's recognition for FAO activities in the Region and acknowledged the valuable contribution made by national institutions in the effective operation of the Technical Cooperation Network System.
- 92. He stated that the Organization would continue supporting national efforts to minimize the impact of accelerated destruction of forests and of land degradation, and expressed his satisfaction for the support given to the Tropical Forestry Action Plan.
- 93. He congratulated Brazil on its election as the Region's representative in the CGIAR.
- 94. The Director-General concluded his statement by pointing out that the fight against poverty was long, and required persistent collective and personal commitments. He indicated that the instruments for winning this fight existed and were of a scientific, technical, economic and political order. FAO was devoted to mobilizing all these resources.

95. Finally, he thanked all the Member Nations of the Region for having renewed their commitment to support the Organization, and invited all those present to continue working in a joint and coordinated manner to attain equality and unity in the future.

Declaration of Recife

96. The Regional Conference adopted the following Declaration:

"We, the Ministers of Agriculture of Latin America and the Caribbean or their representatives, meeting in Recife, Brazil, for the Twentieth FAO Regional Conference for Latin America and the Caribbean, being held from 2 to 7 October 1988,

Considering

- 1. That the Study on Potentials for Agricultural and Rural Development in Latin America and the Caribbean and the Plan of Action prepared by FAO in response to the request made to the Director-General by the Ministers of Agriculture at the Nineteenth FAO Regional Conference held in Bridgetown, Barbados in August 1986 contains valuable and concrete strategic guidelines for helping the Governments of the Region design and implement national policies and programmes for agricultural growth, the alleviation of rural poverty, the achievement of food security and resolution of the grave problems facing our countries;
- 2. That the Study, by its very nature, does not tackle the particular situation in each individual country of the Region, but that its Main Report and its five important, detailed Annexes contain an extensive, up-to-date information base, an analysis of proposals and concrete suggestions that will contribute to and facilitate the preparation of national agricultural and rural development strategies and policies;
- That national economic adjustment policies resulting from the financial crisis have produced a pronounced, prolonged and widespread drop in per capita income, a decrease in productive imports and capital formation, an acceleration of inflationary processes, a rise in unemployment, a fall in real incomes, a lowering of nutritional levels, the deterioration of social services and production support programmes; and that, within the framework of unresolved, centuries-old problems, aggravated by new difficulties that States have had to face in addressing production and distribution processes effectively, the main burden of the recessionary adjustments has been borne largely by the poorest social groups;

- 4. That a satisfactory and lasting solution to the problem of the external debt of Latin America and the Caribbean requires a united and sustained effort by the Governments of both creditor and debtor countries and the international financing system, both official and private, bearing in mind the difficulties confronting developing countries as a result of the international economic crisis;
- 5. That we must continue to work on arguments and reasons that assist us to promote more vigorously in various fora and multilateral negotiations joint actions aimed at eliminating trade restrictions on the Region's exports;
- 6. That the persistence of profound inequalities and economic and social backwardness, particularly in the rural areas in most countries of the Region, constitutes a grave risk to political stability and social peace throughout the continent.
- 7. That to achieve growth with equity and a climate of peace in Latin America and the Caribbean it is essential for our governments to have the political will to ensure sustained economic development and to act together, while respecting the democratic principles of non-aggression, self-determination of our people and non-intervention in the internal affairs of our countries;

Taking into account

8. The agreements and main guidelines and directives adopted by previous FAO Regional Conferences, the World Conference on Agrarian Reform and Rural Development, the World Congress on Fisheries Management and Development, the Ninth World Forestry Congress, the Regional Conference on Poverty, the Treaty on Reciprocal Assistance for Food Emergencies and the International Initiative for the Eradication of Hunger;

Expressing

9. Our firm support for the work performed by FAO for food, agricultural and rural development in our countries, through its various programmes and in particular through the Regional Office for Latin America and the Caribbean, Country Representatives and the Joint ECLAC/FAO Agricultural Division, and recognizing the important assistance given by the Organization in the negotiations at the Uruguay Round of GATT,

Agree

- 10. To approve the general guidelines given in the document entitled Plan of Action, and to thank the Director-General of FAO for the timely and efficient way in which he has complied with the request made at Barbados, as well as for the excellent quality of the documents submitted.
- 11. To request the Director-General of FAO to make every possible effort to assist Governments in the Region that so request to put into effect the proposals contained in the Plan of Action.
- 12. To request FAO, as the United Nations technical agency specialized in food and agriculture, to allocate sufficient resources in the Regular Programme and to help mobilize external funds from the international community to carry out the proposals and measures spelt out in the Plan of Action.
- 13. To <u>appeal</u> to the international community, and in particular the developed countries and international financing institutions, to help put into effect the Plan of Action approved by this Conference. To this end, we <u>urge</u> that concrete and effective measures be adopted for:
 - (a) the elimination of protectionism, subsidies and other exclusive and restrictive practices affecting free and fair international trade for the developing countries;
 - (b) alleviation of the burden of external debt and the high cost of servicing it, together with reestablishment of the positive flow of external financial resources;
 - (c) suppression of the use of food as an instrument of political pressure and of all other coercive measures, such as economic blockades and trade embargoes.
- 14. To <u>reiterate</u> our basic commitment to spare no efforts to revitalize and strengthen programmes for the eradication of hunger, malnutrition and rural poverty, the achievement of food security and prevention of deterioration of the natural resources.
- 15. To <u>promote</u> the establishment and consolidation of permanent economic links between the countries of the Region, with a view to increasing cooperation, intraregional trade and economic integration by emphasizing food production, agriculture and integrated rural development.

