

Resource Paper

Role of government institutions for promotion of agriculture and rural development in Asia and the Pacific Region - Dimensions & Issues



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(Edited)

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Asia - Pacific Regional Dimensions & Issues

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Introduction

The topic of this important APO regional initiative in Asia and the Pacific is the most challenging. Going through some of the latest technical documentation from FAO and other sources there is an overwhelming amount of literature presenting data, views and policy advice on a broad range of issues. The focus here is on the role of government institutions, traditional and new players, their capacities, mandate, ways of operation at the national and decentralised levels and their linkages with the private sector partner institutions at all levels.

In the background information provided by APO, two main features are highlighted: (1) Privatisation and what it means for both the government and private institutions (GI's and PI's) for promotion of agriculture and rural development. (2) New roles of GI's and preconditions for effectiveness of activities by PI's at the local community level. APO also recognises the trend towards promotion of people-based organisations, which are self-regulating and self-supporting in their operations, where innovation, drive and initiative can flourish. In view of the different national development conditions among the Asian and Pacific countries there is need for consensus building on some core issues and areas of policymaking which will provide a common ground for fruitful discussions on defining the new role of government institutions to effectively promote agriculture and rural development. Core issues and policy areas, which in any society determine the capacity to bring progress and development, are:

1. People
2. Resources

3. Technology
4. Trade
5. Policy & Institutional Capacities

Looking at the main features of each of these five core issues and policy areas we may be able to identify strategies and opportunities for GI's to promote agriculture and rural development in partnership with the private institutions.

Rural Poverty & Food Insecurity

People represent the core issue and an insight in to that issue provides a solid basis for identifying challenges and strategies for government institution and partnership building in support of agriculture and rural development. Developing countries within the Asia-Pacific region represent more than half of the world population today (a total of 3.7 billion out of 6.3 billion people in 2000), which continued to grow at 1.4 % per year (1990-2000) slowing down to 0.7% per year in 2020-2025. The share of young people will decline from 29.1% in 2000 to 21.6% in 2025, while the share of working people will increase from 61.6 % to 62.9% and of old age from 9.3% to 15.5%. The population in urban areas will increase from 37% to 51% during the same period.

Government policies towards poverty alleviation have been most successful in some large populated countries, like China and some smaller countries like Thailand. At the regional level overall poverty level has declined from 60% to less than 30% since the 1970s. Still the majority of the world's poor live in this region, about 829 million out of a world total of 1.2 billion, living on an average of just one dollar a day. Out of a world total of 792 million under-nourished people (measured over the period 1996-98 and staying at virtually the same level as in 1995), a large majority live in this region, a total of 524 million chronically under-nourished. *A disturbing feature of hunger in the region is that, despite the impressive relative decline in the share of the rural poor and the hungry, the*

absolute number of the poor and the hungry remains stubbornly at a Himalayan mountain high level.

Thus, formulating and implementing successful poverty alleviation policies to effectively reduce poverty in the region remains a major challenge and a core issue relevant to our discussion on the role of government institutions to promote agriculture and rural development. *Poverty is the most dominant rural development dimension. Within this region about 80% of the poor and the hungry are living in rural areas and about 70% of the workforce depend for their livelihoods on income and employment opportunities in the agriculture, fisheries, forestry and livestock sectors.* As an outcome of the Green Revolution, agriculture has in the last 35 years been the engine of broad based economic growth and overall development. The sector is expected to continue to play the central role in achieving sustainable food security and poverty alleviation through increasing the food production, improving productivity and quality, expanding non-farm employment and enhancing trade and overall capital formation.

