

RECOMENDACIONES PARA LA
PREPARACIÓN DEL PLAN DE
MEDIANO PLAZO 1994 – 1998

Intervenciones de los Ministros
de Agricultura y Jefes de Delegación
en la Séptima Reunión Ordinaria de la
Junta Interamericana de Agricultura,
19-23 Septiembre 1993, México, D.F.

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RECOMMENDATIONS FOR THE
PREPARATION OF THE
1994 – 1998

MEDIUM TERM PLAN
Presentations by the Ministers
of Agriculture and Heads of Delegation
at the Seventh Regular Meeting of the
Inter-American Board of Agriculture,
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l'Agriculture et des Chefs de Délégation
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19-23 Septembre 1993, Mexique, D.F.



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INSTITUTO INTERAMERICANO DE COOPERAÇÃO PARA A AGRICULTURA
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RECOMMENDATIONS FOR THE PREPARATION OF THE 1994-1998 MEDIUM TERM PLAN

**Presentations
by the Ministers of Agriculture
and Heads of Delegation
at the Seventh Regular Meeting
of the Inter-American Board of Agriculture**

**September 19-23, 1993
Mexico, D.F.**

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Introduction

In this publication, the Inter-American Institute for Cooperation on Agriculture (IICA) has compiled the presentations made by the Ministers of Agriculture and Heads of Delegation at the Seventh Regular Meeting of the Inter-American Board of Agriculture (IABA), held in Mexico City, Mexico, from September 19-23, 1993. The order of the presentations corresponds to the agenda set in the Fourth Plenary Session. The briefer presentations of the representatives of Costa Rica, Colombia and Bolivia are based on comments drawn from the Provisional Report (Minutes) of the Seventh Regular Meeting of the Inter-American Board of Agriculture. A temporary power outage made it impossible to transcribe their entire presentations.

In large part, the presentations refer to the guidelines of the 1994-1998 Medium Term Plan and the Report of the Group of Six Experts (G-6) on the Evaluation of the 1987-1993 Medium Term Plan and Recommendations for Preparing the 1994-1998 Medium Term Plan.

*Presentation by
the Representative of Brazil,
Murilo Xavier Flores,
Head of Delegation*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñeiro;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

The Government of the Federative Republic of Brazil congratulates the Director General-elect, Mr. Carlos Aquino, and wishes him every success in his duties as the head of senior management at IICA. As a Member State of the OAS, and one of the strongest supporters of IICA, the Government of Brazil is honored to participate in the democratic process of electing the new Director General, and expresses its sincere interest in contributing actively to the management process at IICA.

I would also like to take this opportunity to wish Mr. Aquino a very happy birthday.

The Government of Brazil also expresses its gratitude to Mr. Martin Piñeiro for his skilled leadership in strengthening IICA and for his steadfast support of the member countries. In addition to Mr. Piñeiro, we also congratulate all the members of senior management who worked with him during his two terms in office.

Historically, in times of profound changes such as the present, institutions that stand out are those that have been capable of anticipating such changes, and, as a result, of taking control of their own transformation process. We suggest that

IICA reorganize and take steps to orient its modernization process to reflect the new scenarios of the countries of Latin America and the Caribbean.

The Government of Brazil wants an IICA that is decentralized, in order to make its activities more flexible and productive; more region-specific in its programs and projects, reflecting the characteristics and challenges of Latin America and the Caribbean; more flexible, to incorporate external changes quickly; more capable of boosting the technological competitiveness of the agricultural and agroindustrial sectors of the region, attaching priority to the development of sustainable agriculture; more concerned about improving the position of agriculture in international markets and in the transnational integration process; more focused on state-of-the-art technology; more modern, in order to keep up with changes taking place worldwide in the fields of science, technology and management; more sensitive to the current and future aspirations of its Member States and more committed politically and socially to eradicating regional and social inequities, and, lastly, more involved in promoting Institute activities with the private sector. In order for the 1994-1998 Medium Term Plan (MTP) to reflect these expectations, we recommend that the new Director General of the Institute not limit himself to the considerations contained in the suggestions offered by the G-6, since, in carrying out their work, they only surveyed nine countries, which may not be representative of the interests of the other Member States. The new MTP should consider, more extensively, topics such as national, regional and international demands, as well as the needs of the member countries vis-a-vis the rest of the world, particularly in the following subject areas:

- a. Science and technology for the agri-food complex and for economic development within the new parameters of sustainability.**
- b. International trade and the need for integration, in light of the changes implied for developed countries.**
- c. Human resource development.**

The Government of Brazil submits some suggestions for discussion by the IABA together with the Director General-elect.

- 1. That the 1994-1998 MTP be designed and prepared with the effective participation of a Permanent Technical Secretariat to advise the Executive Committee and the IABA (similar to the Technical Advisory Committee (TAC) of the Consultative Group on International Agricultural Research (CGIAR)). This Secretariat could be made up of a team of highly qualified specialists, selected from a list prepared by the Executive Committee and submitted to the IABA for approval. Its purpose would be to advise the Executive Committee and the IABA on an ongoing basis concerning long-term planning for the Institute, changes in the structure of the Institute and keeping abreast of and monitoring changes outside IICA, as well as to coordinate activities relevant to the external evaluation of the Institute.**

2. That IICA consider in the preparation of the MTP and in its strategic planning not only consultants from outside IICA, but also the capacity for analysis existing in the countries and the institutions with which it executes technical cooperation actions.
3. That the MTP attempt to clarify the role of the public sector via-a-vis the new paradigm of economic development, giving special consideration to:
 - a. the development of activities and basic investments in the areas of equity and sustainability;
 - b. support for the private sector in the process of privatizing segments of the production and services sectors which were previously considered strictly within the public domain; and
 - c. execution of joint actions between the public and private sectors in areas designated as being of priority after the exercise of strategic planning.
4. That the MTP give high priority to activities for developing and upgrading human resources, including Institute personnel, identifying alternative types of training and promoting exchanges between IICA and national, regional and international technical agencies.

Therefore, in order for IICA to be able to meet future challenges and to respond more efficiently and effectively to the needs of all its member countries, the Government of Brazil recommends that actions in the following areas be given priority:

Science and Technology

The importance of IICA's role as an agency for promoting scientific and technological progress in the region has not been fully explored. One example is the different multilateral technical cooperation programs (PROCIS), which need to be reformulated conceptually with a view to strengthening joint scientific and technological research actions to enable regional organizations to make qualitative leaps forward in their research capabilities. The Government of Brazil recommends that such actions emphasize technical and scientific training in key areas of the worldwide scientific and technological revolution, particularly biotechnology and genetic engineering, agricultural informatics, agroecology and genetic resources, among others. It also recommends that IICA introduce the concept of "reference centers on technology, methodology and information," encouraging regional centers to upgrade their strong points and become reference centers of regional and/or international scope. Lastly, it recommends that IICA promote and support the formulation of interdisciplinary and interinstitutional projects more capable of grasping the complexities of the situation in Latin America and the Caribbean and responding more effectively to the agroecological and socioeconomic challenges faced by agriculture in the region.

