



منظمة الأغذية  
والزراعة  
للأمم المتحدة

联合国  
粮食及  
农业组织

Food  
and  
Agriculture  
Organization  
of  
the  
United  
Nations

Organisation  
des  
Nations  
Unies  
pour  
l'alimentation  
et  
l'agriculture

Продовольственная и  
сельскохозяйственная  
организация  
Объединенных  
Наций

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

## THIRTY-FIRST REGIONAL CONFERENCE FOR LATIN AMERICA AND THE CARIBBEAN

**Panama City, Panama, 26-30 April 2010**

### RURAL TERRITORIAL DEVELOPMENT AND ITS INSTITUTIONAL IMPLICATIONS IN LATIN AMERICA AND THE CARIBBEAN

#### I. INTRODUCTION

1. The central element that stands out in the Final Declaration of the International Conference on Agrarian Reform and Rural Development (ICARRD)<sup>1</sup> is the need to rethink traditional policies on agrarian reform and rural development, adopting an approach that would increase access to natural and productive resources, while promoting integrated interventions in rural areas. Since the time of the declaration, the food crisis in the region has led to moves to give greater importance to small-scale agriculture and the production of basic foodstuffs, and also to the adoption of approaches to rural and land development designed to reduce social and territorial inequalities and minimize the food vulnerability of the population.

2. Over the past 20 to 30 years, the agenda of public policies regarding rural areas has had two aspects: on the one hand, an agricultural policy that has promoted a modern, export-oriented business sector, based on comparative advantages and exclusion of a large section of small producers; and, on the other, a rural development policy based on the incorporation of small producers into dynamic productive value chains and compensation mechanisms or facilitation of emigration.

3. In recent years, the focus of rural development policies has shifted, placing more stress on social and territorial cohesion than on social compensation. Adoption of a territorial approach has meant incorporation of the multisectoral nature of the rural economy, recognizing the wide range of activities and sources of income in rural areas, and thus opening up alternatives when searching for more diversified economic strategies.

4. There has also been innovation in the way rural development programmes are implemented, recognizing that it is a task for which the State and society share responsibility. This has resulted in the establishment of collegial bodies (mixed public-private participatory structures, with legal recognition as dialogue interfaces for rural inhabitants and the State) in order to manage social, economic or environmental policies affecting their areas.

<sup>1</sup> The conference was held in Porto Alegre, Brazil, in March 2006 and was attended by delegations from the 92 FAO member countries and more than 150 delegations from civil society and social movements, making a total of more than 1 400 participants.

5. From this point of view and in line with ICARRD's recommendations, the present document analyses the advances, constraints and trends in public rural and territorial development policies in the context of the very wide social and territorial variations found in the region's rural zones. Section II analyses the link between agricultural growth and rural poverty over the past ten years and the range of survival strategies that the most vulnerable rural sectors have had to adopt.

6. Section III gives an overview of the rural development policies being implemented in the various countries, with stress on measures to expand access to productive resources and incorporation of a territorial perspective. This transition indicates a future trend that will be an invaluable source of support for FAO's technical assistance and the promotion of South-South exchange and cooperation among the countries of the region. Lastly, Section IV presents, for the consideration of Delegates, some challenges and opportunities for technical assistance that FAO can offer the region in forthcoming years.

## **II. SOCIAL AND TERRITORIAL VARIATIONS IN RURAL AREAS**

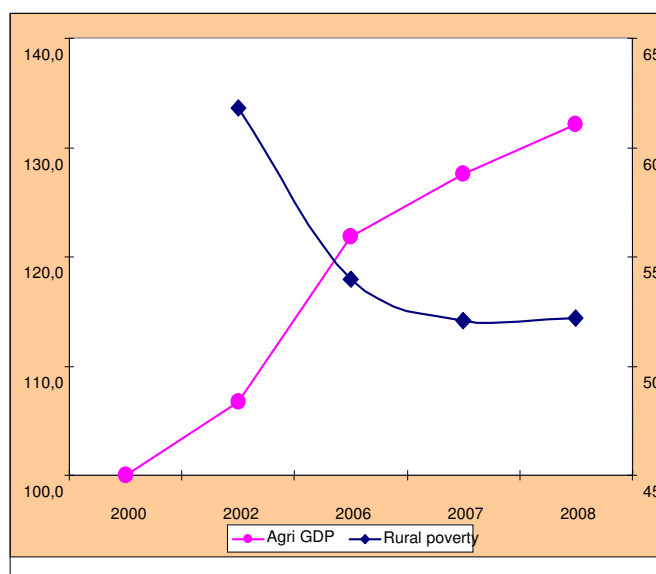
7. The region has wide social and territorial variations, not just among countries but also within individual countries. Over the past 30 years, rural areas in the region have undergone profound changes in their economic and social complexion, mainly in diversification of their productive base and differentiation between dynamic and traditional areas and activities.

8. The globalization process has generated new growth opportunities, expanded the rural economic supply and promoted the development of some areas that have greater comparative advantages for certain products and highly capitalized modern businesses as the basis for sectoral growth.<sup>2</sup> Moreover, in many of these same zones, there has been an expansion of activities that used to be confined to towns, especially those connected with the service sector, and have in many cases started to overtake agriculture itself in terms of economic importance. The other side of the coin is seen in broad social sectors and geographical areas hitherto highly dependent on agriculture, with a predominance of small-scale farming geared to producing food for the domestic market, which had to face the decline in its activity and look for other sources of income, or emigrate.