Yet the impact of the Green Revolution is waning. Agricultural intensification through inappropriate farming systems has led in many agricultural areas to environmental degradation, erosion of top soils, depletion of soil fertility, declining water availability and pollution. *The trend towards globalisation leading to opening of the national agricultural markets will force small scale farmers in Asia to meet new ecological and new technological challenges towards adapting their farming systems, collaboration in small and medium size agro-enterprise development including cooperatives, food quality control, specialisation in value added production from farm and or non farm activities, marketing information and networking, which will increasingly demand for higher levels of farm and or rural business management skills.* Appropriate agricultural investment policies and pro poor pro small scale and medium level enterprise legislation which promote domestic fair trade conditions and local institution building will be needed to facilitate development of local market infrastructure and delivery of

adequate production services to small-scale farmers and their (cooperative) SME's, including appropriate small farmer production system based research and technology development, gender sensitive extension and on the job education, credit and skills training on rural enterprise development and management. *The outcome of poverty alleviation strategies to promote farm and off-farm employment generation will further depend upon increasing public investment for development of appropriate rural-urban transport, physical infrastructure and information and production technologies, which are environmentally sustainable and provide increasing market opportunities for rural small scale producers, including small farmers, landless, indigenous and disabled peoples, in particular rural women.*

Poverty is a holistic concept, which has both income and non-income components and includes entitlements within the households, community and beyond. Important is the concept of (in) equality, inequity and vulnerability to define poverty conditions for different groups of rural poor. For practical purposes it still makes sense for the concerned government agencies to focus on the number and proportion of the people falling under the absolute poverty line, which is an indicator of the extent of material deprivation, instead of on definitions based on inequality.

Throughout the region, poverty correlates in general with hunger and food insecurity. The distribution of undernourished people by sub region (1996-98) out of a total of 792 million is: South Asia 288 million, China and other Asia and Pacific countries 87 and 140 million respectively. According to the International Fund for Agricultural Development (IFAD) rural poverty report 2000 for East and South Asia, poverty is particularly high in rural areas in the Philippines (rural 51.2% and urban 22.5 % in 1997), Vietnam (57.2% and 25.9% in 1993), Bangladesh (39.8% and 14.3% in 1996), Cambodia (43.1% and 24.8% in 1997), and Papua New Guinea (39.4 and 13.5% in 1996). In India (34.2 and 27.9% in 1997) poverty levels are high but almost equally shared between rural and urban

areas. In China poverty levels are at much lower in both rural and urban areas (4.6% and 2%). These poverty figures do not reflect the impact of the recent Asian economic crisis, which reversed the trend towards lower poverty levels in many Southeast Asian countries.

To a large extent, poverty is a gender issue. Asian rural women as small farmers and or as rural labourers represent the most vulnerable rural poor. This is mainly due to lack of access to assets and unequal control over monetary and non monetary resources at household level, lack of access to appropriate technologies, education and health, higher vulnerability during economic crisis. In most countries agricultural and rural development planners do not have gender sensitive data on distribution of poverty by region, sector and gender.

To meet the food needs of the increasing world population of a total of 8 billion in 2025, an additional 3 billion tons of cereals are needed, including rice, wheat and maize. World cereal production per ha has to increase from about 2.98 tons in 1997 to about 4.2 tons per ha in 2025 (based on the estimated 700 million ha for world cereal production). During 1990-97 the average increase in rice and wheat production per ha in the Asian region has been 1.2% and 3% per annum. Almost all countries in the region are rice growing and consuming as well - some 2600 million rice consumers. Yet the availability of cereals per capita, despite the enormous increase (24%) due to the Green Revolution between 1970 and 1995 is only 225 kg per capita in South Asia and 316 kg per capita in Southeast and East Asia, against the world average of 350 kg per capita in 1995.

While in recent decades there has been less famine in most Asian countries, malnutrition and under nourishment is still a serious problem. According to FAO definition, under nourishment is a situation where food intake is insufficient to meet the basic energy requirements on a continuing basis. No fewer than eleven of the seventeen rice producing countries in the region are classified by FAO as the most severe cases of “prevalence –plus” (?) category of hunger. In these

countries the average calorie intake is only 60-65% of the official 2300kcal/person per day.

FAO has defined four dimensions of food insecurity:

1. Food availability (sufficient quantities of food supplied through domestic production, food aid or imports).
2. Food access (availability of quantity of food to individuals in terms of resources, income, common traditions or social policy entitlements). (?)
3. Food utilisation (quality of food basket for consumption determined by cultural, socioeconomic conditions of food diet, sanitation, clean water, etc)
4. Stability of access (exposure to high risks of losing access to food like in the case of seasonal agricultural labourers, people in semi desert areas affected by natural disasters, erratic rainfall and general insecurity due to armed violence, etc).