Environment

IICA should step up its efforts to ensure that its environmental and economic objectives are compatible, including in its programs considerations and analyses related to environmental impact, in close coordination with the Environmental Commissions of the OAS and the UN. It is strongly recommended that the Institute attach priority to sustainable agriculture as an important stabilizing factor and generator of foodstuffs and foreign exchange for the developing economies of Latin America and the Caribbean, which do not produce enough low-cost agricultural commodities, in order to develop strong domestic markets, key to promoting economic development.

International agricultural trade

IICA should enhance its role as a forum for discussion of technical issues related to trade, including barriers to free trade, helping the Member States to prepare for the impact of measures to open up of trade.

IICA should prepare to assist in the establishment of national units capable of translating economic data and theories into significant economic action and alternative policies for decision makers in the public and private sectors.

IICA should prepare to assist in the establishment of entities capable of disseminating market data of importance to the economies of the region, which are leaning increasingly toward the market economy, with varying degrees of participation by the state.

Genetic resources

The conservation of genetic resources for agriculture is essential to the future food security of the peoples of the Americas. It is of strategic importance that IICA assist in the coordinated management of genetic resources, through policies and actions that guarantee access to such resources. It is recommended that IICA lead the hemisphere in coordinating programs to conserve and multiply genetic resources, based on the national and international infrastructure that already exists in the region.

Organizational considerations

Organizations need to work in close harmony with the clients and users that demand their services, while reflecting appropriately the settings in which they operate. The frequent changes in international policies and in the dynamics and

composition of the agricultural sectors of the Americas means that IICA should re-examine its conceptual base and redefine its role as promoter of agricultural development in the region. In order for the Member States to participate actively in this important process of change within IICA, it is necessary to create an independent advisory body with adequate influence in reorganizing the Institute and in ensuring compliance with the mandates of the IABA.

It is recommended that a strategic review of IICA's programs and activities be conducted, as well as a cost-benefit analysis of operations at Headquarters and in the Offices in the countries, with a view to improving efficiency and effectiveness.

It is also recommended that alternatives be studied for increasing the percentage of CATIs allocated to the countries that originally generated them, primarily through technical cooperation activities. It is suggested that Headquarters undergo an administrative reorganization to reduce costs in order to make more monies available for projects in the Member States.

Furthermore, it is considered of key importance that IICA work in closer collaboration with worldwide organizations such as FAO, with other agencies of the inter-American system and with multilateral funding agencies, with a view to expanding actions in support of development in the Member States.

The Government of Brazil is certain that these suggestions, and others that will be made by the other Member States, will put IICA in a better position to respond to the agricultural needs of the region.

Lastly, the Government of Brazil would like to express its profound gratitude to the Mexican authorities for their warm welcome to their country, for their hospitality and for the excellent organization of this Meeting of the Inter-American Board of Agriculture and related activities.

Thank you very much.

*Presentation by
the Representative of Uruguay,
Pedro Saravia,
Minister of Livestock,
Agriculture and Fisheries*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñeiro;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

To begin, I want to congratulate the Director General-elect, Mr. Carlos Aquino, and wish him every success in the challenging job that lies ahead. I also wish to congratulate Mr. Martin E. Piñeiro for his efforts over the last eight years, which have been of great benefit to the Institute. In addition, I want to thank the people of this beautiful country for the hospitality they have shown those of us participating in the Seventh Regular Meeting of the Inter-American Board of Agriculture.

I am honored to have the opportunity to exchange points of view with you at a time of such critical importance for the development of agriculture in our region. The recent political, economic and social changes we have witnessed around the world have indeed been profound. Our region has not simply been an observer of such changes; rather, it has played a key role in generating many of them. Our countries have made major adjustments in their development strategies. We have focused on seeking stability by exercising strict control over macroeconomic variables. We have redirected our trade policies, aiming to secure a better position on the international market by opening up our economies. We have deregulated production and consumption and reduced the participation of the state in same, preferring to allow the market to allocate production resources. We continue to work to bring about the structural and institutional changes that are essential to development.

These reforms have not been easy. To varying degrees, short-term social costs have had to be paid in the belief that greater economic and social benefits would be reaped in the future. Some results are already visible. The region is second in the world in terms of growth by commodity; however, our efforts may have been in vain because they have not been matched by the developed countries, which do not practice what they preach. Agricultural protectionism in the developed countries is the root of our difficulties.

Our commodities still do not have full access to these markets. Subsidies on production still generate surpluses, which, in turn, must be subsidized for exportation. Subsidized exports continue to restrict our access to third markets, and even jeopardize our position in our own markets. Despite the rhetoric regarding trade liberalization, even the commitments to maintain the status quo, agreed to at the beginning of the Uruguay Round, have been violated. Two examples are the restrictions imposed recently by the European Economic Community on banana imports, and by the United States on tobacco imports.

The outlook for this Round of GATT negotiations is not good. We would not like to see this Round, which bears the name of our country, fail. Would this mean the end of multilateralism? Will the days of the GATT be numbered? Will the twenty-first century be one of trade wars between blocs, as predicted by some analysts? Does it make sense to waste so much money in order to maintain such an inefficient system for allocating resources, which affects not only our chances for development, but also those who implement it? What will happen to agriculture in a world in which the panorama is so adverse and uncertain? In our judgement, the only answer lies in increased efficiency. Regardless of what the world scenario will be in the twenty-first century, we can only continue pursuing development through a sustained effort to boost production efficiency. When I speak of efficiency, I am referring to the whole process, from primary production, to industrialization and marketing, and purchasing by consumers in Japan, the United States or France.

In my view of production efficiency, resources will be conserved for future generations, the environment will not be polluted and certain sectors will not be kept on the margin of development. It is in this task of improving efficiency that the Institute must help us. We understand that its actions should be aimed at providing us the cooperation we need to maximize efficiency in each and every stage of the process mentioned above, most of which should be carried out by the different agents making up the private sector. Therefore, this support and technical cooperation should be concentrated in two broad areas: technology generation and transfer and business management. Technology generation and transfer will help to improve primary production, storage, processing and domestic and international marketing. We will also need support and cooperation to improve business management skills at all stages of the process.

The public sector continues to need IICA's support in upgrading the management skills of technical and senior administrative personnel.

At the present time, our countries are involved in an intense process of regional integration and of negotiations with multilateral and international organizations. International negotiations on agriculture are demanding a high degree of specialization. We cannot leave our diplomats out in the cold; they need our support in dealing with specific subject areas. We need IICA's collaboration to train specialists in international agricultural negotiations and trade. Emphasis should be placed on equipping technical personnel to propose, evaluate and select operating mechanisms for establishing binding commitments: the object of any international negotiation that seeks a "relationship" that goes beyond the mere exchange of concessions.