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<sup>2</sup> For example soya in the Pampas region of Argentina, grain in central western Brazil, asparagus and organic bananas in Peru's northern coastal zone, vegetables in Mexico's Sinaloa State, pineapples in Costa Rica's Pacific northern region, melons in southern Honduras, flowers in the Bogotá savannah and northern regions of Ecuador, and fruit in Chile's central region.

Figure 1: Agricultural GDP and rural poverty in Latin America and the Caribbean in the ten years starting in 2000



Notes: Left axis: Agricultural and livestock GDP as index (100 = the year 2000).  
Right axis: Rural poverty as percentage of population below poverty line (Economic Commission for Latin America and the Caribbean, 2009).

9. Although there were high rates of agricultural growth until 2008 and rural poverty was being reduced at a similar rate, the crisis has revealed a huge underlying vulnerability, inasmuch as it is predicted that the increase in poverty will in a very short period cancel out the gains achieved over at least seven years. As can be seen from Figure 1, while the agricultural sector grew by about 30 points between 2000 and 2008, rural poverty fell from about 62 percent in 2002 to about 50 percent in 2008. However, the Economic Commission for Latin America and the Caribbean notes in its recent *Social panorama of Latin America*<sup>3</sup> that between 2008 and 2009 the number of the region's poor could rise to 9 million, most of them living in rural areas.

10. The picture given above was fully borne out by an analysis made by FAO's Regional Office in six countries in the region, seeking to identify causal relationships between dynamic growth of agriculture and reduction in rural poverty.<sup>4</sup> The study also concludes that although in countries where a major growth in agriculture is observed, this growth coincides with a major decrease in rural poverty, the determining factors explaining this fact are not just agricultural expansion, but also government transfers and remittances received by poor rural households during the same period.

11. According to the FAO study, this pattern of growth in government transfers and in remittances has not helped to reduce rural poverty, but has on the contrary had a profound affect on the sources of rural household income, with agricultural production on farms (statistically recognized as "own-account production") tending to lose in importance in comparison with other types of income, in particular that earned from wage employment, so that non-labour income becomes increasingly important.

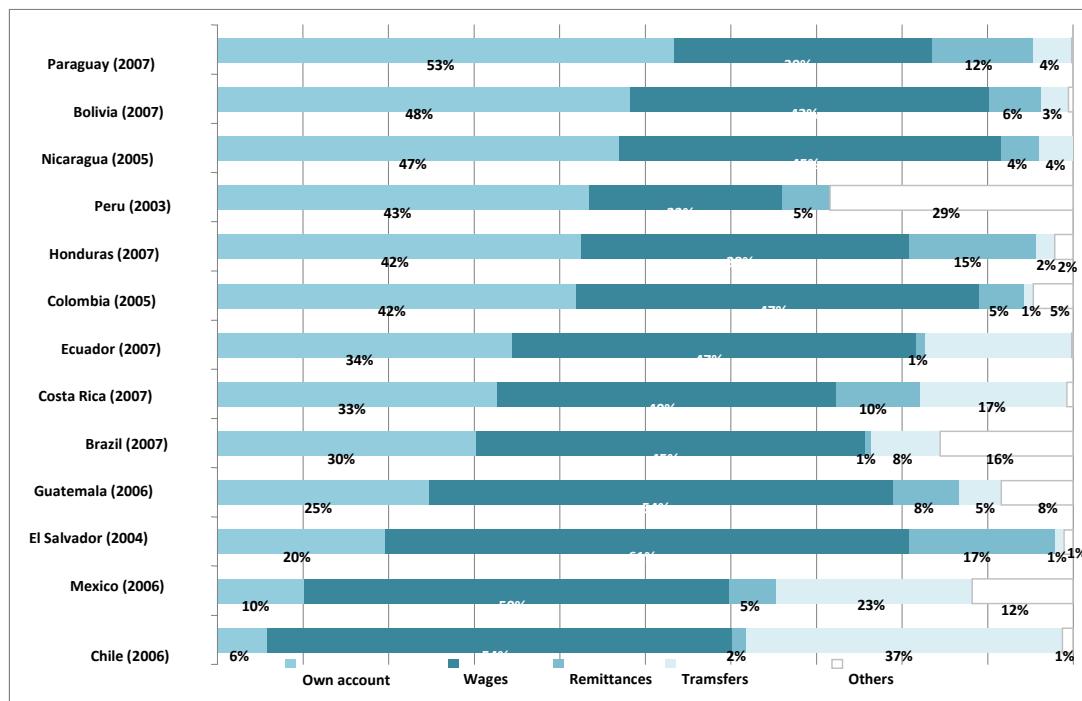
12. This is exactly what emerges from the data gathered in the most recent household surveys carried out in 13 countries in Latin America regarding the composition of the income of poor rural households. The surveys revealed a wide range of situations in the various countries and also within individual countries, with varying shares of each component in overall income.

<sup>3</sup> Economic Commission for Latin America and the Caribbean, 2009. *Social panorama of Latin America*. Santiago.