The two main dimensions of food insecurity at household level are:

1. Transitory mainly due to income and savings shortfall, entitlement failure and acute bad health conditions.
2. Chronic mainly due to inadequate access to assets for food production or income generation including access to basic education and health services and intra household resource sharing.

Women & Children

Food insecurity is often associated with vulnerable population groups in rural areas including women and children, disabled, victims of HIV-AIDS and other diseases. South Asia accounts for about 40% of the world's stunted children, while this sub-region and also East and Southeast Asia account for 40% of the under weight children (Children who are too short for their age are stunted due to

long term deprivation and children with low weight relative to their age are underweight and of underweight relative to their height, mainly due to severe short term deprivation). Whatever measures used on the world scale children in the three sub-regions are the most severely deprived. About 500.000 infants die every year, due to poor sanitation and water pollution.

Ethnic Minority Groups & the Aged

Particular population groups in Asian countries, who are increasingly vulnerable, are the many ethnic minorities, who represent mostly the absolute poor, dependent for their living on natural resources (forests, water and arable land) often in remote, mountainous areas. Food security of ethnic minority groups and communities is strongly affected by deforestation, water pollution, community land invasion by private enterprises or government agencies and the lack of appropriate skills for alternative sustainable farming systems, lack of access to non-farm employment and other sustainable livelihood opportunities. Due to the rural-urban migration and the impact of HIV-AIDS, children and the aged in rural areas are also increasingly becoming vulnerable to malnutrition.

Resources Development & Management

In the Asia-Pacific region, most of the 250 million farm households are small holders or near landless. The cultivated land to agricultural population is 0.24 ha/person compared to the rest of world average of 1.51 ha/person. Although the region has 68% of the world's irrigated land, the availability is merely 0.09 ha/person against a world average of 0.16 ha/person.

In many cases governments implement national development strategies, including fiscal and trade policies, which are biased against agriculture and the rural sector in general. These policies are seriously affecting the livelihoods and entrepreneurial development of small agricultural producers, the landless and

other producers in rural areas. *In most countries public investment in the agriculture sector (including forestry/fisheries) has been, on average, less than 9% of total public expenditure per annum, while about 70% of the total workforce depends on the sector for their livelihoods.*

As a consequence of the biased policies and budget allocations government institutions in most countries concerned have been unable to effectively promote agriculture and rural development through the provision of timely and adequate social and production services in rural areas. *The services needed in rural areas by the small farmers, among others, are: access to primary health care, education, safe drinking water and electricity. In particular needed are a wide range of agricultural services in support of market oriented, sustainable farming systems based on productivity enhancing farm inputs, technologies, extension and training, which enables small farmers as entrepreneurs and provision of relevant agricultural credit and market facilities. Services needed by the growing off-farm working population are: access to credit, technology, organisation and entrepreneurship training to facilitate off-farm enterprise development based on local resources and processing of agricultural products.*

Governments in most Asian countries have been unable to implement effective natural resources development and conservation policies. Policies and programs have been decided upon without proper consultation with rural poor and often as a result, these programs affect negatively the livelihoods of the poor in rural areas.

Fisheries with 52% of total world capture and aquaculture with 91% of the world production contribute significantly to food security in the region. Fish makes up over 50% of the animal production in most countries in the region and provides high protein food and additional nutritional benefits, which are highly beneficial to the physical and mental development of all people, especially the children. Yet the major constraint on improved income and nutrition of the rural poor and

coastal fisher folk communities is the lack of regulatory frameworks at national levels. *Sustainable fisheries management depends on participation by all the stakeholders. Yet often government policies demonstrate a policy bias which has been favourable towards large-scale industrial enterprises in the fisheries and aquaculture sector in which case, the policies favour highly profitable shrimp farming.* Yet there is a major conflict on land resource management, if due to unsustainable shrimp farm practices, the soils of adjacent rice farmers are affected. Silting of soils will diminish rice crop yields and therefore worsen the livelihood conditions of the poorer small scale rice farmers while having no equal access for the shrimp farmers to intensify and or diversify their production and agro-enterprise development.