Mr. Chairman, before I close, I want to state clearly that the cooperation of IICA, which has contributed substantially to agricultural development in our countries, will be even more necessary in the immediate future.

Thank you.

*Presentation by
the Representative of Chile,
Maximiliano Cox Balmaceda,
Deputy Secretary
of Agriculture*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñeiro;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

I congratulate the Director General-elect, Mr. Carlos Aquino Gonzalez, for a truly exemplary election, and the other two candidates who participated in this transparent and noble process. The powerful, emotional address by the Director General-elect has set our minds at ease and has given us cause for optimism regarding the future, a concern for us all. We were especially pleased to hear of his opposition to any efforts to subregionalize IICA.

This election obviously comes at a time when agriculture in Latin America and the Caribbean is at a crossroads. Most of the agricultural sectors of the region are in a period of transition, as the economies of the countries are opening up. This, of course, demands that major adjustment be made, but also will lead to significant improvements, many of which are already under way.

Today, we face new economic conditions not only at the global level, but also, and especially, in our region. The macroeconomic adjustment most of our economies have undergone and the democratization of our societies are changing Latin America from an area of turbulence and slow development into one that is attractive to foreign investors and suitable for economic initiatives in the future. While all of us would have seen this as a "blessing" a few years ago, today it is presenting us with new challenges and difficulties for agricultural development, given that we have opened up our economies.

This generalized economic opening process is also taking place in the agricultural sectors of the region, and coincides, as pointed out by the Representative of Uruguay, with the decision of the developed countries to leave barriers almost completely intact. This process could backfire on us, since the production increases we are generating by making our economies and agricultural sectors more efficient may saturate the market, which would force us to compete for ever-scarcer niches in these markets.

We are also at a crossroads with international trade, since we still do not know what the outcome of the Uruguay Round of the GATT will be. Important meetings taking place this week may substantially change the outcome of the negotiations. In the closed and somewhat obscure environment of world trade, technological advances, normally considered an advantage, could give rise to some very serious problems of overproduction in some of the commodities on which our development is based.

It is clear that the Director General-elect, Mr. Carlos Aquino, will be carrying out his duties in a complex and difficult setting. But at least we are no longer in the lost decade; Latin America and the Caribbean are headed in the right direction. IICA foresaw this scenario, and it is important to recognize the work of the present Director General, Mr. Martin E. Piñeiro, and those who worked with his Administration, who prepared the Institute to provide the support that is necessary today, continually upgrading the level of excellence of the staff of the different Programs. Technological development; new schemes for organizing research promoted by IICA; the introduction of the concept "relating" agriculture and macroeconomic policy, a key concern of the new Administration in promoting new plans for rural development and growth with equity; and recent efforts to incorporate training into IICA's work indicate clearly that important steps have been taken in the direction proposed in the Medium Term Plan we are analyzing.

We agree fully with what the Medium Term Plan considers the principal challenges that lie ahead. The issues of competitiveness, equity and sustainability, and, in general, agro-rural development in our region, should guide the work of IICA, and of our agricultural economies, in the future.

The agrarian policy implemented by the Government of Chile focuses on exactly the same issues because we believe they will determine the future of development in our economies and societies.

Regarding competitiveness, several questions remain. How will we stay competitive once we become competitive? How do we move from a protected agricultural sector to one that is a full participant in modern international markets? How do we do this at the lowest cost to the poorest social sectors and areas, which usually have the most difficulty in adapting? How do we carry out

these processes without seriously hurting production levels in the countries of the region? Great achievements and important agreements between countries are not those made at the expense of certain groups or regions, but rather those that benefit both parties. These, I believe, are some of the major challenges related to competitiveness, and it would be interesting to know how IICA can help in this process.

As far as equity is concerned, we must remember that the agrarian structure in Latin America and the Caribbean is extremely complex and difficult. The dualism of our agrarian structures makes it difficult to reach the poorest sectors and to formulate policies for this complex social context, in which efforts at modernization should include the possibility of not following the "naïve" belief that the market will solve all our problems. Given our current agrarian structures, this approach would only worsen existing inequities and generate massive migration to urban centers, further deterioration of the quality of life, increased delinquency and the contamination of our cities.

As regards sustainability, a "naïve" view of what markets can accomplish can lead to ecological disasters that must be stopped and that can destroy the resources on which this economic development model is based. These "naïve" models tend to promote excessive "mining" of resources that should be sustainable and renewable, and to perpetuate a vicious circle of poverty in which small profits and low wages cause the overexploitation of natural resources, leading to further declines in incomes. We will need IICA's assistance to find ways to break this vicious cycle.

Regarding the institutional framework, in the state and the private sector of all our countries, the state apparatus has been reduced in size and the private sector has taken on a more important role. In our judgement, however, this has been done without a clear idea of what is to be accomplished by our institutions in reducing the size of the state and increasing the role of the private sector. Both sectors need to be modernized. Normally, one discusses the need to modernize the state when the private sector also needs to modernize. How many of our countries have farmers' organizations or export associations whose primary function is to serve their members, and not only to present their grievances to states and governments. I think there are very few that can make this claim.

How, then, can IICA help us in this regard? We are convinced that the key proposal of the Medium Term Plan is how to structure an IICA that can fulfill its role in meeting the challenge we have described. The central idea of the Plan is, essentially, to transform the Institute into an entity with the capacity for strategic thinking. In order for a small institution with limited resources, such as IICA, to gain importance internationally, it must use its intellectual and technical capabilities to influence and bring together the different players that can support this process.

However, the Institute not only must know how to manage these strategic capabilities, it must also be able to take advantage of its role as coordinator of different sources of strategic thinking, in order to be able to head the countries in a specific direction and foresee problems that may be arising.

It is important for IICA to assume the role of coordinator, with a view to making full use of capacities existing in the region. The IICA of the future must try to bring together, coordinate and project the actions of international agencies, universities, private centers and governments, concentrating its efforts where they are most needed and where its size is an advantage. This is how intelligence is managed. Nonetheless, because of IICA's nature, one cannot really think of it a large "brain trust," but rather a small one.

Another essential element, especially now that our agricultural sectors are beginning to move in different directions, is the exchange of experiences. Our countries are constantly developing new ways to deal with problems, and mechanisms to increase the participation of the poor. They have developed different schemes for resource conservation and reforestation, price stabilization and institutional organization for research on technology transfer. We have much to learn from one another, and IICA can provide strong support in coordinating and generating these experiences.

We also support the Medium Term Plan, for the same reasons as those expressed by the Coordinator of the Group of Six Experts, Mr. Roberto Vazquez Platero. All of us who have served as executives know that it is absolutely essential to have personnel with the presence of mind, preparation and experience needed to help plan the future.

