



**FAO POLICY
LEARNING PROGRAMME**
Capacity Building Programme on Policies and
Strategies for Agricultural and Rural Development



EASYPol
Resources for policy making

ISSUE PAPERS

EASYPol Module 066

FAO's Role in Policy Support

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Resources for policy making

FAO's Role in Policy Support

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for the

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS



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1. SUMMARY

The Panel will discuss the role of FAO in addressing major strategic issues and policy challenges in the field of agriculture and rural development. In particular it will identify how FAO can assist its members and the international community in the design and implementation of policies for agricultural and rural development in order to achieve national policy objectives as well as contribute to the achievement of the Millennium Development Goals (MDGs).¹

2. INTRODUCTION

The panel will be part of the wider Capacity Building Programme on Policies and Strategies for Agriculture and Rural Development. Within this programme, the Panel will be preceded by presentations of global trends and policy environments that are influencing the food, agricultural, fisheries and forestry sectors and that constitute the emerging future framework within which governments and other stakeholders have to operate at sub-national, national, regional and international levels.

Objectives

The discussion will be centred on two issues, namely FAO's role with regard to:

- Positioning of agriculture and rural development and choice of effective strategies in the global context and in national macro policy frameworks.
- Supporting policies at sector and sub-sector levels related to agriculture and rural development.

Required background

To guide and facilitate the discussion, this Note presents some background information and elements for reflection by the participants.

Readers can follow links included in the text to other EASYPol modules or references². See also the list of EASYPol links included at the end of this module³.

¹ The evaluation of FAO's policy assistance to member countries conducted in 2001 "found that policy was an increasingly important area for developing countries". It underscores that "The place of policy on the development agenda has been steadily increasing in importance... the pace of globalisation has meant that if countries are to reap its benefits, rather than suffer from its disadvantages, they must restructure their economies to maximise trade opportunities and introduce national measures in line with their international commitments. It continues by advising that "FAO should accord its work in this area greater overall priority". The evaluation also underlines the key role to be played by FAO Representatives and staff from decentralised offices in FAO's policy assistance programme.

² EASYPol hyperlinks are shown in blue, as follows:

- a) training paths are shown in **underlined bold font**
- b) other EASYPol modules or complementary EASYPol materials are in ***bold underlined italics***;
- c) links to the glossary are in **bold**; and

3. HOW THE PANEL WILL BE CONDUCTED

At the outset of the session, the moderator will briefly introduce the purpose of the panel and summarize the issues to be discussed, as outlined in the Note below.

The panellists will not make initial statements. Instead, they will be asked to present their points of view in response to a set of questions which are listed at the end of the two sections of this Note. Essentially, these questions relate to FAO's contributions to date and how the Organization should confront policy related challenges in the future. The first section addresses the positioning of agriculture and rural development in a macro-political context and the choice of food security strategies. The second will then centre on the role which FAO plays or should play in supporting policies under various key substantive domains at sector and sub-sector levels.

4. GLOBAL TRENDS AND CHALLENGES REQUIRING POLICY RESPONSES

Agriculture and rural areas in many developing countries are the source of livelihood for the majority of the poor and hungry. Yet, they are confronted by major changes in the global environment, brought about by a wide array of determining factors, including trade and marketing structures, capital flows, communication links, adaptations of life styles, changing states of natural resources and increasing frequencies of natural as well as human induced disasters.

In addition to these global trends, recurrent and new challenges requiring policy responses are also occurring within countries. They range from urbanization to far reaching structural changes affecting entire production and retail/distribution systems, new demand for agricultural raw materials as a source of bio-fuels, tighter limits of natural resources, in particular water, and continuing inequities in people's access to jobs, assets and food.

These complex trends add to the difficulties even committed governments are facing in the fight against hunger and poverty, in particular in rural areas. Many poor countries have difficulties in drawing adequate benefits from the on-going process of trade liberalization and globalization. Domestic supply constraints and policy failures have prevented poor countries from capitalizing on new market opportunities. Moreover, the scaling down of state involvement in market operations which they had to undertake as part of structural adjustments has often not been followed by an expansion of the private sector due to institutional rigidities and lack of public investment on the rural supply side. For example, rural areas are often not receiving sufficient levels of public investment in infrastructure, research, technology transfer and extension, expanded and sustainable access to natural resources. Without adequate supply of such public goods, there are no or limited chances for mobilizing the rural economy on a competitive and sustainable basis. In addition, supply side investments need to go along with the establishment of social safety nets, if the most marginalized population groups are to

d) external links are in *italics*.