16. To ensure that the rural development programmes carried out by organizations and governments provide due support for women so that their growing contribution to productive activities in rural areas can be reinforced and strengthened.

We, the Ministers of Agriculture of Latin America and the Caribbean, express our sincere appreciation and gratitude to the Government of the Federal Republic of Brazil, in particular to the State of Pernambuco, and to the Brazilian people for the warm welcome and generous hospitality extended to the participants of the Twentieth FAO Regional Conference and for the facilities provided to ensure the success of our meeting.

APPENDIX A

AGENDA

I. INTRODUCTORY ITEMS

- 1. Inaugural Ceremony
- 2. Election of the Chairman, Vice-Chairmen and Rapporteur
- 3. Adoption of the Agenda and Timetable

II. STATEMENTS

- 4. Statement by the Director-General
- 5. Country statements and general debate on the food and agriculture situation in Latin America and the Caribbean
- 6. Report on FAO activities in the Region, including action taken on the main recommendations of the 19th Regional Conference and Programme of Work and Budget 1988-89 in the Region
- 7. Potentials for Agricultural and Rural Development in Latin America and the Caribbean
- 8. Promoting Agroforestry for Improved Land Husbandry
- 9. Representation of the Region in the Consultative Group on International Agricultural Research (CGIAR)

III. CONCLUDING ITEMS

- 10. Any other business
- 11. Date and place of the Twenty-first Regional Conference for Latin America and the Caribbean
- 12. Adoption of the Report
- 13. Closure of the Conference

 $\begin{array}{c} \underline{\text{APPENDIX}} & \underline{\text{B}} \\ \underline{\text{ANNEXE}} & \underline{\text{B}} \\ \underline{\text{APENDICE}} & \underline{\text{B}} \end{array}$

LIST OF PARTICIPANTS LISTE DES PARTICIPANTS LISTA DE PARTICIPANTES

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Chairman Président Presidente Iris Rezende Machado (Brazil)

Vice-Chairmen Vice-Présidents Vicepresidentes Hilroy Humphreys (Antigua and Barbuda) Dean Lindo (Belize) Gabriel Rosas Vega (Colombia) Frédéric Agénor (Haïti)

Eduardo Pesqueira Olea (México) Jaime Wheelock Román (Nicaragua)

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OBSERVADORES DE ESTADOS NO MIEMBROS QUE NO SON ATENDIDOS POR LA OFICINA

REGIONAL

THE NETHERLANDS
PAYS-BAS
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Tjeerd Kaastra Counseller Netherlands Embassy Brasilia

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CONFEDERATION INTERNATIONALE DES ORGANISMES CATHOLIQUES POUR L'ACTION CHARITABLE ET SOCIALE

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LIST OF DOCUMENTS

LARC/88/1 Provisional Annotated Agenda

LARC/88/2 Report of FAO Activities in the Region

LARC/88/3 Potentials for Agricultural and Rural Development in Latin

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- Plan of Action

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- ANNEX III: Food Systems and Food Security

- ANNEX IV: Natural Resources and the Environment

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LARC/88/4 Agroforestry for Improved Land Husbandry

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International Agricultural Research (CGIAR)

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Representative for Latin America and the Caribbean

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LARC/88/REP/1 Provisional Report

APPENDIX D

STATEMENT BY THE DIRECTOR-GENERAL

Mr Chairman, Your Excellencies, Ladies and Gentlemen,

As we open, I must, unfortunately, make some mention of the terrible disaster that has just struck several countries of the Region, particularly Jamaica and Mexico. I refer, of course, to the hurricane of unprecedented violence that has strewn death and destruction in its wake. As ever, in such circumstances, agriculture and the rural population have been singled out for suffering. May I express our deepest sympathy to the governments and peoples of the countries devastated by the hurricane.

FAO is ready, as always, to offer whatever assistance its resources permit for the reconstruction of the agricultural sectors of these countries.

Panorama of the Region: expansion and the crisis

All too often, stock phrases have the strange power of making us lose sight of the realities that lie behind them. When we speak of "the hazards of agriculture", we do not always remember the innumerable individual and collective tragedies, the grim milestones in peasant life and history.