In summary, we expect the new Administration to continue efforts to improve the support the Institute provides to meet the new challenges facing the region today. Now that the election is over, we must all pull together and work tirelessly to promote continued growth at IICA. Chile will be there to support this effort, faithful to its international tradition.

Thank you.

*Presentation by
the Representative
of Argentina,
Felix Cirio,
Head of Delegation*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñeiro;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

First of all, I want to thank the Government of Mexico, especially Secretary Carlos Hank Gonzalez, for the hospitality we have been shown, to complement him on the excellent organization of this meeting and to express my gratitude to the people of Mexico for the warm welcome we have been given. I congratulate Mr. Carlos Aquino Gonzalez, and the Dominican Republic, on his election as Director General of IICA, and thank Cassio Luiselli Fernandez, of Mexico, and Rodolfo Martinez Ferrate, of Guatemala, for their participation. This election, conducted with transparent and democratic procedures, has enabled us to make the maximum effort to have at IICA the best possible persons occupying the most important positions.

For Argentina, this signals the end of an eight-year period covering two terms in which the countries honored us by appointing a compatriot of ours as Director General. I would like to offer some thoughts on this situation. I do not think any country fails to take note of the appointment of one of its citizens to head an institution as important as IICA. Rather, it tries to work closely with and support him/her, which implies a certain degree of shared responsibility on the part of the country. This is how we have viewed these two terms in office, and there is no doubt that in these eight years enormous changes have taken place in the Americas vis-a-vis the international context that are of great importance to our economies and national political systems. Of course, there have also been important changes within the Institute.

I agree with what was said in the addresses of the Inaugural Session, in the sense that we should be satisfied with the many decisions and guidelines given to us by the Inter-American Board of Agriculture.

Likewise, we can be satisfied with the way in which the instructions handed down by the Board over the years have been executed. It is evident that IICA has regained stature at different levels. In my judgement, the enormous importance of this lies not only in the strengthened position of the Institute itself, but also in the greater importance attributed to the topic of agriculture in important fora. This is reflected in the leading role the Institute plays in many international and subregional meetings on development.

The Institute and the Ministers of Agriculture were able to foresee changes coming in the region and the changes that would have to be made in our models for economic growth and agricultural development. Matters such as the globalization of the economies, the integration of trading blocs, the new role of the agricultural and agroindustrial sectors in increasingly market-oriented economies, in which the state is reducing its role as an economic agent, and the identification and promotion of the issues of competitiveness, equity and sustainability as the focus of agricultural programs are, without a doubt, some of the principal merits of the IICA of today.

The Institute has also extended its influence to decision-making bodies at various levels. For the first time in history, the Inter-American Conference of Ministers of Agriculture was held in Europe, which provided us with the opportunity to share our message and concerns with the European countries; the ministers of agriculture again play an important role in all subregional fora in Central America, the Caribbean and the Andean Area; and a forum has been created for the ministers of agriculture of the Southern Cone, which will contribute significantly to the integration of MERCOSUR.

Regarding the 1994-1998 Medium Term Plan, we must place emphasis on the need to continue actions aimed at liberalizing agricultural trade and at strengthening the basic elements needed for its implementation. I am referring to the stabilization and organization of the economy, the privatization of services and the upgrading of the public and private sectors.

I also wish to voice my support for the recommendations offered by the G-6, especially regarding the need to forge closer relations between the public and private sectors; to promote interinstitutional coordination, in particular with FAO; and to make use of our comparative advantages: the regional integration mechanisms in which IICA has played a very important role.

I foresee success for the new administration, and reiterate Argentina's commitment to participate dynamically in the activities of the Institute.

Thank you.

*Presentation by
the Representative
of Costa Rica,
Juan Rafael Lizano,
Minister of Agriculture
and Livestock**

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñeiro;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

In his comments on the Report of the G-6, the Representative of Costa Rica focused on three points. First of all, regarding regional and hemispheric programs, he indicated that his country feels they have little impact, are relatively inefficient because they cover different countries and are not of interest to all of them. In this regard, it is important to recognize that while countries may have similar problems, the solutions must hold true to the circumstances of each country. He suggested, therefore, that IICA work to strengthen its Offices in the countries with projects of national scope. Another comment was that the Institute will maintain its timeliness to the extent that it reinforces its presence and modernizes. IICA's timeliness has been lost due to recent economic changes and in trade relations, and that it is behind just as much as national institutions in terms of its capacity to respond to new international circumstances. In his opinion, this can be explained by two factors. The first, the rigidity of IICA's operating structure, given its work with inflexible hemispheric and regional programs of low impact; the second, the lack of experience of its technical cadres in some new areas of interest to the sector, since when they received their training, academic, economic and trade circumstances were very different than they are today, which hinders effective institutional conversion.

* Comments drawn from the Provisional Report (Minutes) of the Seventh Regular Meeting of the Inter-American Board of Agriculture. A temporary power outage made it impossible to transcribe the entire presentation.

Finally, one comment regarding international trade: it is important to take the relations between countries and uniformity of criteria into account to be able to pursue a common objective. A fundamental point is the strengthening of agricultural health actions. The Representative of Costa Rica asked the new Director General, Mr. Carlos Aquino Gonzalez, to see that IICA's agricultural health activities be closely coordinated with those of the International Regional Organization for Agricultural Health (OIRSA).

He stated that, despite the meetings in Madrid in 1991 between the ministers of agriculture of the region and of the European Economic Community, Europe has closed its doors to Latin America and the Caribbean in terms of the banana quota issue. He added that, even though the LAC countries' production model for bananas and coffee is the most efficient, the Europeans place constraints and require permits, which yields easy and great profits to those who have them and means that taxes are much higher for our countries when quotas are filled.

Costa Rica, which has the highest productivity for bananas and coffee in the world and which is the world's second largest banana producer, is being hurt by this situation, and the results are very detrimental to national development. If this situation does not change, Costa Rica will have to return to taxes, permits and to protecting its small farmers. Sustainability will be impossible unless poverty is halted.

*Presentation by
the Representative
of Colombia,
Jose Antonio Ocampo Gaviria,
Minister of Agriculture*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñero;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

Regarding the Report of the G-6, the Representative of Colombia stated that IICA should play an important role in building a sound capacity for analysis and strategic thinking vis-a-vis agriculture in Latin America and the Caribbean. He underscored the social problems in the agricultural sector and the topic of sustainability, which should be coordinated with the growing number of environmental agencies in existence today. He also drew attention to the subject of market intelligence, which he called the "technology of agricultural intervention," which many developed countries have learned to manage.