A similar policy situation applies to forestry. Often a policy bias exists in favour of forest tree production at a large scale by professionals and private or state companies. Such forestry policies frequently exclude forest communities from playing an effective role in planning and implementation of sustainable forest development and conservation activities. Yet the rural poor have always been dependent upon forest and tree products as an essential ingredient in their daily diet and as additional income opportunities. *While much has been said in policy documents and programs about people's participation in community, social forestry, agro-forestry development, these are often not effectively applied as operational concepts in government programs aimed at sustainable forest development management and conservation.* Policy makers and program designers will benefit from the participation of rural communities, in particular women and ethnic minority groups, having extended local knowledge about sustainable use of forest and tree products for nutritional, medical and wood energy purposes.

Access to water resources in Asian countries has always been (in China and India in irrigated farming, particularly in semi arid areas) and will be ever more a major constraint on promotion of agriculture and rural development.

Deforestation, land erosion, pollution, uncontrolled and inefficient extraction of groundwater and the use of freshwater resources, mainly due to unsustainable forest, farm management systems, industrial development and urbanisation provides the background. *With all unsustainable short term oriented natural resources management practices, it is a losing game between man and nature, where nature strikes back with droughts and floods, transforming arable land in to silt plateaus and or deserts.*

The rural poor, in particular small farmers and ethnic minority groups, is often the most vulnerable from the negative impacts on their livelihoods. Current development approaches towards promotion of natural resources management by user groups and local communities are often with mixed results due to lack of real management powers at these levels as line ministries and the more powerful private sector representatives keep the control over the decision-making process, resource allocation and benefits sharing. There is a basic need for local institutional capacity building for participatory resources development and management. *Yet there is a tendency to trust too much on the market mechanisms as the only solution towards more sustainable resources management.* Conflicts between the ethnic minority groups, small scale farmers and the private enterprises, which turn hill slopes into fruit orchards, coffee and rubber plantations are on the increase.

Water shortage, either seasonal or permanent, due to gross mismanagement (e.g. monoculture) and or climate change will be a major challenge in agriculture and rural development. Urbanisation and development of intensive water using peri-urban agriculture are also new challenges to be met by the concerned government agencies in partnership with the private sector and rural communities. At the regional level inter country collaboration in water basin management and conflict management will become a key policy area for the promotion of sustainable agriculture and rural development

Since public investment programs in most developing countries in the region have largely neglected the agricultural sector in the recent past, there is an overall financial constraint at the level of the government institutions, which often have development budgets marginally above their salaries. Donor agencies have sometimes compensated for the finances in selected areas of agriculture and rural development but, by and large, have failed to meet the real needs of the rural sector.

Off-farm Employment Related Research

The important role of technology to promote sustainable agriculture and rural development cannot be underestimated in view of the needs within the agriculture sector often dominated by the highly differentiated small holder farming systems. There is need for generation of sustainable labour intensive agricultural production and large scale off-farm employment for a large number of landless and other rural poor. In view of the limits reached in the expansion of agricultural land, any productivity increase has to come from intensification and or diversification of agricultural production to meet the need for both increased yields in food products per unit of land and also the requirement for increased rural employment opportunities.

Agricultural research and development budgets are very low in most developing countries within the region except in China and India (with R & D expenditures of US \$ 330 million in 1997 and US \$ 500 million in 1994 respectively). Yet there is high return on public investment in agricultural research which contributed to an estimated 20% of China's agricultural output growth from 1993 to 1996. According to a recent international study published in 1999 the marginal internal rate of return of public agricultural research is estimated at over 50%. Agricultural research enhances the capacities of the small farmer to increase their production and productivity. Yet the full benefits in terms of employment and income from agricultural research for small scale agricultural producers depend

equally upon complementary capacity building for improved post harvest and marketing skills. The rural poor which depend upon off farm employment will benefit from increased income opportunities from growing demand for non-farm products, tools and consumer goods in rural areas and the community in general through lower food prices.

Yet, the reality is in most developing countries that, small holder agriculture is largely bypassed in the development and dissemination of new technologies. While agricultural productivity enhancement starts at local farm level most small farmers still lack adequate access to credit, extension, improved high-yielding and drought resistant varieties, chemical fertilizers, appropriate farm tools and equipment. This is especially so in the case of women, who represent the majority of the agricultural producers in the region.