Let me give you a typical example: a bumper harvest is expected; much hard work has been done, the soil has been well prepared, the young plants have been carefully tended and the ground hoed and weeded; the weather has been fine and there have been no insect plagues. In short, the atmosphere is one of optimism and, as the ears of grain fill out, hope grows a little stronger every day. And then suddenly a hailstorm or a totally unforeseeable disease destroys all of this, causing devastation in a few moments.

First reactions to such a catastrophe are consternation and stupor. The farmer is overwhelmed when he contemplates the disaster that has not only ruined his hopes but also seems to challenge his reason. Misfortune is another enigma that paralyses the spirit.

Almost immediately, however, this apparent suspension of time is over, blood courses once more through the arteries, intelligence and determination are revived. The peasant, with his inexhaustible patience, tenacity and ingenuity, starts by trying to save whatever can be saved. He does his utmost to find immediate solutions to fill the gap left by the vanished harvest. In the longer term, he will try to understand what has happened and think out ways of ensuring that such a calamity never occurs again. In the final analysis, man's physical and intellectual energy transforms the disaster into a springboard for progress.

I see in this all-too familiar story an image of what has happened and is happening in your countries. After three decades of brilliant and sustained economic and social development, the Region has been hit by the so-called economic crisis of the 1980s. Only you, the rulers and peoples of the countries of Latin America and the Caribbean, know the weight of anguish and misery contained in this chilling phrase.

What happened exactly? During the period 1950-1980, despite the considerable differences between one country and another, the Region as a whole was sailing before the wind and enjoying sustained economic growth. Throughout those three decades, its gross domestic product (GDP) rose regularly by 5.6 percent and its exports by 4.7 percent every year. Industrial output increased sixfold. Social indicators also gave grounds for optimism: despite population expansion, GDP per caput had largely doubled; life expectancy had risen as calorie supplies increased; nutrition in general, school attendance and health services had made spectacular progress.

Although the share of the agricultural labour force in total active population fell from 48 percent in 1960 to 32 percent in 1980, agricultural production increased by 3.2 percent a year, and modernization was going well.

Admittedly, it was not all roses: progress was very unevenly distributed; rural unemployment was still high; enormous pockets of poverty persisted in the countryside; environmental degradation became an increasingly serious threat. But all in all, the general trend was undeniably toward expansion, with a more prosperous and happier future in sight.

And then came the sharp turning-point in the 1980s, when the machinery jammed. It is true that the world economy as a whole went through a phase of recession at that time, but in Latin America and the Caribbean the crisis hit harder and lasted longer than elsewhere. Just as a man running full tilt will be more easily thrown off balance by a collision than one standing firmly braced against it, so a rapidly expanding economy proves more vulnerable than any other. Intensive modernization, with the flow of external capital it requires, becomes hazardous when the system starts to seize up.

Trade in agricultural commodities acounts for a very large portion of the Region's export earnings. These commodities may be divided into two categories: first, tropical products such as coffee or cocoa, which are not subject to cutthroat competition; and second, commodities such as sugar, grains, soybeans and meat, which have to hold their own on world markets against the developed countries of Europe, North America and the South Pacific.

For the first category, demand is stagnating, since consumption is close to saturation level. Prices (which are fixed by financial markets outside the Region) have slumped. As regards commodities subject to competition, they are coming up against increasing protectionism in the developed countries: subsidies for expensive internal production; entry restrictions imposed on goods from countries with low production costs; and quotas (sometimes also used as instruments for political pressure).

With the deterioration in the terms of trade, the burden of external debt has become inordinately heavy, to the point where today this problem dominates all others. By the end of 1987 the indebtedness of countries in the Region had reached the alarming total of 421 thousand million dollars. The International Monetary Fund estimates that the servicing of this crushing debt will absorb 42 percent of the Region's total export earnings this year. How can the economy be expected to survive such a blood-letting?

Indeed, the patiently constructed edifice threatens to collapse like a house of cards. Investors are losing confidence and are not injecting any more money. Galloping inflation in the Region has reached an annual average of three figures. Real wages are melting away, the social services are collapsing, the growth of agricultural production is slowing down and rural poverty is spreading relentlessly.

The economy in some countries is threatened with total paralysis. And it is of course the poor who suffer most, who eat less (and poor food at that), who watch their hopes of enjoying better education, health and extension services, and of achieving greater competence, responsibility, dignity and reasonable income fade away. It is still too soon to make any precise estimates, but all the signs are that in some countries infant mortality is on the increase and life expectancy is decreasing.

On the threshold of the third millennium such a situation is absolutely intolerable. To the credit of countries in the Region, their leaders did not give way to despondency or passivity. They reacted very quickly, endeavouring to pinpoint the causes of the crisis, to forge strategies that would enable them to regain a hold on the course of events. These efforts, at first isolated and spasmodic, are becoming better organized and more far-reaching every day. The search is on for new ideas, and there is no longer any hesitation in challenging the development models followed in the past.

The same principles inspire this Regional Conference in dealing with the problems of food and agriculture. At this agricultural summit of Latin America and the Caribbean, FAO is determined to lend its full assistance, as its Constitution requires.

