

Comments from the European Union and its 28 member states on the Chair's proposal for CFS recommendations on connecting smallholders to markets

Firstly we would like to thank the Chair for the suggested approach with a one-off negotiation round as described in her letter of 18 May 2016 to the members of the Open ended working group. We believe that the suggested procedure will facilitate and simplify the negotiation process while ensuring a high quality outcome for the recommendations. We believe that the current Chair's proposal will serve as an excellent ground for finalizing the recommendations.

As regards the Chair's proposal for CFS recommendations sent to members on 8 May, we find that this proposal contains significant improvements from the already well elaborated Zero Draft. Such improvements relates especially to the structure of the document with a collection of all the recommendations in one part of the document, though the previous structure also had merits to it. This makes the text easier to use and prevents overlaps between recommendations that may have an impact on several categories of challenges that smallholders face. We do however see an opportunity to introduce a third subcategory of recommendations and to slightly reshuffle the order of the individual recommendations, to even further increase the ease of use. Furthermore, the ambitions to be brief and concise must not come at the cost of clarity and we think that some recommendations could be worded more clearly.

Smallholders are part of several kinds of markets and rely heavily on the way in which they participate in these, this multi dependency and multi sectoral setting could be more elaborately explained in the document. Furthermore, not only agricultural markets but also financial, contractual and other markets have an influence on smallholder's opportunities. Since smallholders participate in such divers local, national or international value chains we would like to stress the need for policy convergence between sectors. On this note, as smallholders are benefiting from different kinds of policy interventions, it is important to clarify the balance between and the need for both supply and for demand driven processes, as well as long and short term type interventions and investments from stakeholders in order to strengthen smallholders' capacities and access to natural and financial resources as well as their access to markets.

The importance of diversification, both in relation to agricultural production and into other means of diversifying the sources of income such as inclusive agricultural growth and long-term economic development should be clearer in the document. In this context we would also like to underline the need for an explicit reference to the role of the agribusiness sector, the promotion of cooperatives, as well as partnerships between relevant actors and smallholders, keeping in mind that such partnerships need to be elaborated with equitable roles for the different parties. In addition to the benefits of partnerships we would also like to make a call to commit more reliable and long-term funding through linking up with national institutions should be pointed out as a mean of achieving successful results.

We also believe that the proposal can still be further improved on gender. Gender issues are not just about local food systems and markets but rather about the multiple constraints women smallholder

farmers face beyond those of male farmers. You will find concrete proposals on this topic below.

Also on a general note, the authority of the document would benefit from including references to statements presented (e.g. on statements such as 70 % of the food is produced by smallholders), as well as references to good practices.

While looking forward to the upcoming one-off negotiation round, we would like to take this opportunity to provide some specific remarks to the text as well as to the recommendations set out in the Chair's proposal.

Introduction 1

The definition of smallholders in the footnote should be aligned with previously agreed texts.

The portion of this paragraph that refers to the intentions of the recommendations as such could perhaps be moved to the introduction of the recommendations section of the document.

Regarding gender we suggest including a text about women smallholder farmers under this paragraph. The proposed text for this paragraph would read as follows:

Women smallholder farmers face multiple constraints, beyond those faced by male farmers, due to many reasons. These include: women smallholders are often not seen as productive farmers; they often are expected to provide unpaid work and bear a disproportionate burden of work within the family and the community; they have less access to markets, key assets, and inputs and are often excluded from decision-making. Women also remain largely invisible when it comes to monitoring, measurement and data collection. Effective actions must recognize the multiple roles of women smallholder farmers and often include specific gender targeting.

Hence we propose to delete the last sentence of paragraph 2.

Introduction 2

We welcome the suggested wording of this paragraph and think that this wider context could also be reflected in the heading of the paragraph, making reference also to national and regional food systems, in addition to local systems. Furthermore, we would like to see the introduction also highlighting the need for investments in local food systems. This should include ways for smallholder production to achieve better productivity and minimize the cost of participating in a market (transaction costs).

Introduction 3

We welcome this section and would like to reiterate the benefits small-scale farmers may have from international markets that function under a rules-based, non-discriminatory and equitable trading system. Also, improving quality management may be a determinant for market access and enhance small-scale farmers' capacity to participate in different market settings.

Introduction 4

Smallholders' markets have important role in providing fresh and healthy food for the population of the area where they operate. Assisting these markets to better perform this role is of great importance.

Some of the aspects brought forward in this paragraph may also be addressed through investments in the infrastructure that allows for physical movements from a food surplus area to a deficit area, as well as removal of market distortions and dissemination of information on market demands are measures which enhance the benefits that smallholders can derive from markets. Furthermore, many issues are of importance for addressing nutrition, including on health, such as water and sanitation, care and feeding practices, nutritional education, food safety that are listed in the paragraph should also be considered for the recommendations.