The daunting tasks of the developing countries in the field of research and extension in agriculture cannot be fulfilled by the public sector alone. Certainly not by the traditional departments concerned with agriculture, fisheries and forestry and their education and research institutions. Yet the private sector by itself is not keen on agricultural research related to low level technologies in response to local farming practices and constraints faced by the small farmers, small scale fishermen, local water users and women etc. At the high end of agricultural research such as in biotechnology and plant genetic engineering (GMOs), the new technology development by the private sector is dominated by the international companies often acting as monopolies world-wide and unconcerned with small farmer related food and export crops produced in the region.

Natural resources management technologies are rapidly increasing for promotion of sustainable agriculture, forest, water and fisheries development. Following the trend towards liberalisation of trade in agricultural products within the framework of Uruguay Round/ WTO, there is increasing need in the region to promote agricultural exports which are consumer friendly in European, Japanese and US

markets. *Thus, new technology development will need to meet export requirements of food safety and quality of agricultural products. On a broader scale not only the products but the entire physical environment needs to be consumer friendly in terms of the standards set for environmental conservation, biodiversity and bio-safety, involving all stages including handling of agricultural products from farm to agro- industries and to the market.*

Government institutions need a major shift in attitude in favour of use of local knowledge for improved productivity in local food crop production, water conservation, soil improvement, etc and develop demand driven new farm technologies in partnership with the local communities and small farmers. *Government facilitation of small farmers' participation in decision-making on priorities and budget allocation for agricultural research and extension activities is of equal importance as collaboration with the private enterprises in high-end biotechnology research.*

Of equal importance is research on sustainable and labour intensive agricultural production systems and on rural off-farm production and enterprise development. On this topic, APO organised in Iran a successful regional seminar in 1998. The outcome of this seminar was indeed recognition that government policies should give more priority to investment in public research on technologies to promote agro-industries based on local resources and to the establishment of institutional linkages between them and small farmers and rural workers, through their own self reliant, representative and self managed organisations, including the agricultural cooperatives.

An emerging area of research and technology development for enhancement of agricultural productivity, value added production, processing and marketing within the small holder agricultural sector is the development of rural telecom systems and related information technology and dissemination in rural areas. Rural universities, market information centres, schools, community centres,

NGOs and farmers' groups become directly and independently interlinked in the exchange of information, education, extension and marketing activities. Such interactions enhance local opportunities for market oriented production as well as access to new technologies which better guarantee sustainable small farming systems development, natural resources management and off-farm enterprise development. Information technology will also enhance transparency and efficiency in government decision-making on promotion of agricultural and rural development programs and delivery of related public services. *Yet while some villages or village clusters could become virtual rural service centres, in most cases the development of telecom based virtual market roads between the small farms and the urban markets cannot replace the need for real development of rural infrastructure, in particular farm to market roads and improved urban–rural people and goods transport linkages.*

It will be obvious that research and technology development in these areas requires a well defined policy framework to incorporate new paradigms which respond to the ecological challenges in this sector. The paradigm should shift from “green revolution” to “evergreen revolution” and incorporate effectively the concept of pro-poor and gender sensitive small scale farmer participation and extension. The broader trade and ecological dimension of agriculture and rural development will demand a strong effort in human resources development as part of the needed institutional capacity building for management and coordination. Government needs to establish effective interactive frameworks of activities through a broad range of government institutions. Agriculture and other relevant ministries need to be restructured to facilitate effective participation of small farmer led private sector and rural organisations in the planning, implementation, monitoring and evaluation of the programs and activity mechanisms at decentralised levels between government agencies, private sector agro -enterprises and institutions including representative small farmers, producer and marketing organisations, agricultural cooperatives and community level NGOs.

A policy framework for increased regional networking and collaboration among Asia- Pacific countries is needed to collectively meet international trade related research and technology development demands. International research and development efforts need to be focussed on promotion of national capacity building for agricultural research on productivity improvements in local food and agricultural crops and livestock produced in humid and semi arid areas within the region.