³ This module is part of the EASYPol Training Path: [Policy Learning Programme, Module 1, Session 3: Role of FAO.](#)

participate in the development process. Lacking such investments, many of the poorest countries are confronted with problems of stagnating growth, increasing agricultural trade deficits and continuing food insecurity.

All of these trends are relevant for FAO's policy work, although to different degrees. FAO is the lead international agency for agriculture, forestry, fisheries and rural development. It works to alleviate poverty and hunger by promoting sustainable agricultural development, improved nutrition and the pursuit of food security - defined as the access of all people at all times to the food they need for an active and healthy life. FAO's main instruments of relevance to policy support are Monitoring (including monitoring progress toward reaching the WFS target and the hunger indicator of MDG One), Analysis, Campaigning, and Assistance at country level.

At the international level, FAO has a mandate and an important role in assessing the state of food and agriculture, facilitating of dialogue and of setting global or regional goals and drawing attention to factors of success and failure in achieving them. FAO also has a policy role at country level, where its policy assistance is neutral and where the Organization can play an honest broker role among different donors and UN partners.

5. SECTION 1: POSITIONING OF AGRICULTURE AND RURAL DEVELOPMENT AND CHOICE OF EFFECTIVE STRATEGIES IN THE GLOBAL CONTEXT AND IN NATIONAL MACRO POLICY FRAMEWORKS (FAO'S ROLE)

This first part of the panel discussion will focus on the relative importance given to agriculture and rural areas, relative to other sectors and to urban areas in national and international priority settings, resource allocation and food security strategies. There are essentially two issues which need consideration. One is the determination of what are appropriate goals and levels of resources which should be allocated to agriculture and rural areas in view of the sector's importance for the pursuit of societal goals, in particular the reduction of food insecurity and rural poverty and the effective functioning of the agricultural sector and the rural economy. The other is the design and implementation of an adequate strategy through which these goals can be reached.

Positioning the agriculture sector adequately in the overall macro policy context and choosing the most effective food security strategy is essential for the achievement of the **Millennium Development Goals (MDGs)** for two reasons. (i) More than two thirds of the poor live in rural areas of developing countries and depend directly or indirectly on agriculture, fisheries and forestry for their livelihood. It is therefore obvious that policies which improve the living conditions of rural people are decisive for the eradication of hunger and poverty, hence for attaining MDG 1. This has also been recognized by the World Summit of September 2005 (see paragraph 46 of Outcome document). (ii) Adequate nutrition, including absence of micronutrient deficiencies and access to safe drinking water, is essential for people's health, learning ability and physical productivity. It is therefore also obvious that food security is a necessary precondition for the achievement of several other MDGs, in particular: to lower child

mortality (MDG 4), children's school attendance and performance (MDG 2), maternal health (MDG 5) and to succeed in preventing or combating various other diseases (MDG 6). On the other hand, achievement of the other MDGs, including in particular the sustainability of the environment (MDG 7), is also essential for food security and MDG 1.

5.1. The role of FAO at international and national levels to ensure adequate attention to agriculture and rural areas

- Although there has been some progress in reducing the number of hungry people in the world, progress has been far too slow and the number of hungry people has even increased in many developing countries. Most experts agree that there is no justification for this situation. There is increasing consensus that investment in agriculture and rural areas, accompanied by appropriate policy reform, can reduce poverty levels much more significantly than comparable investments in other sectors. Yet, in many of the poorest countries, where undernourishment is most prevalent, resources allocated to agriculture, fisheries and forestry and other rural sectors do not reflect these sectors' potential contribution to the alleviation of hunger and poverty. Moreover, over the last decade, bilateral and multilateral grants and concessional financing for agriculture in these countries have even declined in real terms and so has national funding in many cases. Hence there is an obvious need for corrective action.
- FAO has the mandate, competence and recognition to draw attention to this need and mobilize political will to take corrective action. It also has the expertise and credibility to propose best policy practices and effective strategies.
- At the **international level**, FAO is very well placed to call for action, mobilize political will and facilitate consensus among governments and all stakeholders.
- At **national levels**, FAO also has a number of comparative advantages in assisting willing governments and other stakeholders in their efforts to position agriculture adequately and implement better food security strategy: country presence, competent staff, neutrality, working with other UN agencies, financing and donor agencies. It is the national level, where the real decisions need to be made and concrete action needs to be taken.

