



European Commission on Agriculture (ECA)

35/1 Meeting of the Executive Committee
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Agenda item 5 – Background note **Empowering Smallholders and Family Farms for improved Rural Livelihoods and Poverty Reduction -The Smallholders Initiative**

1. Introduction

As a result of the land reforms of the 1990s, The REU Region is largely a region of smallholders, while some countries have maintained their farm structures or continue to have a dual farm structure; i.e. few large corporate farms and many economically non-viable smallholders. Nevertheless, smallholders can achieve high levels of productivity and income through sustainable intensification of production and better organization and integration into agri-food chains. They often require support through functioning public and non-public rural services, which are usually provided through a combination of state and private sector initiatives. In the focus countries of the Region, public services for smallholders are underdeveloped and thus prevent economic development. Furthermore, the local organization and representation of farmers' and rural households' interests is weak. Climate change also threatens ecosystems and sustainable livelihoods in the region's most fragile areas.

Family farming can be a model to achieve sustainable growth, food security and mitigation of rural poverty. Family farming, even on a small scale, including subsistence farming and household plots, is an important factor in mitigating rural poverty. Without incomes from household plots, many rural households in transition countries would not be able to afford even the most basic national food basket. Family farming is the main contributor to food security, through its role as the essential agricultural producer in our Region.

The relations of the following parts of the background document are illustrated in Annex 1.

2. Background

The Smallholders Initiative is primarily built upon (i) the UN International Year of Family Farming (2014); (ii) the "FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests" in the context of National Food Security; (iii) the established partnership in the European region; (vi) the priority working areas of the Country programming frameworks (CPFs) of the targeted countries.

3. Priority actions of the Smallholders Initiative

The Regional Initiative is a complex **multidisciplinary** and **area-based development** approach, which is specifically tailored to the REU region. The Smallholders Initiative is driven by a **holistic approach** as a basis for sustainability and development in the region. It takes into consideration the

heterogeneity and challenges that the region will face up until 2050 and the main emphasis of work in the coming years. This includes **technical** (animal health, production, phytosanitary, etc.) **social, economic** and **environmental aspects** on an equal footing. **Inclusiveness** (e.g. gender, vulnerable groups, etc.) is also a key principle of the Initiative.

The **overall goal** of the Smallholders Initiative is to focus on the key problems of rural people by empowering smallholders and family farms to achieve improved livelihoods and poverty reduction. **Elimination of rural poverty, improving the resilience of rural population** (focusing on smallholders) and **inclusive growth** of rural economies based on the **sustainable use of natural resources** are the basic principles of the Smallholders Initiative.

The Smallholders Initiative tackles two main **focus areas**: (i) policy, institution and governance, and (ii) farms and communities. Within these focus areas different priority actions are defined, which entail cross-cutting approaches and bringing together multidisciplinary teams to work with rural communities. The main **priority actions** of the Initiatives include strengthening governance and policies, building capacities, enhancing participatory approaches, supporting smallholders in sustainable production technologies, supporting land consolidation processes and income diversification as well as smallholders' access to markets, rural finance and value chains. All of these priority actions – under the umbrella of the Initiative – will contribute to the empowerment of smallholders and family farms.

4. Expected results

The Smallholders Initiative addresses the key issues of rural people by empowering smallholders and family farms for improved rural livelihoods and poverty reduction. In light of this, the Smallholders Initiative aims to achieve the following results:

1. Increased **participation** of farmers and rural communities in national development;
2. Enhanced sustainable and inclusive **growth of rural economies**;
3. Improved **sustainable management** of natural resources and resilience against climate change.

The expected results of the Initiative relate to all strategic objectives. Therefore, the Initiative presents the most inclusive modality for the work in the Region. It allows a further focus of the work, but it also reflects the main emphasis of work in the proposed PWB. To sum up, the Initiative is taking the on-going work of HQ, REU, SEC and the country offices (where it exists) and creating **synergies**, while including newly planned activities under the PWB 2014-15.

5. Focus countries

The Initiative builds upon the region's problems; the focus of the work will be targeted towards the countries where it is expected to achieve the most impact with regard to resolving the problems of rural poverty and smallholders. A sequential approach will be used by building on on-going activities in the selected countries; especially Albania, Armenia, Georgia, Kyrgyzstan, Moldova, Former Yugoslav Republic of Macedonia, and Tajikistan.

6. Main partners and resource mobilization

Established partnership and cooperation with different institutions and organizations in the European region is one of the main elements of the Initiative. Consequently, it is built on the active cooperation with following partners:

- The European Union is a longstanding partner of FAO, and especially the Regional Office. Collaboration is on-going with the European Commission (EC) and its Delegations (EUD) in REU's focus countries.

- The Regional Rural Development Standing Working Group for South Eastern Europe (SWG), an FAO REU partner since 2005, working to empower and promote sustainable principles for agriculture and rural development through networking and permanent cooperation between all stakeholders in the SEE region; and
- LANDNET, an informal network functioning since 2002 and dealing with land tenure issues.

In the long term, active partnership and dialogue will need to be developed and strengthened with other relevant partners and stakeholders in the region, making use of existing cooperation techniques (such as the ERC and Informal Consultations). For the proper consideration of local needs, relevant to the Initiative, FAO will also build closer ties with civil society organizations, NGOs and the private sector.

Potential resource partners for the implementation of the Regional Initiative are the European Commission, Turkey, the Russian Federation, Switzerland, Austria, the World Bank, and through South-South Cooperation Agreements.

7. In practice – Examples of activities that contribute to the Smallholders Initiative

The Initiative is consolidated within REU and SEC's on-going work, creating synergies while also including newly planned activities under the PWB2014-15 including all its annexes. This will enable REU to implement the PWB 2014-15 in a coherent, coordinated and efficient manner following the results-based management approach, and help to achieve the Strategic Objectives set by the Organization.

ENPARD Georgia

The EU funded ENPARD (European Neighbourhood Programme for Agriculture and Rural Development) project is implemented in Georgia. The project aims to improve the **competitiveness of the agricultural sector** in Georgia by supporting improved policy making and effective implementation of the Strategy for Agricultural Development.

Specifically the project will help improve effective policy making at the Ministry of Agriculture, including preparation of programmes, fostering monitoring and implementation processes as well as building capacities. The project also provides assistance on strengthening farmers' cooperation and capacity building for improved agricultural extension services. The impact of the project will be to contribute to increased food production in Georgia and to reduce rural poverty.

Land tenure and land consolidation in the Balkan region

The structure of the agriculture sector in Bosnia and Herzegovina, as well as Macedonia is based on small-scale family farms with large fragmentation. The projects will contribute to sustainable rural and agricultural development. This will be implemented through longer-term improvements to rural land tenure arrangements by supporting the implementation of the national strategy for land consolidation in Macedonia and in Bosnia and Herzegovina by supporting the formulation of a strategy for land consolidation and increasing the capacity to design and implement modern land consolidation projects through direct implementation of voluntary land consolidation in selected pilot areas.

In reality, as these examples show us, the classification of the priority actions allows some permeability, and the ten priority actions cannot be separated from each other. There could be some overlapping as well as interdependency, since one single project might contribute to multiple priority actions. On the other hand, this structure will ensure that the single activities can be joined together to create synergies and efficiently achieve the overall results of the Smallholders Initiative.

ANNEX 1