Collaboration between the Institutions

Asian countries are the major trading nations in food and agricultural products. Countries like Thailand and Vietnam are major rice exporters; Malaysia and Indonesia are rubber exporters and so on. About 26% of the total agricultural output in the East and Southeast Asia are exported mainly to USA, Europe and Japan, of which about 65% originates from Thailand and Malaysia alone. While Asian countries are active international trade partners a whole range of policy issues are to be addressed within the framework of the Uruguay Round and WTO agreements. Asian countries are reluctant to further liberalize trade in agricultural products for two reasons. First, the concept of national food security/food self-reliance is still considered valid to protect the local small scale rice producers. Second, expected mutual efforts towards liberalisation of imports of food and agricultural products by the developed countries like in the European Union and USA have not taken place convincingly. Yet there are major reasons for government institutions to be reformed and strengthened in order to promote agriculture and rural development through trade at regional and international levels. In most countries the customs departments and port authorities are among the most corrupt agencies, leading to the loss of income for the state and lack of adequate control on quality, disease, etc. Agreed quotas in imports and exports of agricultural products can not be monitored also with interstate borders, which totally lack control, transparency or even telecommunication equipment.

Yet the greatest challenge for the Asia and Pacific countries lies in the development of highly modern technologies for food safety and quality control either upon demand from importing developed countries or following the emerging importance of imported GMOs, particularly the corn and soy products consumed by the Asian consumers. According to the World Bank, about 50% of the annual development investment funds have to be reserved for meeting the sanitary and phyto-sanitary requirements (SPS) and conditions for protection of property rights (IPS).

Governments will need to build institutional capacities at the national and international levels (country representations, regional collaborative frameworks in collaboration with international agencies including UNCTAD, FAO, ILO and WTO) for research on various trade-offs in the new trade agreements and provisions in the existing agreements, which should provide necessary safety nets in trade, environmental protection and biodiversity conservation. Many developed and developing Asian governments, though often do not subscribe to, remain rather passive towards a wide range of international conventions and codes of conduct, concerning sustainable management of agriculture, fisheries and forestry or related to quality of food and nutrition, environment, food security, etc. The whole body of international agreements affecting food and agriculture has to be taken into account within the framework of globalisation and trade in terms of their impact on food security and sustainable agriculture and rural development. Governmental level meetings in this region, facilitated by FAO for its 26 South and Southeast Asian and 12 Pacific Island member countries, provide a regional platform for a dialogue and joint decision-making on these matters.

Cereal trade liberalisation will have a profound impact the on small-scale rural food producers in both cereal production and processing. The World Bank recognises that there will be large scale changes in the agricultural sector affecting small scale producers which need to diversify their crop and agricultural

production and specialise in local food products for urban consumer markets. To meet WTO related requirements in the light of the prevailing low quality of both the social (education and health) and agricultural support services in rural areas, government institutions need to be restructured and decentralised to establish effective partnerships with private institutions, especially with the representative small agricultural producers' organisations and agricultural cooperatives.

Agricultural cooperatives, used to mainly distribute agricultural inputs or related purposes, often are not able to respond to the needs of local entrepreneurship development either as agricultural or as off-farm producers. This policy area will become important within the context of WTO as the private sector is unable to fill the gap in the provision of services. Secondary level agricultural cooperatives in agro-processing and marketing will have to be developed and, where necessary, rehabilitated. Producer groups need to be organised and trained as market oriented entrepreneurs, able to develop specific urban market demand driven production capacities based upon diversification of their produce. Export of food and agricultural products through effective agricultural cooperative networks in the Asian countries will be a major policy area in the promotion of agriculture and rural development. To effectively guide this process, the Government needs to develop a policy dialogue. Government institutions need to consult and collaborate in the design and implementation, monitoring and evaluation activities at the local, regional and national levels with the agricultural cooperatives and small farmers based commodity organisations. A major effort in education, training and provision of credit for small and medium enterprise development will be needed.

Finally public investment for rural infrastructure will be needed to improve rural-urban transport and market linkages. Telecommunication networks and a consistent rural energy development policy are needed. Rural electricity production, if based upon fuel wood and biomass, by small farmers and rural

poor, will stimulate income generation and rural employment and thus contribute to rural poverty alleviation.