<sup>4</sup> FAO, 2009. *Boom agrícola y persistencia de la pobreza rural: Estudio de ocho casos*. Santiago. English summary: *Agricultural boom and the persistence of rural poverty*. <http://www.rlc.fao.org/es/prioridades/desarrollo/boom>

13. Thus, for example, own-account production is still very important in Paraguay, Bolivia and Nicaragua, although wages now account for a very significant part of total income. In other cases, such as El Salvador, Chile, Guatemala, Mexico and even Brazil, the main source of income is now the labour market, accounting for 50 percent or more of total income. The share and type of non-labour income in total income also varies considerably among the countries. While in extreme cases, such as Chile and Mexico, government transfers account for between a quarter and a third of total income, in El Salvador and Honduras remittances fulfil this fundamental supplementary function for households.

Figure 2: Composition of incomes of poor rural households in 13 countries in Latin America and the Caribbean (percentage of total incomes)



Source: FAO-RLC Preliminary results of an ongoing survey on rural poverty.

14. At the end of the current decade, the development of both agriculture and rural areas may be described as patchy and concentrated in economic and spatial terms, with a wide range of strategies and livelihoods in the most vulnerable sectors. It is regrettable that the most dynamic and productive activities and zones within countries present in international markets – those that have generated positive sectoral growth figures – have failed to pass on this growth to the general population of rural areas, however the income has been generated.

15. Since the end of 2007, the crisis – first from higher food prices and then from lower growth – has simply aggravated the social vulnerability of many of these rural households that had managed to improve their standard of living, at least to some small degree, in the preceding years. However, given the structural conditions described, it is very unlikely that the precarious situation of many social sectors living in rural areas will significantly improve, even once the crisis is over, unless public policies seek to achieve a better balance of growth opportunities among productive and social zones and sectors.

### **III. RURAL DEVELOPMENT POLICIES WITH A TERRITORIAL FOCUS**

#### **A. An agenda of rural development policies in transition**

16. The progressive recognition of these changes in the dynamics of rural areas is reflected in the agenda of the rural development policies that are being implemented in the region, shifting from an approach focusing on rural poverty, with an essentially compensatory character, to approaches seeking greater equality in access to economic and social opportunities, while also reducing differences among areas.

17. Such territorial approaches are gradually becoming the rule in rural development strategies and are leading to a redefinition of the rural world in favour of a concept of spatial continuum and an integration of markets, social networks, institutions and culture, bringing together the urban and the rural. With this shift, rural development is now identified with territorial development and no longer with a strategy for the agricultural sector or with social policies focusing on vulnerable groups living in rural areas, disconnected from the dynamics of the whole area.<sup>5</sup>

18. This transition process in the agenda of rural development policies seeks to bring about greater social and territorial cohesion, far beyond that of compensatory policies. Its formulation is based on recognition of the multifaceted character of development, which means taking into account the multisectoral nature of the rural economy<sup>6</sup> and hence recognizing the importance of off-farm activities and urban-rural links.

19. The greatest emphasis and strongest institutional innovations in recent years have probably been in the management of public policies according to criteria of sectoral and territorial coordination and stakeholder participation.

#### **B. Rural development policies with a territorial emphasis slant, as implemented by various countries**

20. A short review of the policies with a territorial emphasis that are being implemented by some countries in the region will provide the best illustration of the dynamics of this transition being undergone by rural development policies.

#### **Policies to achieve greater social and territorial cohesion**

21. Rural development policies have set their priorities on the search to reduce inequalities and bring about the social and economic inclusion of small-scale farming, stressing broader access to productive resources (land and water) and the building of local capacities (training, financial services, technology etc.).

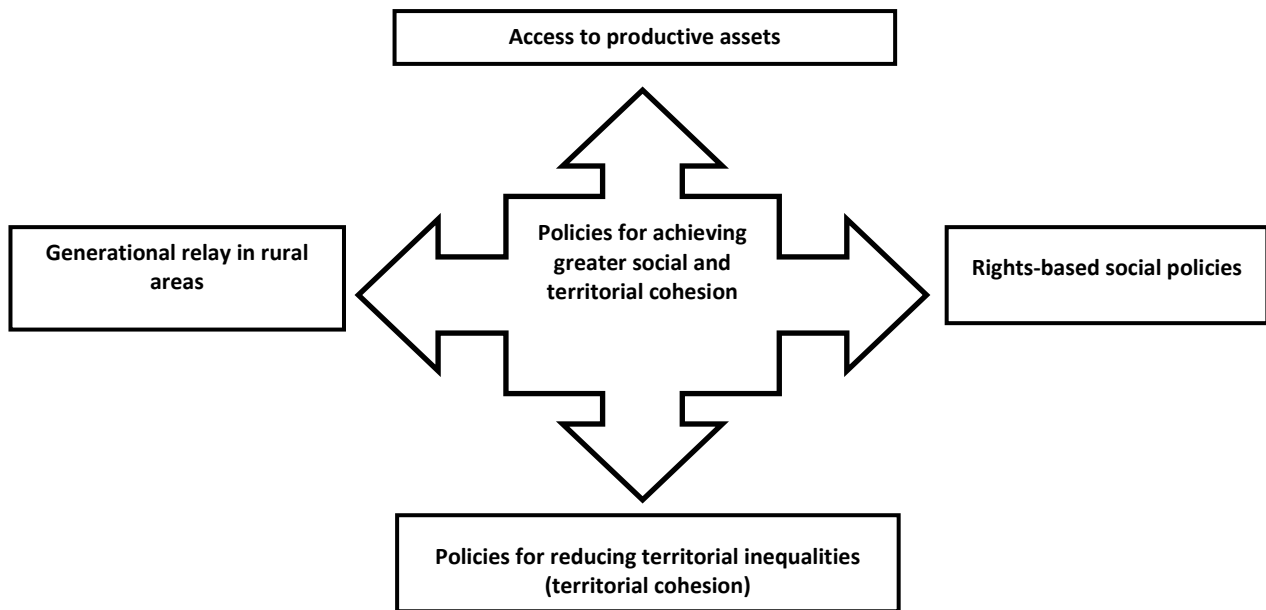
22. In recent years, four trends can be discerned in public policies seeking social and territorial cohesion: (a) a focus on access to productive resources, complemented by programmes to assist their use (technology, credit, formation of associations, markets); (b) programmes facilitating a generational relay in rural areas, through young people's access to productive resources; (c) expansion in the cover of social and welfare policies toward rural areas, with steady adoption of a rights-based approach; and (d) innovations in policies to reduce territorial inequalities.