He indicated that he disagreed with the idea of merging Program I (Agricultural Policy Analysis and Planning) and Program IV (Trade and Integration). The latter has an important task to fulfill with regard to price stabilization funds, such as in the case of coffee, unfair competition in international trade, and integration, that is, reaching agreement on trade liberalization with different countries. He also expressed his doubts about how integration can be achieved with countries that play by different rules: in the case of Colombia, with the Andean Group that is moving toward a single system of

* Comments drawn from the Provisional Report (Minutes) of the Seventh Regular Meeting of the Inter-American Board of Agriculture. A temporary power outage made it impossible to transcribe the entire presentation.

price bands; in the case of Mexico, with the Group of Three, that is moving toward a system of subsidies. He insisted that in these cases, opening must be achieved through harmonization of policies and that it is useless to liberalize trade if there are differences in interest rates and other factors. This is where the important tasks for Program I lie, given that agriculture is really a closed sector and that trade liberalization does not devalue currencies but rather revalues them.

In reference to macroeconomic analyses focusing mainly on economic opening, he pointed out that they conflicted with an agricultural sector that was closing up more and more and experiencing constant devaluations. Colombia was particularly interested in renewing the use of sectoral policy instruments and in addressing problems such as credit for small farmers and domestic market flaws. Regarding organizational matters, he stated that the ministers of agriculture should receive support in their negotiations with the ministries or policy-making bodies responsible for economic or monetary affairs. Finally, he proposed that IICA play a role in coordinating policy-making agencies and that its administrative structure should be reduced, but made more efficient. Also, it is necessary to strengthen a network of information centers, so as to have closer contact with private and public research centers in the region and throughout the world.

*Presentation by
the Representative of Bolivia,
Edgar Talavera,
Head of Delegation*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñeiro;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

The Representative of Bolivia pointed out that one of the most important capabilities IICA had developed during this period of rapid, deep-seated change throughout the world was how to adapt to those changes just as rapidly. That ability should continue to characterize IICA's institutional culture and management style. He stated that Bolivia wanted the 1994-1998 Medium Term Plan also to be of this strategic nature and to focus on topics associated with the paradigms and concerns shared by all the Member States of the Institute, to wit: the struggle against rural poverty, environmental conservation, social justice, solidarity and economic growth. He added that a more aggressive approach should be used in addressing markets, and sustainability should be promoted with vigor.

He also noted that neither technology per se nor market liberalization alone could solve these problems, unless they go hand in hand with differentiated policies for alleviating poverty in order to pay the social costs generated by

* Comments drawn from the Provisional Report (Minutes) of the Seventh Regular Meeting of the Inter-American Board of Agriculture. A temporary power outage made it impossible to transcribe the entire presentation.

structural adjustment policies. In this regard, he added that the countries of the region should advance persistently, and as a bloc, to dismantle protectionist barriers to agricultural trade.

He underscored that progress had been made during the period between the IABA meeting in Madrid and the one in Mexico. The greater flexibility being seen in the Uruguay Round was not merely a coincidence but rather the result of concerted agreement among the countries of Latin America and the Caribbean, which should be further strengthened. IICA, as a mechanism for implementing regional policies, must be more aggressive in addressing these problems. The markets/social justice/alleviation of poverty sequence should become the pivot for coordination among IICA's Programs.

Lastly, he explained what actions Bolivia was taking to modernize the state and give priority to sustainable development. He stated that a far-reaching process to reform the Executive Branch was under way; greater private sector participation was being encouraged; funds were being reallocated to combat poverty; and the Ministry of Sustainable Development had been established. The Representative of Bolivia concluded by conveying the offer of his country to host the Eleventh Inter-American Conference of Ministers of Agriculture and the Eighth Regular Meeting of the Inter-American Board of Agriculture.

*Presentation by
the Representative
of the United States
of America
James Gilliland,
Head of Delegation*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñeiro;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

We find a great deal in the comments and concerns of other Delegations, articulately and soulfully presented, with which we agree. I would particularly refer to the comments of the Representative from Chile on the environment, the comments of the Representative from Argentina on the need for balance, and the remarks of the Minister from Costa Rica on the need for fair trade for the smaller nations. I was pleased also to hear the comments of the Minister from Colombia on reinventing government within IICA. As you may have heard, we in the Clinton Administration are setting about our own experience of reinventing government in Washington. We hope that we shall each be successful in our efforts.

Before proceeding to comment on the G-6 Report, I would like first to congratulate our Director General-elect on his new responsibility, and also upon the occasion of his birthday. We hope to share, Sir, both your birthday cake today and your success in the future. We would also like to express our appreciation to our leaders here on the fair-mindedness with which yesterday's election was conducted. We would like to express our appreciation for the friendliness that we have experienced here, and for the hospitality. And we thank you especially, Mr. President, for your hospitality already received and for that yet to be received before we depart.

We would also like to commend, again, the leadership of Mr. Martin E. Piñeiro; we remind him that we have appreciated his wisdom and expect to draw upon it in the future.

Turning to the G-6 Report and a Medium Term Plan for IICA for the next five years, I would offer these brief comments: It is, of course, an excellent blueprint for ways in which the Institute might address agricultural sector issues and the problems of IICA member countries in this hemisphere. We invite your attention to six observations of our Delegation on the IICA of the next several years.

First, as there are limited financial and human resources, IICA must limit, it must establish priorities, and it must focus. It must adopt an integrated approach to providing technical solutions. IICA cannot be expected to do the work alone, but rather should be a catalyst which marshals resources and programs, with the collaboration of many other developmental entities. It is extremely important that IICA member countries in the Southern Cone, Central America, the Caribbean, the Andes, and North America work together to integrate our respective resources and expertise for the benefit of all IICA Member States, because we are a community in the Western hemisphere whose interests are held in common.

Second, the U.S. Delegation concurs in the G-6 recommendation that IICA change its approach in dealing with the United States and Canada, that is, moving beyond simple provision of aid to a stronger USA-LAC partnership relation. Similarly, we strongly support the G-6 recommendation that IICA review its strategy and operational structure in the CARICOM countries so as to identify ways of helping to solve the key problems confronting Caribbean agriculture.

Third, in our opinion, is the need to more closely integrate IICA's initiatives with those of the FAO regional office, including reviewing the possibility of setting up a relationship between IICA and FAO similar to that which exists between the Pan American Health Organization and the World Health Organization. There are opportunities: let us take them.

Fourth, regarding the efficiency and the use of the scarce human and financial resources of IICA, we encourage member countries to share more fully the costs of running the local IICA Offices; reinventing government, if you will, Mr. President, by contributing more in their way, in the local currencies and in assistance which may be provided best locally. These in-kind resources can allow us to go further with the core of resources that we have. The U.S. Delegation would also recommend that IICA find ways to incorporate outside financing from other multilateral organizations as well as organizations of other developed countries, into the major program areas of the Institute, for the benefit of the poorer member countries.