It is evident that governments alone cannot mobilise all the necessary resources for the needed investments. Therefore practical solutions will have to be found at the local community and regional levels. Also large-scale donor support from the developed countries, World Bank and ADB will be needed. The most important factor is the change in attitude among the political leaders and senior level government officials in favour of agriculture and rural sector and the needs of the rural poor. That the road will be long and arduous may be clear from a comment by Mr. Thomas Fuller on the meeting of G8, world's most powerful economic countries in Geneva (Herald Tribune of 18 July, **year missing?**). "For Italy, globalisation had bad aspects during their Long March to modernity: inequality of incomes, concentration of wealth, poor working conditions and exposure to environmental degradation, political corruption and bribery, organised crime –all the social phenomena that crowd around any environment in the middle of radical change. Then comes the final shot: I am sure many Italians wish to be as boringly normal as countries like Switzerland and Sweden. Here is the news they will get their wish WITHIN A CENTURY". In this long-term perspective the major issue in Asia and the Pacific is not to present ambitious agricultural and rural development policies and plans but to allocate adequate resources and to immediately put them in to operation with effective participation of the rural poor.

Strengthening NGO's & Private Institutions

At the recent 25th FAO Regional Conference for Asia and the Pacific in Yokohama (Japan) in September 2000, member governments adopted policy recommendations relevant to the above mentioned core issues. One recommendation to the governments is that they, as well as donor organizations, increase funding for agricultural research and for supporting institutions relevant for small-scale farmers. The second recommendation is that they implement

policy reforms that encourage private and public sector participation in economic activities in accordance with their comparative advantages. A third recommendation is to encourage governments to focus on addressing market failures, ensuring competitiveness and quality of support services, protecting the environment and common property resources and promoting balanced regional development. Member countries also adopted a recommendation that urges FAO to assist member countries to develop micro credit programs, extension services, education and marketing support for small scale farmers, especially women, the less skilled and the disadvantaged. To support small scale farmers' entrepreneurship development FAO was recommended to assist countries in the region to establish clearly defined and enforceable land and property rights and broad based decentralised development of economic activities in rural areas. Of immediate relevance is the request to FAO to provide direct support and capacity building services for carrying out needed agricultural sector reviews, assessment of policies for food security and poverty alleviation and studies on resource pricing policies in such cases as water and irrigation.

The recommendations adopted at the 25th FAO Regional Conference cover also such topics as fisheries, forestry, data collection, assistance to meet the WTO requirements. The Conference encouraged FAO to collaborate with all the relevant organizations in developing national and regional strategies for food security and rural development to ensure coherence and relevance of activities and adequate financial support for its own activities in the region.

The outcome of the FAO Regional Conference has recently been put in to operation as part of the program planning for 2002-03 for the Regional Office of FAO. The Assistant Director General and Regional Representative Mr. R.B. Singh presented a program of work to FAO Headquarters for consolidation of overall FAO world wide activities, which covers a long term period of planning based upon biennial work plans towards 2015 and gives top priority in the region to:

1. Rice based livelihood systems and their role in lessening hunger and rural poverty.
2. Bio-technology, bio-security and bio-diversity: towards an evergreen revolution.
3. Disasters: Early Warning, prevention, preparedness and management.
4. WTO: Capacity building, multilateral trade and an enabling environment.

A regional consultation with the Asian NGOs, farmers' organizations and representatives from the agricultural cooperatives and rural workers organizations was also held parallel and as an input to the discussions by member governments at the 25th Regional FAO Conference. In September 2001 another regional FAO consultation with the NGO's will take place in Bangkok. The focus of this meeting will be on the actual outcome of the World Food Summit held in 1996 in Rome and the follow up of the meeting within Asian and Pacific countries.

The FAO Regional Office has a long history of innovative ways of regional and national level collaboration with the Asian NGO's and private institutions. Two major networks which have a special relationship with FAO are the "Asian Coalition for Agrarian Reform and Rural Development" (ANGOC) representing over 13 Asian NGO country networks and the "Network for Promotion of Agricultural Cooperatives in the Asian and Pacific Region" which represents government agencies and cooperative movements jointly from about 13 Asian and Pacific countries. In partnership with these two networks and many other NGOs and farmers' and rural workers' organisations in the region, FAO-RAP supported a broad range of activities to promote sustainable agriculture and rural development at regional and country levels. The Rural Development Section within RAP has been for many years technically responsible for these activities. In fact all technical units of RAP are involved and participate in activities when

relevant to them. Today the focal point for FAO-NGO collaboration in RAP is the Policy Unit.