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<sup>5</sup> R. and A. Echeverri, April 2009.

<sup>6</sup> Such sectors as tourism, agroindustry, craftwork, services, trade, construction and especially environmental services are seen as components of a productive economic agenda with huge potential, and must be included as components of agendas.

Figure 3: Trends to achieve greater social and territorial cohesion



23. Some examples of areas and policies that countries are implementing are given below to illustrate these trends.

– **Access to productive assets**

24. The crisis has thrown into greater relief the marked social and territorial inequalities in the region and has also increased the priority that many countries were already giving to the domestic production of basic foodstuffs. It has led to greater stress being laid on policies that seek to increase small farmers' access to productive resources.

– **Generational relay in rural areas**

25. The average age of heads of farms in the region is about 50, as a result of demographic transition, migration and land inheritance laws. The reverse side of this situation is a lack of opportunity and a growing emigration of young people to the towns. Although still at an early stages, some countries are innovating through the implementation of policies that facilitate a generational relay in rural areas:

Country	Description of the policy
<b>Brazil</b>	The Our First Land Programme is part of the National Land Credit Programme and has the objective of contributing to generational relay in rural areas, allocating resources to young people aged between 18 and 28 from landless farming families or those with little land, in order to invest in ownership of a property.
<b>Colombia</b>	The Colombian Federation of Coffee Growers has a Young Coffee Growers Innovative Models Programme aimed at promoting generational relay and enterprise through young farmers' access to land and other productive factors.
<b>Mexico</b>	The Land and Young Rural Entrepreneur Settlement Fund seeks to encourage young rural entrepreneurs to stay in their agrarian locations by creating agribusiness projects that promote generational relay.

– **Rights-based social policies**

26. In the past year, with the aim of cushioning the effects of the crisis on the most vulnerable sectors of the population, social protection systems, especially income transfer programmes, have placed priority on expanding their cover in rural areas which have the highest indicators of poverty and malnutrition. In addition, a boost is being given to the shift from policies with a top-down, clientelistic nature toward State policies based on citizens' rights. Some examples of such policies are given below.

Country	Description of the policy
<b>El Salvador</b>	The rights-based System of Universal Social Protection includes implementation of the Rural Communities Solidarity Programme with territorial management and three thrusts: (a) conditional cash transfers; (b) network of basic services with a stress on infrastructure; (c) family sustainability network: training and funding of productive projects. This system is being implemented in the 100 poorest municipalities in the country (40 percent of the total).
<b>Chile</b>	Law 20.379 for an Intersectoral System of Social Protection is intended to consolidate and complement the country's welfare policies and consolidate the coverage results of the Chile Solidario social protection system in all the country's rural municipalities, incorporating different components for different population groups.
<b>Guatemala</b>	As part of a Social Agenda, the My Family Advances Programme was set up in April 2008 to transfer conditional income to 447 700 families in the country's rural municipalities.

– **Policies to reduce territorial inequalities (territorial cohesion)**

27. Recent studies in the region have thrown light on the huge territorial disparities existing among countries and within each country, helping to emphasize that rural development policies must consider and include linkages among areas with varying economic dynamics.<sup>7</sup>

28. An example of new policies that aim specifically at reducing differences between areas is the Citizens' Territories Programme in Brazil, which has the objective of closing the regional gaps existing in the country, not only among rural areas, but also between these areas and urban areas: the 160 selected areas (nearly 2 500 municipalities) were those with the highest indicators of rural characteristics, family farming and poverty, in order to concentrate a multipronged State action (involving about 20 ministries) and concentrate costs through positive discrimination. The most notable features of this strategy involve:

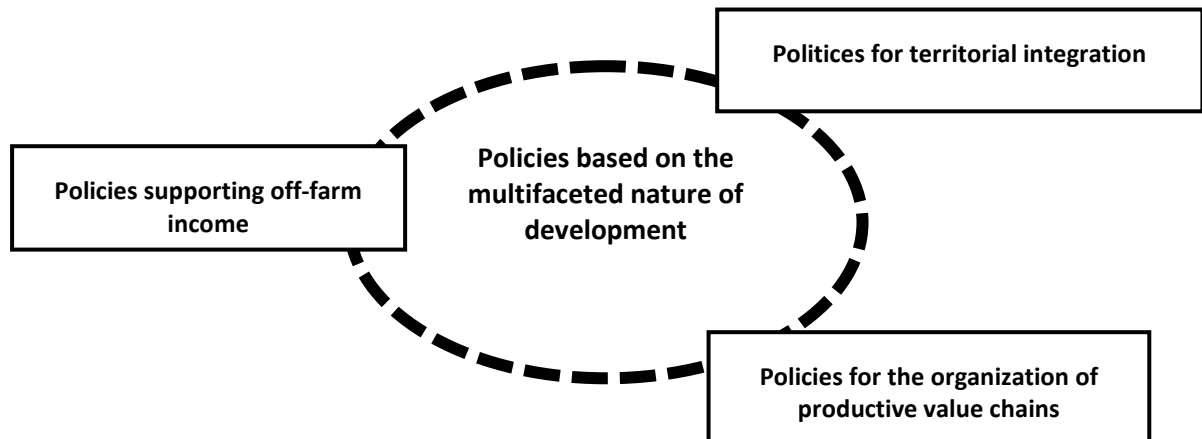
<sup>7</sup> RIMISP, 2009. Mapas de dinámicas territoriales (CD-ROM).

- territorial delimitation based on the identifying features of cohesive groupings of municipalities that share cultural, political, economic, social or environmental characteristics;
- social management of the area as a strategy to coordinate actions regarding the planning and execution of strategic approaches and investment projects;
- Territorial Development Councils and institutional bodies for participation, negotiation and consensus in the processes of planning, managing and piloting territorial demand.

### C. Fundamental policies in integrated development

29. A package of policies is being implemented in the region that has a territorial emphasis and focuses on the search for synergies between rural and urban areas, on-farm and off-farm activities, and areas with greater and lesser economic dynamism. These become rural development policies when implemented in predominantly rural areas. Some examples of this package of policies are those aiming at territorial integration, organization of productive value chains and generation of off-farm income.

Figure 4: Policies based on integrated development



#### – Policies aiming at territorial integration

30. Localization, proximity, integration, spatial functional relationships and urban-rural interdependence have given rise to policies that view territory as a whole, establishing models of investment for the entire territory, including both urban and rural areas. Examples of such policies are:

- *Municipal planning.* Most countries are implementing this policy, perhaps expecting the major transformation for the future of rural development to lie in the processes of municipalization and decentralization. Planning in most municipalities is rural in character (more than 90 percent of municipalities are predominantly rural). The municipal development plan is a tool with a territorial perspective and strategic definition, which in many cases (Colombia, Mexico, Guatemala) determines the investments that local territorial bodies must make.
- *Peru.* This country is implementing a multifaceted development policy for intermediate towns with the aim of achieving a balance in spatial distribution of inhabitants and in territorial cohesion. The policy is having a huge impact on the regional, territorial and rural contexts, inasmuch as it intervenes in the distribution of investment and in changes to economic dynamics and dynamics of sectoral integration.



– **Policies aiming at the organization of production chains**

31. The strengthening of the value chain as a policy objective is becoming increasingly widespread, leading to institutional and public policy models that focus on comprehensive attention to producers' needs in a framework of intervention covering all actors involved in the competitiveness and efficiency of the chain.

Country	Description of the policy
<b>Mexico</b>	The Law on Sustainable Rural Development gives institutional status to mechanisms for discussion of public policy and regulation of the participation of social actors and economic agents. In the sphere of economic production, these institutional mechanisms take the form of "product system" organizations, which bring together representatives of the various actors in the value chain in order to promote a multifaceted view of the chain, integrated market planning and coordination with public policy.
<b>Colombia</b>	The Productive Partnership Programme aims to promote local and territorial economies, based on the economic and functional integration of small-scale producers with larger producers in complementary relationships.

– **Policies supporting off-farm income**

32. Rural development is increasingly stressing the diversification of territorial economies and the importance of off-farm rural income. Some examples of such policies are given below.

Country	Description of the policy
<b>Costa Rica, Colombia</b>	Huge importance has been given to rural tourism in order to take advantage of the opportunities offered by the natural environment. There are thus such approaches as: private external investment in the sector with the development of tourist complexes (for example Guanacaste in Costa Rica), which generate local employment but do not involve small rural enterprises; the conversion of farms for agrotourism (for example the Colombian coffee trail); or combinations in which external investment or State support is received to boost small enterprise chains or local rural entrepreneurs.
<b>Paraguay, Peru</b>	Programmes to develop microenterprises are based on producers' organizations, adopting a model of participation and entrepreneurial organization for support to non-agricultural enterprises, focusing on added value or off-farm activities.

**D. Territorial management of public policies**

33. *Coordination of sectoral policies and multilevel territorial management.* This sphere has seen important innovations in the region, revealing a twofold trend: (a) increasing priority on mechanisms to coordinate public and sectoral policies, and policies for the various territorial levels (national, state, departmental and municipal); and (b) strengthening of mechanisms for participation in decisions on the allocation and nature of public investments, moving toward co-responsibility, negotiation and consensus.