Fifth, the United States strongly supports the G-6 recommendation that IICA should not use quota funds to meet expenditures associated with the management of external resources. We strongly support the G-6 proposal to establish technical panels within the organizational structure to review project activities on a

continuing basis. However, until more study is given to the matter by a technical panel, we do not accept the G-6 Recommendation 5.3.3.C, which suggests changing IICA's funding regarding the ongoing work of CATIE and CARDI.

Finally, we feel that this is the appropriate time for IICA to establish a strategy planning group to establish the key elements in implementing a strategy for the 1994-1998 Medium Term Plan. Once established by the strategic planning group, the elements of the program should be published separately and distributed widely among the members countries for a full understanding. Such understanding, and a participation in the development process, are very important to all of us. The United States, in its proposed strategy for the Middle Term Plan presented to the G-6 Group, called attention to major Program areas, which we see as international agricultural trade and the environment: Agricultural help, education, plant genetic resources, and their conservation, and their improvement. We have a full plate. We have much to do.

Let me conclude, Mr. President, by once again expressing our congratulations to the G-6 members that developed this fine report and gave us the best of their efforts. Please allow me to express hopes that our confidence in the report will be amply rewarded.

I thank you.

*Presentation by
the Representative
of Saint Vincent
and the Grenadines,
Allan Cruickshank,
Minister of Agriculture,
Industry and Labour*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñeiro;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

Iwould like to congratulate you, Mr. Chairman, on your election to preside over this Seventh Regular Meeting of the Inter-American Board of Agriculture, and for the very efficient manner in which you have conducted these sessions.

Kindly convey our sincere thanks and appreciation to the Government of Mexico for the excellent arrangements made for this meeting, and to your staff for their warmth and friendly hospitality offered to us.

My country's Delegation is pleased to congratulate Mr. Carlos Aquino Gonzalez on his election to the very esteemed office of Director General of this august Institute. I also commend the other candidates for the graceful manner in which they accepted the results of the election.

Mr. Chairman, on behalf of my colleague Ministers on the CARICOM Standing Committee of Ministers Responsible for Agriculture, I wish to commend the Director General of IICA and his Office for implementing the review of the Institute's organization and work recently completed by the G-6. My colleague Ministers and I also wish to take this opportunity to comment on some aspects of the report.

Mr. Chairman, looking at the group of recommendations dealing with a strategy for IICA, it must be accepted that the macroeconomic environment does impact significantly on the performance and output of the agricultural sector. It

is, therefore, critical that the staff of our ministries develop the capability to analyze the current and potential effects of the macroeconomic environment on agriculture in order to interact more closely with the ministries of finance and trade to promote growth in agriculture.

The G-6 proposal, that IICA assume a new institutional role to assist our countries in developing this capability, seems timely. We support the recommendation that, within the current and foreseeable resource constraints, IICA seek out the technical resources required for this new role by networking with recognized academic and research institutions, both public and private, located in some of the more endowed Member States, to the benefit of those less developed.

Mr. Chairman, the Caribbean countries note with considerable interest the comments of the G-6 on the differences among the four geographic areas covered by IICA and the associated remarks on the organization of the institute. We also note with interest the G-6 observation that the area differentiation issue has greater relevance in the Caribbean and requires a special strategy. Suggested thematic foci, such as the conduct of macroeconomic and other policy analysis impacting on agriculture, developing strong farmer organizations, marketing organizations, and agricultural scientific research capability, are all relevant. Caribbean delegations wish to propose that IICA work closely with the Standing Committee of Ministers of Agriculture (SCMA) in developing and implementing this new strategy.

The G-6 recommendation calls for a team external to IICA to undertake a review of its Caribbean strategy. Consequently, we wish to propose that a team of five to six persons, with terms of reference agreed upon between IICA and the SCMA, carry out an in-depth review of the challenges and opportunities facing Caribbean agriculture and propose strategies and programs for its development.

IICA's Caribbean strategy must take into account the Institute's role in assisting national governments to implement their plans and programs. This, however, needs to be undertaken within a framework of the Institute's role of strengthening regional cooperation and creating linkages between the regional groupings in Latin America and the Caribbean. To this end, a draft resolution will be tabled for discussion at this Meeting.

We have also reviewed the G-6 comments on CATIE and CARDI, and wish to state that the activities of CARDI and IICA are complementary to each other and are conducted under the umbrella of the Caribbean Community Programs for Agricultural Development (CCPAD). We would wish to see a greater flow of resources to CARDI to support implementation of actions to be agreed upon in the new Caribbean strategy. We agree that there should be more accountability for the use of such resources, which could be achieved once the specific actions

to which such resources are to be applied are mutually agreed upon by CARDI and IICA.

The proposal to concentrate the coordination of the Programs under the Director General should lead to a more efficient utilization of the resources available to IICA. We encourage the Institute, Mr. Chairman, to redouble its recent efforts to increase technical cooperation and other linkages among the various subregions, and in particular between the Caribbean and Latin America.

Mr. Chairman, other speakers from the Caribbean will deal with some of these issues in more detail. It will be remiss of me, Mr. Chairman, if I fail to give credit at this time to Mr. Martin E. Piñero and his staff for the hard work done for the Institute during the period under review. I anticipate the same level of cooperation, efficiency and dedication in the coming years.

Mr. Chairman, distinguished Representatives, let us also give thanks to God for protecting our agriculture; we know how fragile our agricultural production can be. We also give thanks for sparing us from the ravages of the hurricane that came so close even as we were here deliberating.

It is my wish that we will return safely to our various destinations with lasting memories of this meeting and new zeal to make all IICA's Programs work on behalf of the rural poor in our various countries.

Thank you very much.

*Presentation by
the Representative of Canada,
William McKnight,
Head of Delegation*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñero;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

I would like first, Mr. Chairman, to echo the comments of our colleagues thanking you for your leadership here, and your country for its efforts in the organization of this meeting. On a personal note, thank you for allowing me again to enjoy the warmth and hospitality of the country of Mexico and yourself. I also want to say to Mr. Martin E. Piñero how much we have appreciated his leadership in the past. I know his interest in IICA will continue beyond the time that he removes himself from the Director General's chair. I also want to congratulate the three candidates for Director General of IICA. As we sought yesterday to fill the post of Director General, an important position, the caliber of the individuals who came forward was commendable, and I want to congratulate all three. To Mr. Carlos Aquino Gonzalez, I say that we look forward to working with him, participating actively in an IICA under his leadership over the next four years.

I would like to take this opportunity to congratulate the G-6 for its report, which was both lucid and candid. The report is comprehensive, and I believe offers us a range of ideas and options on how best to implement the objectives of IICA during the medium term spanning 1994-1998.

When we look at the G-6 recommendations, I believe we have to keep in mind that in recent years we have redefined the goals and the mandate of the Institute. The redefinition took place in Ottawa in 1987, in Madrid in 1991, and through the PLANLAC; I believe that those goals that were formulated then still guide us.