Situation and prospects for food and agriculture

I should like to mention briefly the situation and prospects for food and agriculture in the world and in the Region.

Food supplies today are adequate at a global level, but at the cost of a sharp decrease in the surpluses accumulated in recent years. World cereal production, which fell in 1987, will probably drop again in 1988 to 1 770 million tons. This is the first time in 40 years that there has been a setback for two consecutive years; this fact alone is a constant source of anxiety. As a result, world consumption will once again exceed production and make substantial inroads on stocks. If the pattern is repeated in 1989-90, world food security will be at risk.

According to forecasts, production will increase in developing countries and decline in developed countries, particularly in the United States and Canada, which are the major exporting countries. Consequently, maize and wheat prices will continue to rise sharply. The drought has hit soybean production in the United States, but there have been increased plantings in the southern hemisphere, including several countries of Latin America. This will help them to meet part of the deficit while taking advantage of the rise in prices. World sugar production and consumption are now more closely balanced than in recent years; prices are starting to climb again but are not high enough yet.

In several countries of Central America and the Caribbean, the food supply situation was fairly tight earlier this year, following poor second-season harvests as a result of drought. Fortunately, however, with good main-season harvests in July, the situation is now improving. Mexico's wheat crop was seriously damaged by drought, but subsequent widespread rains have improved the outlook for the cereal harvest toward the end of the year. In South America, a significant increase in cereal production for 1988 is expected in Brazil; a sharp reduction is, however, anticipated in Argentina. Food supply difficulties persist in El Salvador, Haiti and Nicaragua.

Turning to the other cash crops, sugar production is expected to be similar to that of last year; it will therefore be below earlier expectations. The prospects for the coffee, cocoa and banana harvests are good.

After seven years of depression, the index of export commodity prices (covering main agricultural products, minerals and metals) recovered by the middle of this year to the 1980 level. The rise in the prices of some commodities such as wheat and soybeans added to this improvement. However, in view of world inflation, prices remain on average 20 percent below 1980 levels. In addition to cereals and soybeans, many of the major agricultural commodities exported by the Region - bananas, cotton and, to a lesser extent, sugar - have benefited from the improvement in prices. On the other hand, for other commodities such as beef, coffee and particularly cocoa and sisal, world export prices remain far below the levels recorded at the beginning of the decade.

One cannot fail to be struck by the stark contrast between, on the one hand, the improvement in export prices of food commodities exported mainly by developed countries and, on the other, the persistent slump in several major tropical products exported by developing countries. This contrast, together with the volatile price movements of recent years, shows once again the severely limited effectiveness of most of the international commodity agreements, particularly those on cocoa, coffee and sugar, in keeping international market prices above break-even point. In this connection, I should like to mention the pioneering work on international sugar policies that FAO undertook three years ago in collaboration with the International Sugar Organization; this could serve as a basis for bringing order back to the world sugar market.

It is surely no coincidence that, while commodity prices registered a certain recovery, the Ottawa Summit of major industrialized countries decided to use an index of primary commodity prices as one of the indicators of inflation. I trust this does not mean that the industrialized countries are going to adopt policies to combat inflation that risk keeping export prices of tropical products, such as coffee and cocoa, at abnormally low levels. After all, raw material prices account for only a small fraction of consumer prices in the most highly developed countries; some estimates put this at barely 10 percent at present, and the trend is a declining one. Clearly, then, the North cannot solve its inflation problems by keeping down the prices of commodities exported by the developing world.

Much remains to be done to stabilize commodity prices at reasonable levels, and to make developing countries' exports more competitive. It is gratifying that, after several years of frustration, the conditions for entry into force of the Common Fund for Commodities have now been met. My staff, in close cooperation with their colleagues in UNCTAD, have already prepared programmes and projects for financing by the Second Account of the

Fund for certain commodities, many of which are important to the Region, such as bananas, meat and hard fibres. FAO will do its utmost to ensure that these efforts bear fruit in terms of concrete benefits to developing countries as soon as the Common Fund's Second Account becomes operational.

At the same time, vigorous action must be taken to facilitate access to markets and to reduce heavily subsidized production. The record is hardly encouraging, as exporters of sugar and many other products in the Region are only too well aware.

Developing countries themselves should redouble their efforts to enhance mutual self-reliance through agricultural trade. In this connection, I am particularly encouraged by the decisions taken by Ministers of the Group of 77 to bring into force the Global System of Trade Preferences. Fifteen countries of this Region have already become partners in this endeavour, and I urge others to join them.

As part of the Multilateral Trade Negotiations in GATT, the so-called Uruguay Round is approaching the halfway stage. I am sure the review to be conducted in December by Ministers at the Montreal Session of the Trade Negotiations Committee will not fail to stimulate negotiations. A number of concrete proposals have already been made, mainly as regards agriculture and tropical products. But renewed efforts to reconcile the positions of participants are needed if the objectives set out in the Ministerial Declaration of Punta del Este are to be attained.