One FAO promoted normative model for government collaboration with NGOs encourages sustainable agriculture, natural resources management, rural development and poverty alleviation. Initiated at the FAO Head Quarters in Rome by the Human Resources Division, this is one out of the annual activities implemented with ANGOC and dates back to 1990. Called the Project Formulation for Peoples Participation in Rural Development Activities, it is still the most valid topic today. The process of dialogue among four government agencies and four NGO representatives led to effective (re) formulation of funding and operations of 19 projects covering community health services, urban poor, cooperatives and self-help groups, small scale fisheries, community forestry and environment and agrarian reform development. What is most relevant is laying the foundation of such a collaboration based upon mutually agreed principles and a detailed framework and mechanism for participatory project formulation for people's participation in rural development activities, covering the ongoing and new project activities from planning and implementation to monitoring and evaluation.

FAO-RAP has provided member countries' government agencies and people's movements active support to promote cooperative development policies and institutional capacity building enabling small-scale farmers to develop viable membership-based agricultural cooperatives. The NEDAC regional network is composed of membership paying members and autonomous entities in the region representing thousands of primary, secondary and tertiary level agricultural cooperatives covering both food and agricultural commodity sectors as well as provision of agricultural support services such as fertilisers, credit and marketing, at regional ministerial conferences and to the International Cooperative Alliance with a regional branch in New Delhi. FAO Rural Development Section in RAP and NEDAC jointly organise regular study seminars

and regional level country exchange programs for cooperative leaders, managers and policy decision makers. Member countries include among others China, India, Bangladesh, Nepal, Sri Lanka, Thailand, and Mongolia, and provide a unique platform for policy dialogue and advocacy of favourable agricultural cooperative policies and institutional capacity building for small farmers as viable entrepreneurs in the rural sector. The core issue in the promotion of effective partnership between government agencies and agricultural cooperatives is the recognition by law and effective administrative technical and financial support to promote genuine membership based and managed agricultural cooperative enterprises. Member governments from Vietnam, Thailand and Nepal have requested FAO-RAP technical support and are receiving technical assistance in this area. The FAO Regional Rural Development Unit has organised country level Round Table meetings and Training of Trainers seminars based on a training toolkit on agricultural cooperative development in Thailand, Indonesia and Nepal and currently in Mongolia.

Decentralisation has become a key word in policy debate and formulation of strategies for improving coordination between the public and private institutions for agricultural and rural development. There are many significant opportunities for effective participatory planning and implementation of agricultural and rural development activities, which combine resources, technology and local knowledge of government and private institutions. Yet there are also many pitfalls particularly in terms of regulatory framework for decentralized budget allocation, which generates local institutional resources and capacities and guarantees transparency for all stakeholders. Secondly, leadership and professional skills formation are major challenges in building local government capacities, able to timely and effectively respond to genuine local demands from the rural poor.

The FAO Regional Rural Development Unit has on behalf of the Rural Development Division based in Rome gave priority attention to capacity building of member governments in the field of decentralised participatory planning for

sustainable agricultural and natural resources management and poverty alleviation. Recently a training toolkit has been developed in collaboration with the Centre for Integrated Rural Development and the National Institute of Rural Development in India. The first draft of the document, being field tested and thoroughly discussed among experts, is practical and very enriching on normative background developed by FAO and on facts and modalities for participative decentralisation for poverty alleviation applied in the State of Maharashtra in India. Upon request of the member countries, the FAO Rural Development Unit will assist in further development of such training toolkits in Asia-Pacific countries for strengthening capacities of government institutions to establish mechanisms for coordination between public and private institutions to promote sustainable agricultural and rural development. Requests for assistance from the Unit have been received from UNDP in Vietnam and Nepal and assistance has been provided in policy advice on this important topic.

I thank you for your attention to this FAO contribution to this important meeting of APO on changing regional policy dimensions for agricultural and rural development in Asia