We have to recognize that there is a different pace of development among the member countries, but I believe we are dealing with the right issues, and the new Medium Term Plan should help us cope with the new trends and conditions which affect this hemisphere.

We also have to decide on new, emerging priorities. We are encouraged by the emphasis given in the G-6 guidelines for the Medium Term Plan on how we could rethink priority areas. In this respect, we view agricultural policies on trade and market information, and the dissemination of such policies, to be significant. As others have mentioned, another priority is technical cooperation. All these priorities are important to Canada.

If we choose to adopt these guidelines, I think we have to consider what we will do in the Executive Committee. As we review IICA's progress, I would like to suggest some of the realities we believe are important to bear in mind as we proceed:

- 1. The world financial situation and the size of national debts are major concerns and a cause of uncertainty among governments and their spending priorities. Today, any public expenditure involves very careful scrutiny; even existing commitments, as we all know, are under pressure.**
- 2. Most economies are undergoing painful restructuring and the role of government is being reduced through deregulation.**
- 3. There is an expectation, I believe a correct one, that if the private sector is given access to more open markets, it will become the means to generate wealth and jobs.**
- 4. The establishment of regional trading blocs is taking place, while efforts to liberalize trade on a worldwide basis are progressing, but at a slower pace than most of us would wish. This means that inter-American trade is becoming more crucial for all of us, and yet I don't believe we are prepared to take advantage of those opportunities.**
- 5. Following the rapid growth of population in many of our member countries, there is a significant rural population living in poverty; it must be incorporated into the mainstream of the economy.**

These five realities will influence our choices when we select options over the medium term for IICA.

The recommendations of the G-6 having been taken into account, we support the premise that IICA should create a center of agricultural policy and information; that is, a "think tank" that can deal with hemisphere problems

through a network of experts. We favor the active participation of universities and the private sector in the IICA system. We do not believe that IICA has to provide "brick and mortar" in order to network and have knowledge transferred throughout the hemisphere's countries.

We agree that the diminishing resources that we have in IICA will force a reduction in most services; we will have to make choices and set priorities. We do it with our governments, we will have to do it with our organization. I believe it is important that we set priorities so that we can address the appropriate issues.

We find the recommendations in the G-6 report on changes of the management structure encouraging; those dealing with human resources, administration and finances will need close consideration by the new Director General, and we would like to add our support to that conclusion.

In addressing the last group of recommendations, we in Canada still believe that IICA should maintain a working relationship with the financial institutions and development banks internationally, because this sphere is increasingly competitive and IICA possesses a unique ability to take advantage of and mobilize funds from these agencies.

The integration of FAO/IICA operations in the field of agriculture development, we believe, is appropriate, but we have to be realistic as to what could be accomplished. Still, we should continue to pursue that goal. The proposal for a new technical board, I think, is critical, if FAO and IICA are to work together closely and successfully.

In closing, Mr. Chairman, Canada would like to participate in the work leading to the approval of the Medium Term Plan. The recommendations will have sufficient time until our next meeting for discussion and comprehension. But we believe that the G-6 report is an excellent start, in view of the changes taking place throughout the world. I want to say, in closing, how much I have appreciated this opportunity, my first opportunity, to associate with my IICA colleagues. I appreciate the hospitality and the dedication that has been shown over the last few years by my colleagues in this room and their predecessors; I have begun to enjoy and to understand this process, and I thank you all very much for that.

Thank you.

*Presentation by
the Representative
of Venezuela,
Hiran Gaviria,
Minister of Agriculture
and Livestock*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñeiro;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

First of all, on behalf of the Delegation of Venezuela, and personally, I wish to thank the Inter-American Institute for Cooperation on Agriculture and the Government of Mexico for making this hemisphere-wide meeting possible. Also, I congratulate the Director General-elect, Mr. Carlos Aquino Gonzalez, and wish him success in his new position.

We wish to call attention to the efficient work the outgoing Director General, Mr. Martin E. Piñeiro, and those who collaborated with him, to modernize the Institute. We agree with the presentations of most of the Latin American countries, especially the comments by the Representative of Chile to the effect that the agricultural sectors of the region are at a crossroads. We also agree on the factors that characterize this crossroads: internal factors such as slowdowns in the production process and falling profits, as well as external factors such as increased protectionism in developed countries and declining international prices. In Venezuela, this understanding is reflected in the plans we are implementing to make macroeconomic adjustments that foster economic opening, modernization and the elimination of public sector protectionism and intervention.

The question is how we move beyond this crossroads and how IICA can help us. Our first comment is that the answer is not simply technical or economic; we have increased productivity in our countries to surprising levels over the preceding decade. The answer is also social, given the fact that most of the inhabitants of our rural areas are poor. Above all, we mean that today, more

than ever before, the well-being of urban areas depends on the existence of good living conditions in rural areas. This answer is not unique for Venezuela, for no country has the economic, technological or institutional resources to transform economic and agricultural growth into social and cultural well-being, in other words, to generate development.

Finding ourselves at this crossroads, it is necessary that we meet the challenges of the future together. This is particularly important because the twentieth century —characterized by the East-West ideological confrontation— is drawing to a close; in our judgement, it will give way to a twenty-first century of serious political tensions created by new confrontations on the agri-food issue. It will be characterized by concentration of food supplies in countries with the highest level of technological development, market domination and protectionist policies; opposite will be countries faced with increased food demands, falling real incomes and production and technology lags.

Since agriculture in Latin America and the Caribbean is at this crossroads, we must define IICA's role and objectives for the coming years. For individual countries and for the hemisphere, in the medium term IICA must continue to be an instrument for cooperation, technology transfer and the increased efficiency of our agri-food systems. More importantly, it must propose in its medium- and long-term plans ways to overcome social inequities. Otherwise, any progress in terms of economic growth will only reinforce existing privileges and render our political systems ineffective. The Institute must support actions to forge closer ties among us, reach agreement on policies, exchange information, improve reciprocity in regional markets, and hold meetings to address specific issues.

In its efforts in the medium term to provide technological cooperation for upgrading production efficiency and, above all, increasing the social and political importance of agriculture in Latin America, IICA will continue to have Venezuela's dedicated support.

Thank you.

*Presentation by
the Representative
of Saint Lucia,
Ira D'Auvergne,
Minister of Agriculture,
Lands, Fisheries
and Forestry*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñeiro;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

I would like to take this opportunity to formally congratulate Mr. Carlos Aquino Gonzalez on his election to the office of IICA Director General, and to wish him every success during his term of office. I am sure that he will perform in a manner compatible with the trust which has been reposed in him.

I would also like to congratulate Mr. Martin E. Piñeiro for the honor of Director Emeritus bestowed upon him, a fitting tribute to his dedicated service to the Institute during his tenure of office.