FAO is glad to be associated with the negotiations on agriculture; it has been invited to participate in an observer capacity in all the negotiating groups dealing with this sector. It is providing technical information on commodity and trade to both the GATT Secretariat and the participating countries. The Negotiating Group on Agriculture has also requested FAO to provide the participating countries, in cooperation with the GATT Secretariat, with technical assistance in measuring the level of support for agriculture; FAO has long-standing experience in this field.

It is our hope that these negotiations will advance quickly, particularly as regards export products of interest to developing countries. These Member Nations will have the opportunity to review progress at the Uruguay Round in detail at the next session of the Committee on Commodity Problems in 1989.

Finally, I must come back to the problem of debt which is weighing more and more heavily on Latin America and the Caribbean. What I have just said clearly shows that, if things are allowed to take their course, the economy will soon become paralysed. The economic and social burden of adjustment efforts is on the verge of becoming unbearable. For the very poor, this will become - it is already becoming - a matter of life and death. There is not a moment to be lost if we wish to avoid a human catastrophe on a vast scale.

Every effort must be made to solve this crucial problem; I appeal especially to creditors to recognize the realities and to adopt measures to relax their stranglehold on the economies of debtor countries. The latter need a breathing space to get on their feet again before they are in a position to meet their contractual obligations. It is in the creditors' own interests: there is no point in putting pressure on a debtor who can no longer pay. That would merely be "flogging a dead horse", as the saying

goes. Imagination and creativity will be essential, since time-honoured solutions are no longer enough. Some people have already had recourse to unconventional methods; it is a matter of urgency to explore each and every possibility in this field.

FAO Study on the Potential for Agricultural and Rural Development in the Region

In their determination to overcome this crisis, the leaders of your countries fully understood that the dynamism of agriculture and rural areas must be reawakened if the path to growth and more equitable distribution of the fruits of development is to be followed. They knew they could count on FAO's aid and support in this enterprise. This is why the Ministers of Agriculture, meeting at the Nineteenth Regional Conference for Latin America and the Caribbean in Barbados in 1986, asked us to undertake an in-depth study on agriculture in the Region and on its agricultural and rural development potential.

After two years of desperately hard work, conducted in close consultation and cooperation with the countries of the Region and with many regional and international organizations, this study is now being submitted to your Conference. It includes a main report and five annexes each of which is devoted to one major problem, and it concludes with a plan of action outlining possible aims and objectives. The subject is so far-ranging, vast and complex that we have been obliged to work at a extremely fast pace in order to meet our deadline. Inevitably the study reflects this, and I ask your indulgence in advance for any imperfections that you may find in it.

The study is nevertheless a completely original and new work, bringing together for the first time a large number of basic data and subjecting it to systematic analysis with a view to defining the major options and strategies for improving agriculture, forestry and fisheries in the Region. The approach followed - that of concerted action, as I said just now - demostrates that our intention is devoid of any spirit of dogmatism. The study does not pretend to dictate solutions but rather suggests possible courses of action. It is not supposed to be either a collection of medical prescriptions or a cookery book. It is merely trying to stimulate reflection, to provide a basis for discussion and to give the countries of the Region an opportunity to explore the paths of progress together.

This study was prepared for you, and you will draw your own conclusions from it. I shall not, therefore, comment on it at length but rather limit myself to indicating very briefly a few of its main points. First of all, experience has shown that development models copied from those of the North are unsuited to the realities of the Region. Development is not just a matter of economics: the subject and purpose of development is man, and policies must give the social and human factor its rightful place. To boost efficiency, the modern commercial sector of agriculture was favoured in the past, to the detriment of smallholdings and poor peasants, driven back to fragile soils where their inappropriate technologies often led to irreversible damage to the environment.

The failure of past policies shows that the time has come to reverse the trend and exercise positive discrimination in favour of small- and medium-sized farms and landless peasants. This could be done by establishing agrarian structures ensuring security of tenure; by appropriate orientation of research, extension and credit services; by policies encouraging peasant organizations, cooperatives and action to help women and young people. It is

not a matter of supporting agriculture at the expense of industry but rather of expanding the base of development by motivating the peasants, and by promoting, through wise investment and financial policies, the establishment in the countryside of industries and services to bring about equitable and self-sustained development.

The moment has also come to intensify regional cooperation and integration, not only in order to take a stronger and more organized stand in multilateral negotiations, but also to diversify and to coordinate production, to expand outlets, to liberalize trade and to develop intraregional commerce.

The Region is well endowed with the natural and human resources needed for this development. FAO for its part is willing to provide your governments with all possible assistance in following up this study. Such readiness is moreover entirely in the spirit of intensive cooperation marking the activities of the Organization in Latin America and the Caribbean. Our Regional Representative will tell you about these in greater detail, so I will say only that FAO projects in the Region, particularly under the Technical Cooperation Programme, are achieving excellent results, particularly in the fields of research, training and extension.