34. Recognition of the complexity of policies affecting the rural environment has led to schemes for intersectoral coordination, seeking to coordinate these policies. The search for synergies is leading to institutional models that seek mechanisms for the coordination of sectoral strategies, beyond their specialized objectives, in joint cooperation actions over a territory.

35. A new approach to rural development is increasingly taking into account the need for multilevel management of policies, starting with recognition of the institutional legitimacy of the various levels of territorial demarcation for independent management according to principles of

subsidiarity. In a dynamic process of decentralization, these territorial bodies are playing an increasingly active role in policy management.

36. *Citizens' participation.* The ways in which programmes are implemented reflect a clear trend toward increasing shared responsibility between State and society, both in decentralization processes and in privatization and participation processes. In the model of territorial management for rural development, a further step in this participation framework has been taken with the creation of spaces for consultation, public and private participation, and shared responsibility for planning, management and social control.

– **Rural and territorial development**

37. There are various examples of policies with clear innovations to achieve better coordination among sectoral policies at different territorial levels, leading to an ever greater participation of citizens. Some examples of such policies are given below.

Country	Description of the policy
<b>Mexico</b>	<p>The Law on Sustainable Rural Development establishes the territorial approach as the conceptual, programmatic framework to orient development strategy in the country's municipalities. Its central thrusts are:</p> <ul style="list-style-type: none"> <li>• Special Concurrent Programme, a strategy for implementation of federal sectoral policies at municipal level, especially rural municipalities;</li> <li>• Municipal Sustainable Rural Development Councils which are the basic management units at territorial levels (national, state and municipal);</li> <li>• Participatory Territorial Planning, the central thrust in coordinating the demands of producers, organizations and communities in the territories, in the Rural Development Plans.</li> </ul>
<b>Panama</b>	<p>Territorial development policies have implemented regional management processes with supra-municipal projects in strategic areas of the country, giving priority to territorial cohesion:</p> <ul style="list-style-type: none"> <li>• territorial strategy for the coordination of sectoral policies, which are subject to criteria of decentralization, participation and competition;</li> <li>• participation, autonomy and shared responsibility of territorial bodies in management of the territory, and mechanisms for agreement in the formulation and implementation of public policies;</li> <li>• territorial associations to coordinate the demands of public policies and actions, which convene and connect territorial social actors and public officials.</li> </ul>
<b>Guatemala</b>	<p>The Secretariat General for Planning and Programming of the Presidency of the Republic (SEGEPLAN) has responsibility for the planning structure of four complementary systems: pre-investment, investment, international cooperation and territorial planning, with mechanisms for sectoral and territorial coordination. For local management, it has a structure for transferring resources to the territorial level (departments and municipalities) and a local and regional (territorial) strategy of strategic territorial planning.</p>
<b>Bolivarian Republic of Venezuela</b>	<p>Models of territorial management based on local development are promoted. A broad process of investment planning and orientation, a system of transfers and programmes for an explicit strategy to develop local potential have been introduced.</p>

– **Food and nutritional security**

38. Mexico, Guatemala, El Salvador, Honduras, Nicaragua, the Dominican Republic, Brazil, Colombia, Ecuador, Peru, Bolivia and Paraguay are implementing food and nutritional security and sovereignty programmes based on an effort to coordinate sectoral policies, ensuring the broad participation of citizens and territorial management of actions under these programmes.

Brazil has promoted the formation of Inter-municipal Associations of Food Security and Local Development (CONSADES) which base their results on the revitalization of territorial economies.

Nicaragua has decentralized its food and nutritional security policy, increasing citizens' participation within territories.

Bolivia is implementing its Zero Malnutrition Programme based on an intersectoral approach linked to various ministries, with an institutional base that draws upon ministerial resolutions, while also taking account of prefectural resolutions and municipals ordinances.

In Mexico, the Strategic Project for Food Security takes care of 110 000 families in 4 356 localities in 635 municipalities in 17 of the country's states. This joint project of FAO and the Mexican Secretariat for Agriculture, Livestock, Rural Development, Fisheries and Food operates with the support of state governments through multidisciplinary technical teams known as Rural Development Agencies, which are validated by FAO. These working groups promote the development of farming families' capacities so that, through processes of participatory planning, empowerment and self-management, they can carry out viable projects allowing them to improve their nutritional and living conditions.

In Colombia, the Project to Support the Strengthening of Food and Nutritional Security (PROSEAN), the outcome of an agreement between FAO and Social Action/Food Security Network, seeks to give support to all sectors in the country concerned with food and nutritional security, foremost among which are the Ministry of Social Protection, the Colombian Family Welfare Institute, the Ministry of National Education, the Ministry of Agriculture and Rural Development and the National Department of Planning. It also works in cooperation with various departments and municipalities in formulating and launching local food and nutritional security action plans. These actions are coordinated with other United Nations agencies such as the World Food Programme, the Pan American Health Organization and the United Nations Children's Fund, and organizations like Plan International. PROSEAN gives support in the form of technical assistance to one of the country's most important food security programmes, the Food Security Network (ReSa), and is promoting a television campaign to broadcast food and nutritional education at family and school level, both for marginalized rural communities and for displaced people in poor urban neighbourhoods.