5.2. Mechanisms by which FAO provides policy support

- **Information sharing and communication:** working with partners, FAO has a world-wide overview of the state of food security and of best practices. Publication of statistical data, state of food and agriculture, indicators and best policy practices is a very effective mechanism for the dissemination of that information.
- **International fora for policy dialogue and agreements:** FAO also has the capacity and experience in providing an international platform, where governments and all other stakeholders, including civil society organizations, can exchange experience, reach consensus on best practices and call for action. The platforms for dialogue include FAO's own bodies, e.g. the standing intergovernmental Committees on

Agriculture, Fisheries, Forestry, Commodity Problems and World Food Security, respectively.

- **Policy assistance and advice:** at country levels, FAO can serve as neutral source of policy advice and assistance, including capacity building. It can also provide, facilitate and coordinate cooperation among UN Agencies and bilateral agencies.

Question 1.1: What has FAO been contributing to the strategic positioning of agriculture and rural areas in poverty and hunger reduction?

The following constitutes some indicative and non-exhaustive elements for reflection to facilitate the discussion of this question:

At international levels, some key highlights are:

- **Accumulating information and knowledge:** Through its statistical data collection (FAOSTAT) and through its analytical work, FAO has drawn attention to the level and distribution of hunger and rural poverty in the world and to the important, but widely neglected role of agriculture and rural areas in the alleviation of various forms of food insecurity.
- Convening two **World Food Summits** (1996 and 2002) with a widely recognized Plan of Action.
- Contributing information and calling for action at **other high level UN Summits**. (Examples: Earth Summit in Johannesburg 2002; International Conference on Financing and Development Monterrey 2002; World Summit New York 2005)
- Proposing an **Anti-Hunger Programme** for implementation at national levels, outlining five priority areas for public investment and policy reform within a **twin-track strategy** to fighting hunger and poverty. The strategy combines policies and investment in sustainable productivity enhancement for smallholders in agriculture and rural areas (track one) with the provision of immediate access of the most needy to food and basis social safety nets (track two).
- Facilitating **high level commitments**, at national and regional levels, to increase the share of public budgets allocated to agriculture and rural areas. (Example: Maputo Summit of the Africa Union in 2003).
- **Policy assistance at national levels:** FAO's contributions comprised:
 - Assistance in the design, and implementation of **national food security strategies**, including the mobilization of financial resources and donor support
 - **integration of food security in PRSPs and UNDAFs**
 - other examples?

Question 1.2 Where should FAO focus its future activities within this area (adequate positioning of agriculture and rural development)?

The following constitutes elements for reflection to facilitate the discussion of this question:

▪ **FAO's role at international level**

As the target year of the commitments of the World Food Summit and of the Millennium Development Goals (2015) comes nearer, FAO will be even more called upon to **act as a Knowledge Organization** and present analyses of success and failure in achieving these goals and in following up to the consensus documents of the various Summits of the recent past, which are still valid and widely recognized. This includes first and foremost monitoring progress in the **reduction of hunger and malnutrition** and rural poverty as foreseen in the Plan of Action of the WFS and the MDG One. Monitoring is equally important with regard to actions to enhance the **role agriculture and rural areas** in hunger and poverty alleviation, in particular in terms of shares in national budgets, investments and development finance.

FAO's policy support is also needed in terms of recommendations for **improved food security strategies**. Drawing on practical experiences, and building on the basic concept of twin-track strategies, FAO's analyses and strategy recommendations will be particularly needed regarding improved policy tools that can better address the **risks and social dimensions of agriculture and rural development**. Poor and hungry people face various forms of risk, in particular those caused by human induced or natural disasters. Emergency situations have not only become more frequent, more intense and more costly. They often also hit the poor disproportionately. FAO has the capacity to develop policy recommendations as to how poor people's resilience and ability to cope with such risks can be strengthened. FAO's policy recommendations are equally needed on how vulnerable people can be better reached and how inequities, in particular gender inequality, can be overcome on a sustainable basis.

▪ **FAO's role at national level**

FAO will face a continuing need and demand for policy assistance at country level. Concentrating on countries with unsatisfactory progress in hunger reduction and in achieving the MDGs, three areas of work seem particularly important in the future:

- Assistance in assessments and in design **food security strategies** in support of the country-specific PRSP and MDG processes.
- Integrating investment and safety net policies into **coherent twin-track strategies**, ensuring adequate and effective dealing with risks and targeting poor and vulnerable population groups. Countries will need advice and assistance in making investments and productivity enhancing policies on the one hand and, on the other hand, in establishing mutually supportive social safety nets, including nutrition and food assistance,. Examples include measures to reach vulnerable groups and special target populations (e. g. children and mothers).