Financial Situation of FAO

In such a setting, why should the Organization's capacity to serve its Member Nations be jeopardized by the difficulties it is facing at present?

Everything, I am deeply convinced, stems from a crisis of confidence, a more or less open disaffection on the part of a number of developed countries with regard to multilateralism, and particularly the United Nations system. The wealth of these countries makes them the major donors to our agencies, including FAO. Faced with the economic problems the countries are themselves experiencing, such as inflation and unemployment and deficits in the balance of payments, an influential section of public opinion has driven governments to reduce their support to multilateral organizations, accused of favouring the Third World to the detriment of developed countries. As we know, this is a short-sighted policy, since the prosperity of the privileged cannot last long if the developing world is abandoned to stagnation.

But the facts are there: many of our large contributors are discharging their financial obligations with considerable delays, and the foremost among them has only settled a very small part of its arrears for the last two biennia. Our Organization is therefore undergoing a serious liquidity crisis which is forcing it to restrict its activities and which, if it continues, could threaten its very existence.

Because of lack of resources, we were obliged in 1986-87 to reduce by 25 million dollars the services we provide to Member Nations. In 1988 we have had to make a further cut of 20 million dollars, which would have been even more drastic without the exceptional assistance of 15 million dollars provided by our host country, Italy. This means that 45 million dollars have been lopped off our programmes in two years, at a time when Member Nations need our services more than ever because of population expansion and the difficulties they are encountering.

As you can see, the situation of our Organization, where the need for vigorous expansion is coupled with an acute reduction in resources, is strikingly similar to that of your Region. I feel, therefore, that I can speak frankly to you. There is no point in beating about the bush; however hard things are for us today, they will be still worse in 1989. FAO runs a real risk of suffocation without oxygen to keep its programmes alive. As a temporary relief measure, the FAO Conference has authorized me to borrow - but to what extent?

If our large contributors maintain their policy of discharging only partly, or with considerable delays, their financial obligations in 1989, we may have to borrow nearly 40 million dollars that year. The alternative would be to cut our activities by this amount in 1989. I cannot bring myself to present such a proposal to our Governing Bodies. And, even if there is some hope of a change of heart on the part of the largest donor, I am still very concerned about the financial situation in 1990.

Faced with this situation, the gravity of which perhaps not all Member Nations were aware up to now, what can we do and what are we doing?

We are continually whittling down our expenses, while carefully ensuring that essential operations be maintained. We are suspending publications, meetings and travel. We have avoided filling a large number of posts as they fall vacant. You, whose governments are often obliged to make decisions which are difficult or even harsh in the short term, will understand the heartbreak I feel when I am obliged to curtail activities to which I Know our Member Nations attach great importance, and for which they had great hopes.

At all events, we are doing our utmost to maintain your Region's share in our programmes. Our efforts are being strongly supported by the Programme Committee and the Finance Committee, and the proposed cuts are subject to their approval. Latin America and the Caribbean are represented on these two Committees by eminent persons; I should like to pay tribute to their clear-sighted and constructive support for the Organization.

Review of FAO Activities

The Programme Committee and the Finance Committee have another task of paramount importance. Under a special resolution, the FAO Conference entrusted them with responsibility for undertaking an in-depth review of certain aspects of the goals and operations of the Organization, with a view to making it more effective. The two Committees working jointly, were authorized to seek assistance from experts chosen by them, in consultation with the Director-General, on the basis of their professional competence and experience, with due consideration for balanced geographical distribution.

The two Committees have been working hard; they have reached unanimous decisions on the modalities for organizing and conducting this study, on the method to be followed and the choice of experts. The latter, who, I am glad to note, include two distinguished members from your Region, have already started work. They arrived in Rome in July and had meetings with the officers in charge of our programmes. All our books and our files are open to them, and they are consulting the organizations with which we collaborate.

In short, it may be said that 1988 is the year of the experts. In 1989 the study will be finalized. As laid down in the Conference Resolution, the Director-General will present the conclusions and recommendations of the study, together with his own comments, to the FAO Council, which will then transmit it, together with its comments, to the Twenty-fifth Session of the Conference. All Member Nations will therefore have the opportunity to examine all the relevant data before making a decision.

We are expecting - I personally am expecting - very positive results from this study, for which we have had to earmark some two and a half million dollars from our scarce resources. But this review, for which there has been so much insistence, will be pointless if it is conducted on an Organization that is excessively debilitated for lack of money.

I have already appealed, and I continue to appeal, to our Member Nations, particularly the largest donor, to discharge conscientiously their financial obligations to the obligations to the Organization, in order to ensure its survival and enable it to accomplish its mission in full. It is imperative that we stand shoulder to shoulder; FAO needs the firm support of all its Member Nations.

The Specific Role of the Region

In this connection, I should like to emphasize the very special and extremely effective role that your Region plays. In thanking your countries for their unanimous action, I invite them to continue and, if possible, to strengthen it still further.