#### **IV. CHALLENGES AND OPPORTUNITIES FOR FAO CONTRIBUTION**

39. Taking into account the rural and territorial development policies being adopted by the region's countries, four priority areas can be identified in which, by virtue of its experience, FAO could provide technical support in forthcoming years: (a) systematization and sharing of experience regarding the implementation of policies to increase small producers' access to productive resources and facilitate generational relay in rural areas; (b) promotion of national dialogues on agrarian reform and rural development policies; (c) support for reforms in agricultural, rural and territorial institutions; and (d) the territorial dimension of food and nutritional security policies.

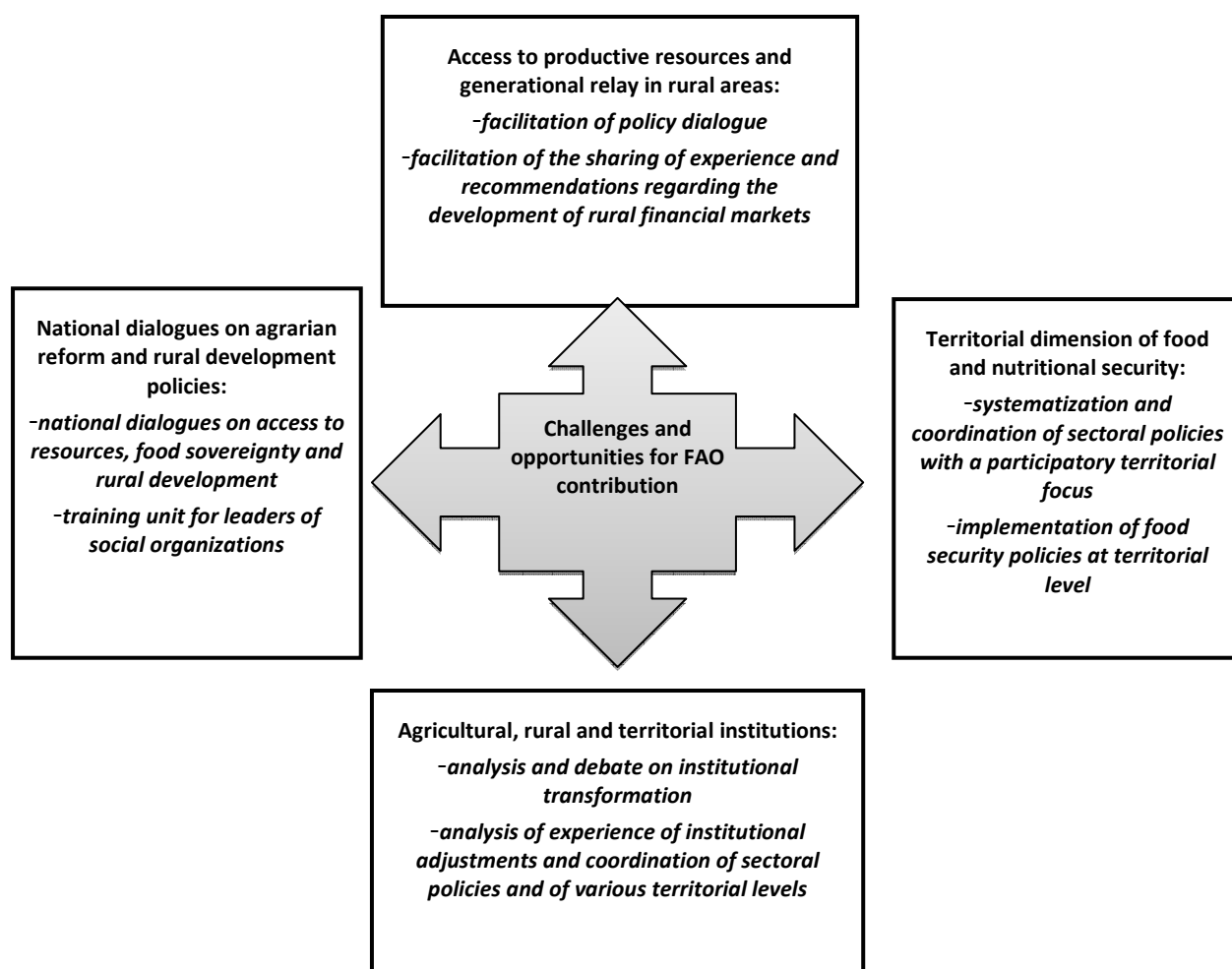
40. FAO's Regional Office will seek to expand collaboration and interagency work in order to provide assistance on policies, in coordination with the Inter-American Institute for Cooperation on Agriculture (IICA), the Economic Commission for Latin America and the Caribbean (ECLAC), the International Fund for Agricultural Development (IFAD), the World Food Programme (WFP) and the PROTERRITORIOS<sup>8</sup> initiative. It will also give fresh stimulus to the Inter-Agency Group on Rural Development in the region, which is made up not only of the above agencies, but also includes the World Bank, the Inter-American Development Bank (IDB), the

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<sup>8</sup> The Ibero-American Cooperation Programme in Territorial Management, comprising 11 countries, has the objective of setting up processes to improve the quality, efficiency and impact of policies and public expenditure, through international cooperation and development of the territorial management capacities of institutions, social organizations, actors and public agents.