- **Changing priorities and reallocating budgets** for the benefit of the poor and food insecure. Changing priorities in favour of agriculture and rural development involves difficult choices and reallocation of resources, often accompanied by difficult power struggles. The panel may wish to discuss the possibilities and limits for FAO as an intergovernmental agency to facilitate such processes through projects and programmes. How can the Organization best provide assistance in reaching the poor and food insecure, for example outlining policy options, implications, costs and benefits, while maintaining an honest broker's role in this power struggle and arbitration between winners and losers?

6. SECTION 2: IDENTIFYING THE ROLE WHICH FAO PLAYS OR SHOULD PLAY IN SUPPORTING POLICIES UNDER VARIOUS KEY SUBSTANTIVE DOMAINS AT SECTOR AND SUB-SECTOR LEVELS RELATED TO AGRICULTURAL AND RURAL DEVELOPMENT

The purpose of this part of the panel is to identify the main substantive areas of FAO's work at sector or sub-sector levels.

The main areas of work of FAO are illustrated in the Strategic Framework and briefly summarized in the sections from 2.1 to 2.5 below. FAO's policy work involves policy related information and support in various forms and to different degrees at national, regional and international level. It will not be possible to cover this work even superficially in the short time available for the panel. It is therefore proposed to focus the discussion mainly on what FAO does or could do at the international level in order to ensure an adequate supply of public goods.

The discussion will be structured around three main questions. The first is which of the substantive policy domains should be particularly strengthened in FAO's future work. The second relates to existing regulatory frameworks and agreements under FAO's purview and asks which of them may need adaptation in response to new global or regional challenges. The third question focuses on the need to develop guidelines for improved policies so as to better address the risks and social dimensions of agricultural and rural development policies and to improve the situation of vulnerable people more effectively.

The following paragraphs provide the panellists with some background information and elements for reflection they may wish to consider for each of the three questions. .

Suggestions for consideration by the panellists

6.1. Promoting, developing and reinforcing regulatory frameworks, codes of conduct and agreements for food, agriculture, fisheries and forestry

This is a classical task and policy domain for a UN Agency such as FAO as it deals with problems requiring trans-boundary solutions in the form of voluntary or binding norms and agreements. FAO's role extends from studies and assessments to servicing inter-governmental negotiations, secretariat functions for the parent supervisory bodies once an agreement has entered into force and monitoring the follow up. Typically, these agreements, codes or treaties aim to ensure an adequate supply of global public goods.

FAO's work in the preparations, negotiations and implementation of agreements, codes and guidelines is initiated in response to needs expressed by FAO's members. The process involves broad based and extensive consultations amongst not only government representatives but also a wide range of other stakeholders, including the private sector and the scientific community.

Examples of agreements which fall under the purview of FAO include: Codex Alimentarius, International Plant Protection Convention, Treaty on Plant Genetic Resources, PIC, Code of Conduct on Responsible Fishing, International Guidelines on the Right to Adequate Food, Guidelines for Planted Forests and Guidelines for Forest Fire Management.

FAO also often assists members in translating international agreements into national policies, including the introduction of related legislation and capacity building. The examples of this type of normative policy work at national level go beyond the above mentioned agreements that were developed under the auspices of FAO and include trade policy analysis and assistance in the context of WTO negotiations and agreements.

6.2. Creating sustainable increases in the supply and availability of food and other products from the crop, livestock, fisheries and forestry sectors

Under this domain, FAO's policy related work concentrates mainly on the creation of an adequate institutional environment conducive to the development of and access to technologies and to facilitating the transformation of agricultural raw materials into consumer products throughout the marketing chain. Such policy assistance may also include institution building to strengthen the participation of marginalized population groups in the policy process, ensure equal rights and entitlements, information and communication. Access to improved and appropriate technologies by smallholders is crucial not only for enhancing agricultural supply but also for poverty alleviation.

6.3. Supporting the conservation, improvement and sustainable use of natural resources for food and agriculture

The well-being of present and future generations is threatened, particularly in developing countries, by land degradation, water scarcity and pollution and salinization, destruction of forests, overexploitation of the world's marine resources, climate change, and loss of genetic resources and biological diversity. Fragile ecosystems in particular are in the frontline of danger. FAO has a key policy role in assisting the global community in addressing natural resource management and conservation issues through the elaboration and implementation of relevant international agreements concerning the environment and through the promotion of sustainable agricultural and rural development.