Allow me to dwell for a moment on this point. From the eyes of a superficial observer, your countries have a totally disparate image. The Region stretches from the tropical area of the northern hemisphere to the Antarctic; it has every variety of climate, soil and vegetation; it encompasses tiny islands and countries as vast as continents. Its peoples are an extraordinary mixture of cultures and races - Amerindians, North and South Europeans, Africans and Asians. Latin and Anglo-Saxon languages and cultures coexist with others still more ancient. Political systems and concepts, socio-economic structures and development levels are very different and sometimes in sharp contrast with each other.

What is the secret of the Region's unity? Paradoxically, I am tempted to answer that it springs from this very diversity. Each country, with its own heritage and values, can offer something to the others and take from them in return while still remaining true to itself. Sharing and exchange are the primary vocations of the Region in cultural matters and in technology, economics and social life. The Region's diversity encompasses many common points, common problems - we have just looked at some of them - and common objectives.

The countries of Latin America and the Caribbean have to live together and to trade with each other in mutual respect and cooperation. The Region is part of the developing world, but the World Bank and other international institutions do not consider it as being in the same state of underdevelopment as some others. It includes nations that acceded to political independence long ago and now aspire to economic independence, which their own efforts are bringing closer. I see in this pride one of the main springs of the movement toward regional economic integration.

And here I come to the heart of the matter: what makes for the deep unity of the Region, the common values which all its countries share, is, I believe, its sense of dignity. I cannot but feel in complete harmony with such a sentiment. I can only rejoice to see the strength with which it inspires the group of Latin American and Caribbean countries in FAO. They form a powerful front, active, supportive and vigorous in defence of the Organization. They keep the flag flying for multilateralism, in which they see a guarantee of the independence they themselves cherish so much.

I speak with feeling: at a time when some people are talking of a crisis of confidence, when others remain passive, when still others are too deeply plunged in poverty and dependence to speak out loud and clear, the loyal and effective support of your countries to our Organization has meant a great deal to me.

I reminded you just now of what FAO brings to your Region; it also receives much from it, and hopes for still more in future. In fact, the whole world needs Latin America and the Caribbean. Perhaps because they constitute an epitome of our multifaceted universe, because they combine the most ancient past with the most dynamic future, they have an entirely original contribution to make.

The ideas exchanged at this Regional Conference and the options thus defined will exert a far-reaching influence on the future of agriculture and rural development in the Region. They will also, I am convinced, find an echo throughout the world.

I therefore wholeheartedly wish you every success in your work.

Thank you.

APPENDIX E

AMENDMENTS TO THE PLAN OF ACTION

Page 4, paragraph 3, line 9:

... export of primary products including petroleum, ...

Page 6, paragraph 4, line 10:

... will be contingent on the public sector's ability to define its own role clearly and to induce ...

Page 7, the paragraphs under the heading "The burden of external debt" are replaced by the following:

The Burden of External Debt

The external debt of the countries of Latin America and the Caribbean - some 421 000 million dollars - is undoubtedly one of the main causes of the difficulty of simultaneously achieving economic growth, external equilibrium and a reasonable degree of stability in the level of prices, in the vast majority of the countries of the Region. Despite the recent relative improvement in some debt indicators, such as inflation of the dollar and the big increase in non-petroleum exports, debt levels in the middle of 1988 continue to be very high. The shake-up that has occurred in the direction in which resources are transferred, as a consequence of the debt, has not only limited present production but also fallen almost entirely on investment, compromising future growth. Servicing the external debt religiously means checking the recuperation of investment, employment and wages.

A set of solutions to the debt problem has been put forward, varying, of course, from one country to another, in accordance with economic circumstances, the structure of the debt and the country's relationship with its creditors. The multilateral and bilateral aspects of the debt, which are complementary and not mutually exclusive, form part of the national solutions possible in both the short and long term.

The countries of the Region have insisted on the need to adopt a political approach to the debt, in which it is recognized that the problem is one of structure and not merely an economic one, as was initially claimed, and are pressing for adjustments in the economies of the creditor countries as well, in line with the principle of co-responsibility.

Many countries in the Region seem to be reaching the conclusion that the economic, social and political cost of servicing the debt fully and trying to achieve growth with the currency remaining, may be higher than the cost of partial servicing of the debt. In fact, most of them have already been obliged to reduce debt repayments unilaterally.

Multilateral Trade Negotiations

The massive use of subsidies to make agricultural exports more competitive, the accumulation of surpluses, the proliferation of protectionist barriers, the frequent trade conflicts and the gigantic and increasing cost of agricultural support programmes in the developed countries, are problems that have aroused widespread discontent. They have led to endeavours to organize international agricultural markets and make GATT more effective in this respect, with powers to impose rules and see that they are complied with.

The concrete objective of the multilateral negotiations on agriculture is to obtain a reduction in the obstacles to importation imposed by the developed countries, discipline the use of all subsidies, direct and indirect, and reduce the unfavourable effects of non-tariff regulations and barriers.