German Agency for Technical Cooperation (GTZ) and the Spanish Agency for International Development Cooperation (AECID).

Figure 4: Challenges and opportunities for FAO contribution



#### **A. Access to productive resources and generational relay in rural areas**

41. Experience of policies seeking to increase access to productive resources and markets, incorporating younger people, albeit on a reduced scale, provides important lessons on mechanisms that combine refundable and non-refundable financial resources in order to set up viable productive projects on the land acquired.

42. FAO has provided technical support and evaluated some of this experience, which should put it in a position to systematize, disseminate and facilitate policy dialogues that throw into relief those common elements that have shown concrete results and can be replicated on a certain scale depending on the political will of each country in this regard, apart from specific programmes reflecting the particular conditions of each country.

43. On the other hand, policies that seek to extend financial services (credit and savings) in rural areas are another important contribution to help increase small farmers' access to productive resources. Experience has shown that in this regard the support of public programmes to reduce some of the risks facing financial institutions is indispensable. FAO has analysed the impact of the financial crisis on agricultural and rural finance in the region and is in a position to facilitate the sharing of experience among countries and make recommendations for the various actors involved in the development of rural financial markets.

## **B. National dialogues on agrarian reform and rural development policies**

44. As indicated in the introduction to the present document, the Final Declaration of the 2006 ICARRD notes both the need to rethink traditional agrarian reform and rural development policies in a perspective that encompasses broad access to resources, both natural and productive, and that leads to multifaceted interventions in rural areas, such as that of taking into account the demand of social organizations for greater participation in dialogue on these new policies and in their management. Various proposals for social dialogue in a similar perspective have been presented and discussed in bodies bringing together the member countries of FAO, such as the Committee on World Food Security and the Committee on Agriculture.

45. By way of response to the main requests and with support from the Government of Brazil, FAO is implementing a programme of national dialogues among sectors concerned with access to resources, food sovereignty and rural development. The aim is to create spaces for discussion and reflection that will boost capacity for participation of social sectors of small farmers and fishers, indigenous people, rural workers and young people in designing public policies for rural development.

46. Such dialogues have already been held in Chile, Cuba, Colombia, Panama and Ecuador, with the participation of more than 150 leaders of social organizations. A second phase in national dialogues has been scheduled for 2010 within the framework of FAO's technical cooperation project providing support for follow-up to the ICARRD: new challenges and opportunities for revitalizing rural communities in South America (TCP/3209/RLA), which will include facilitation of such dialogues in six more countries in the region.

47. In addition, FAO has a Policy Training Unit that has gained considerable experience in the use of distance education methods and is running a regional programme of courses to train the leaders of social organizations in order to improve their capacities for participation in territorial or national dialogues on the management of public policies.

## **C. Agricultural, rural and territorial institutions**

48. Responsibility for rural development is still mainly allocated to agriculture ministries, with various institutional structures directly involved, entailing particularly the creation of vice-ministries (subsecretariats) or general directorates responsible for strategic or policy components, and models in which these are associated with appointed independent institutions responsible for the functioning of intervention tools. Such arrangements indicate a trend toward recognition that rural development is a coordinated policy and cannot be confined to official institutions, as is currently the case.

49. The trends in rural policies and institutions are showing fundamental changes reaching beyond the orbit of agriculture ministries and involving territorial bodies in models of federalization or decentralization. At the same time the need for institutional and policy specialization is being faced, while the dichotomy within agriculture ministries is becoming clearer: on the one hand, as ministry of production, they have to assume responsibility for agriculture, while, on the other, as ministry of development, they have to assume responsibility for rural development.

50. FAO's regional priorities have included that of promoting analysis and debates on the changes required by agricultural, livestock and rural institutions in the region. Comparative analysis of experiences of various types of institutional arrangement to facilitate coordination among sectoral policies at different territorial levels, in terms of agricultural, livestock and rural institutions, could be an important contribution to the overall process of institutional change.

## **D. Territorial dimension of food and nutritional security**

51. The economic crisis, combined with increasingly frequent natural disasters, has revealed the massive food vulnerability of people in most of the region's rural areas. The fall in exports,

employment and remittances, together with continuing high food prices to consumers, has contributed to a reduction in access to food. Compounding the problem, there have been harvest losses as a result of droughts and/or floods in Argentina, Bolivia, southern Brazil, Ecuador, Guatemala, El Salvador, Honduras and Nicaragua.

52. Rural and territorial development in the region is increasingly linked to the urgent need to guarantee the food and nutritional security of the population, which depends on a management of public policies that seeks to coordinate those promoting economic dynamism (on-farm and off-farm) and social protection, with such measures as those for the development of local food markets, the supply of food to vulnerable groups and nutritional education based on the consumption of local products.

53. Through food and nutritional security programmes, FAO has therefore been focusing its assistance in recent years on helping to coordinate sectoral policies and supporting the adoption of a participatory territorial approach. The most recent schemes in this regard are being carried out in Ecuador, Peru and Paraguay, and systematization of its experience here will provide important lessons in this connection. FAO is thus in a position to provide technical support for the implementation of territorial-level food security policies.