6.4. Enhancing the preparedness for and coping with food emergencies

Food and agricultural emergencies occur as a result of natural disasters (droughts, floods, fires, pests and diseases) and human induced disasters such as war and internal conflict. FAO's policy work in this domain bolsters self-reliance, reducing need for relief and harmful coping strategies. It comprises strengthening of disaster preparedness, resilience and mitigation, early warning, needs assessment, strengthening of local capabilities and coping mechanisms and rehabilitation of the productive and institutional capacities, including in complex emergencies. FAO provides support through coordination, standard bearing and technical assistance so as to optimize the impact of humanitarian and development actors in rural areas.

6.5. Provision of information and knowledge exchange for food and agriculture

FAO's work in the area of knowledge and information is focused on the one hand on the dissemination of explicit knowledge, in its role as provider of Global Public Goods, which stems from its normative role and which supports policy and decision-making in Member countries. It also encompasses the development of standards and guidelines in information management, to facilitate exchange of digital information from different sources. The Organization has embarked on a programme to enhance its role as a Knowledge Organization, which includes developing a more active knowledge-sharing culture internally, as well as amongst and between agricultural stakeholders at all levels, in support of policy and practice.

Question 2.1: Should FAO maintain its policy work in all the above mentioned areas or be more selective in the future? Which criteria should guide the prioritization? Is there scope for exploiting synergies?

Elements for reflection:

Criteria which could guide the prioritization and related decision processes may include:

- expressed needs by members
- benefits for vulnerable people
- nature of the public good generated
- unique role of FAO and/or synergies with other partners
- possibility to exploit complementarities between policy domains, for example:
 - combining rural poverty alleviation and environment protection by promoting environmental services delivered by the rural poor;
 - making markets work for the poor, thus improving market efficiency and poverty alleviation through a combination of trade and social policies;
 - twin-track strategies for immediate nutrition improvement and longer-term poverty alleviation and economic growth.

Question 2.2: What should FAO do to ensure an adequate supply of global public goods in the future? Please identify existing regulatory frameworks, agreements and codes in need of adaptation. Which new challenges will need regulation?

Elements for reflection:

- Codex Alimentarius: this voluntary regulatory framework is serviced by a joint FAO/WHO Secretariat and aims to ensure adequate food safety and quality: does it meet the needs of members? Is there a need for adaptation to new challenges, for example dealing in some form, with the increasing number of private industry standards?
- International Plant Protection Convention (IPPC): does it meet the needs of members or does it need adaptation?
- International Conventions for the environment and natural resources: Does FAO's involvement ensure adequate action in agriculture and rural areas in support of the various agreements? (for example Conventions on Biodiversity; Climate and Desertification).
- Genetic resources for food and agriculture: While plant genetic resources are now covered in a treaty, animal genetic resources are not. Is there a need for action?
- Water: Is action needed to respond better to the increasing scarcity of water?
- Climate Change: What should FAO do to support policies which strengthen rural people's capacity to cope with and mitigate climate change?
- Combating transboundary pests and diseases: Are the existing measures sufficient?

- Is action needed to improve availability of and access to new technologies for the smallholders (e.g. biotechnologies)?
- Bio-fuel: Is there any need for FAO to address the increasing competition between food and non-food uses of agricultural resources, in the light of the expanding demand for bio-fuels?
- Transformation of the food economies: Is there a need for FAO's policy support in responding to this transformation in the context of urbanisation, transition of diets and lifestyles and ongoing market concentration?

Question 2.3: What should FAO's do to better address the risks and social dimensions of agricultural and rural development in food security strategies?

Elements for reflection - examples:

- Improve targeting of vulnerable groups?
- Improve gender equality?
- Ensure more equitable access to capital and productive resources?
- Develop more and better social indicators to improve monitoring and assessment of vulnerability and inequity?
- Integrate risk reduction and disaster resilience into food security policies (e.g. through risk information, adapting land use patterns in high risk locations, upgrading physical infrastructure, irrigation in drought prone areas, diversification of farming systems, insurance and other risk transfer mechanisms).

7. READERS' NOTES

7.1. Time requirements

Time required to deliver this module is estimated at about 2,5 hours.

7.2. EASYPol links

This module belongs to a set of modules which are part of the EASYPol resource package [FAO Policy Learning Programme – Module 1: The Policy Framework - The Global Policy Environment](#)