During 1987 and 1988 the position of the various groups of countries have become clearly defined, in accordance with their interests as exporters or importers, developed or developing countries. Even when all the parties involved seem to accept the need to set agricultural markets in order, there are important differences with regard to time limits, products, special deals for the developing countries, the dismantlement of internal support policies and others. The different stances adopted have led to disagreements over ways of liberalizing international agricultural trade.

Various important countries of the Region form part of the CAIRNS Group, which is giving great importance to agriculture in the Uruguay Round of GATT. This group is devoting attention to a wide range of agricultural products and is proposing an initial programme for the organization of agricultural markets in the medium term, followed by new, stronger multilateral disciplines. It is also proposing the prompt application of corrective measures to complement the agreements on status quo and dismantlement already reached at Punta del Este. The Uruguay Round is also a very important forum for the Regions's importing countries. In the negotiations, the interest of both country groups will have to be taken into account. The best defence against export subsidies is to maintain import restrictions on subsidized agricultural products.

For the countries of Latin America and the Caribbean another sphere of interest has to do with reinforcing the priciple of non-automatic reciprocity with regard to concessions granted by the industrialized countries. Transparency is another important principle which the countries of the Region must protect, with respect to compensatory rules and rights. Trade embargoes and other discriminatory measures adopted for political reasons and without the support of the United Nations system must be forbidden.

Page 8, the first paragraph is eliminated.

Page 8, last paragraph:

Most Latin American and Caribbean countries cannot be satisfied with

Page 9, first paragraph, line 4:

However, notwithstanding the serious flaws in design, it is possible that the essence of the profound shift ... will continue ...

Page 9, paragraph 4, line 2:

Key elements of policy are to modernize the public sector to achieve greater efficiency, reorient ...

Page 9, paragraph 5, line 1:

It is very possible that severe spending constraints on governments are going to continue.

Page 10, paragraph 4, line 6:

Eliminate "for smaller producers and peasants".

Line 8:

"Governments in the Region should play an important part in stimulating the creation of production, consumption and credit cooperatives, and of other formal and informal organizations; however, the responsibility ..."

Page 11, first paragraph, line 1:

necessary stimulus to the growth of agricultural production. It is therefore considered that most of the increase in demand for agricultural products will have to come mainly from measures taken to boost domestic demand and achieve advances in food security. Although

Page 14, paragraph 2, line 6:

systems that are severely affected by the constraints imposed on government expenditures as a result of the crisis.

Page 14, paragraph 2, last line:

Add: "and the provision and marketing of inputs."

Page 14, paragraph 3, line 8:

animal health, which have a considerable impact on growth in production, must not be overlooked. There is also great scope ...

Page 15, paragraph 5, last line:

Add: "However, in some countries big irrigation works might be essential to ensure agricultural and rural development and to improve food security and equity".

Page 16, under the heading "Fisheries" paragraph 3 becomes par. 1.

Page 16, paragraph 2 (now paragraph 3), line 6:

fisheries at all scales, both coastal ...

Page 16, paragraph 5, line 6:

aquaculture and mariculture. The shortage of investment funds will impede the expansion and modernization process unless the flow of technology and funds from external sources can be accelerated.

Page 17, paragraph 6, line 3:

and technical cooperation.

Page 17, paragraph 7, line 3:

difficulties in exploiting this potential owing to the crisis. The main problems connected with trade are the competition from the EEC and the USA, based on their subsidies to exports and production, the credit facilities offered by exporters from the developed countries, inadequate shipment facilities, the high freights for products sent from one country in the Region to another, and the difficulties of access to the markets of the developed countries.

Page 18, paragraph 3, line 5:

technologies, the marketing and processing ...

Page 18, paragraph 7, line 2:

the respective countries, can be beneficial. The sensitive issue ...

Page 19, paragraph 1, line 1:

policies are required to regulate the activities of these corporations so as to take advantage of the benefits while at the same time avoiding negative social and economic consequences. The Region's long experience and the studies carried out within the framework of the United Nations system, including those by FAO, can serve as a basis for formulating policies that explicitly determine the function of the transnational corporations in the development of the rural zones and of the agricultural sector.

- Page 19, paragraph 2, replace the first sentence by: "Another problem which calls for greater international cooperation is that of drugs".
- Page 19, under the heading "FAO's role":
- Line 2: "help member countries of the Region, when requested, in formulating ..."
- Line 6: "assist countries, when requested, in implementing ..."
- Line 11: "cooperate with member countries in assessing the possible harmful impacts of the external debt and economic adjustment measures".
- Line 15: "help mobilize external resources for agriculture from the international community, while allocating increased resources from its own Regular Programme".
- Line 23: ... working in the sectors of food and agriculture ...
- Page 19, add a last paragraph:

Call to the attention of international financial and technical assistance bodies the content of the analysis and strategic and policy proposals contained in the plan of Action and in the Study, to get them to increase their allocations to the countries of Latin America and the Caribbean.