We think that the text would be easier to understand if it is spelled out, in addition to the proposed wording, that *Implementing policies not only targeting the economic side of smallholder family farming but also the social dimension of farming (including the provision of public goods and social protection issues) can have a positive impact on food security and nutrition of smallholders. Furthermore, the development of diversified production system can improve smallholders' capacity to participate in markets while improving their nutritional status.* Separating the two different matters dealt with in this paragraph would also improve clarity.

Introduction 5

We think it would be useful to mention the importance of involving farmers and their organizations in the development of contractual arrangements.

Introduction 6

To better reflect the essence of this paragraph, we suggest it be reworded to *Policy interventions for an enabling environment that supports smallholders' transition.*

To be in line with other CFS products (specifically CFS FFA), we suggest we include that this is especially true for women and girls at the end of the paragraph, should the paragraph be maintained.

Recommendations

As already stated, we are of the opinion that the concept of a single compilation of recommendations, as is the case with the Chair's proposal, is a highly appropriate and useful format.:

1. Promote information and functioning of relevant markets and improve linkages by including recommendations i; ii; iii; v; viii
2. Promote the implementation of regulatory frameworks that: including recommendations iv; vi; vii; ix; x; xiii; xv
3. Build smallholders capacity to engage in all markets, taking into consideration gender and age-specific capacity needs, by including recommendations xi, xii, xiv; xvi; xvii; xviii; xix

i.) We welcome the ambitions set out in this recommendation to collate better data for the purpose of better understanding smallholder's access to *informal* markets. In this context we should try to avoid duplication of work and make use of the initiatives on agricultural statistics foreseen for the Sustainable Development Goals.

ii.) This is a useful and important point and we would like to see some valuable tools for this, such as ICT and applied market information systems, be mentioned explicitly.

iii.) This recommendation could be more ambitious, including not only identifying opportunities, but enabling smallholders to meeting demands.

v.) We underline the importance of strengthening support to local markets in terms of storage and processing facilities, but believe that there is also a great lack of investments in infrastructure such as feeder roads and irrigation systems.

vi.) Cooperatives and inter-professional associations are examples of partnerships that can empower smallholders throughout the value chain. Partnerships that allows for the agribusiness sector to invest in value addition, technology transfer, processing, storage, marketing and trade that should be encouraged since they will increase smallholder long-term opportunities. Partnerships between smallholders and other actors should benefit both parties, but it is crucial to clearly define such partnerships and particularly how to work with the agribusiness sector, keeping in mind that such partnerships need to be elaborated with equitable roles for the different parties.

vii.) We would prefer if this recommendation would encourage also other local actors to initiate such activities, and not restrict the initiative to authorities as such, for instance local farmers' organizations could play that role.

viii.) This sentence could be improved language wise, to make it easier to understand.

ix.) This sentence would benefit from a rewording to make it more comprehensible. In redrafting, we would encourage including a reference to gender targeted interventions.

x.) In addition to products with specific quality characteristics, also products of a certain geographic origin as well as organic products are examples of how to preserve traditional food systems, offer higher economic added value and improve diets.

xi.) We strongly believe that this recommendation lacks the mentioning of the importance of functional financial mechanisms and investments in infrastructure, for example transportation and feeder roads as well as irrigation.

xii. We suggest mentioning, in this recommendation, risk management and administrative simplification. A revised sentence could then read: Empowering smallholders, especially women and young smallholders, by strengthening their access to and control over productive assets and resources, income and employment opportunities, and by facilitating the provision of extension, financial, risk management and business development services and simplifying administrative.

xiv.) Also investing in capacity building, in addition to production technologies, is important when trying to mitigate the impact of risks and shocks in agricultural income. In order to clarify the link between rural employment diversification and the mitigation of the impact of food price volatility we suggest some clarifications. One wording could be: *Investing in production and capacity building to increase smallholder productivity and promoting diversification of production systems that insures smallholders' incomes against food price volatility and mitigates the impacts of risks and shocks in agricultural income.* Addressing rural employment in a separate sentence would further clarify this paragraph, such a sentence could read: *Furthermore, in some cases promoting labor intensive production system and rural employment can also be a tool for ensuring decent job opportunities and meeting demographic challenges.*

For this recommendation, we would also like to underline the importance that production technologies introduced are *easy adaptable and affordable* in order to become successful.

xiv.) bis (NEW) promoting short supply chains

xv.) In order to make this recommendation more appealing and overarching we suggest that the text makes reference to *nutritious food obtained through production diversification and development*, rather than specifying nutrient dense and fortified foods as such.

xvi.) We find this to be an important recommendation, especially the fact that quality management systems can be determinants for accessing markets; this applies not only to export markets but also to domestic markets. To better capture this concept and also in order to highlight the importance of gender aspects in relation to this recommendation we propose to change the wording of this paragraph to:

Providing information and capacity building to smallholders, with special focus on women, about food standards, good practices, regulatory markets' requirements to increase food safety and smallholders market competitiveness and to enhance their capacity to participate;

xvii.) Here, we suggest adding *women* before young people.

xix.) We propose to change *promoting the engagement to ensure participation and equal decision making power*, to highlight the importance of both women and men in the decision making process.