Saint Lucia, in the main, is satisfied with the G-6 projections for the Medium Term Plan and its objectives, and we wish to compliment the authors on a job well done. However, we wish to make an intervention on one particular aspect of the G-6 Report, which is of some concern to us.

We from the Caribbean, specifically the English-speaking Caribbean countries, accept in principle the idea of a market-oriented approach to agricultural development and modernization. However, given our peculiar history and circumstances, we cannot embrace entirely and immediately all that such an approach implies.

Consequently, we have some strong reservations regarding the statements in the G-6 Report on the bias provided by the preferential arrangements in place within the European Community for some Caribbean traditional products.

The economies of several of our small countries depend heavily on these arrangements. While we recognize the global trend towards a market-oriented approach and we identify in principle with it, we cannot move our economies to such a position overnight.

We have had a long-standing relationship with the European Community, particularly the United Kingdom, with regard to the marketing of our traditional export crops, namely sugar and bananas. The special relationship with the European Community under the Lomé Convention provides an assured source of foreign exchange without which we cannot survive. To deny this access to Europe or other preferential markets would result in a death blow to our economies and the livelihood and standard of living of our peoples.

Because of this, and the small size of the market in bananas and sugar, which we share, the Caribbean countries cannot support any move to eliminate this preferential treatment. It is our view that our share of the market, especially in bananas, cannot in any way jeopardize the industries of our sister states in Latin America.

Indeed, Mr. Chairman, as you are well aware, the move towards liberalization of trade is being advanced at the global level, but at the regional and sub-regional levels there is a continuing development of trading blocs, which provide member countries within these blocs preferential treatment vis-a-vis Third World countries.

In our view, the treatment which the European Economic Community extends to ACP states under the Lomé Convention should be seen in that light. The Caribbean views the Lomé Convention as an ongoing relationship and not a time-specific arrangement.

Nevertheless, Mr. Chairman, we in the banana-producing countries accept the fact that changes must take place in the marketplace, and we are advising and encouraging our farmers to make those changes, in spite of the difficult conditions under which they produce. Among the measures which we are embarking on are:

- 1) Measures to increase yield per acre, thereby increasing the national average yield to meet the permitted quota and make more land available for other crops.
- 2) Improving production and pre-harvest techniques.
- 3) More efficient and cost-saving measures in the use of inputs.
- 4) Quality production and control.

- 5) Labor-saving devices.
- 6) Placing greater emphasis on agroindustry.

All these measures are aimed at positioning Caribbean countries for better competitiveness in the marketplace.

The banana-producing countries in the Caribbean, Mr. Chairman, have been engaged in the production of banana for well over 40 years, and it can truthfully be said that farmers have developed a banana culture similar to those Latin American countries whose farmers have developed a coffee, cocoa or corn culture. To ask these farmers suddenly to abandon this and go into the production of other crops or, worse yet, a crop or crops not as revenue-generating on a regular basis as bananas, is asking them to suffer a major dislocation of their work ethic and their lifestyle, shattering their cultural, social and economic base.

We recognize further that alternative or parallel programs and strategies must be adopted as a matter of urgency if the impact of falling prices and stiffer competition for primary agricultural produce is to be softened. In that regard, we have embarked upon programs of diversification in other crops.

But we in the agriculture-dominated countries with mostly small farms, and with limited arable farming land, will readily admit that the transition from a banana-dominated economy to any other must necessarily be a long-term one, perhaps 10 to 15 years at the least.

This is especially so since these small countries, unlike the giants of the east and some of our Latin American neighbors, have limited or no scope for significant industrial development. Obviously, Mr. Chairman, the pace of such a transition will be dictated by the availability of natural resources and the availability of aid, which, as you know, is shrinking for this hemisphere.

A fact which is known to some, but not to others, is that small producers farming one to two hectares on sloping land produce the bulk of our bananas. We are not endowed with the vast, almost limitless tracts of flat, well-watered land amenable to mechanization and easy management, nor are we favored with the capacity to produce our own inputs.

In the face of such a scenario, Mr. Chairman, the protection given in the new regime should not be regarded as discriminatory, but as a recognition and appreciation of our peculiar problems and of the traditional relationship which has existed for several decades.

Mr. Chairman, the Caribbean looks to IICA and organizations like IICA to assist in communicating these situations to our fraternity and to assist us further in cushioning the shock and stress of transition.

Our combined share of the market is miniscule, less than 3%. In contrast, Mr. Chairman, the revenue derived therefrom is the bulwark of our economy. Its shrinkage or disappearance will most certainly result in social and economic dislocation, the precursors to political instability for our democratic style of government, which we have enjoyed for so many years.

Against this background, we require the support of IICA in attracting the resources that will enable us to accelerate this process of adjustment. You will note, Mr. Chairman, that the level of non-quota resources available to Caribbean countries is virtually non-existent. The need for such resources to embark on the programs which we need has never been greater, and we will need the support of the new Director General in attracting such resources.

Finally, Mr. Chairman, I echo the remarks of my colleague Minister from St. Vincent and the Grenadines, and I look forward in this new environment to a further strengthening of the bonds of friendship between Latin America and the Caribbean, in the context of a greater appreciation of the special needs of the Caribbean.

We wish, Mr. Chairman, to assure the Director General-elect of our full support in carrying out his most demanding task.

Thank you very much.

*Presentation by
the Representative
of Barbados,
David Bowen
Minister of Agriculture,
Food and Fisheries*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñeiro;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

Since this is my first intervention at this meeting, Mr. Chairman, I would like to take the opportunity to congratulate you on your election to chair the meeting and to express my appreciation to you and to the people and the government of Mexico for the hospitality which they have shown to my delegation, and indeed to all delegations since our arrival in Mexico.

I would also want, Mr. Chairman, to use this opportunity to congratulate Mr. Carlos Aquino Gonzalez on his election to the post of Director General and to state that we in the Caribbean look forward to working closely with him during his tenure. I would also want to place on permanent record our appreciation of the work done and the leadership shown by Mr. Martin Piñeiro during the past eight years. We believe he has done an admirable job.

We support the Chairman of the Standing Committee of CARICOM Ministers of Agriculture, my colleague from St. Vincent and the Grenadines, on his statement on the important subject of the G-6 Report, which we have before us. I want, however, to focus on the special issue of structural organization and the "style" of IICA: Mr. Chairman, I will be brief and to the point.

There have been observations, separate from those of the G-6, that the management of IICA could benefit from restructuring. If judiciously undertaken, this could lead to resources being available for strengthening field operations. Concerning the linkages with IICA Offices in the countries and the functioning

of the Area Directorates, the benefits of maintaining a presence in the Member States cannot be ignored. The argument for abolishing the posts of Area Directors seems extreme, and would not meet with the approval of most Caribbean delegations, particularly since these Offices will continue to assist and coordinate IICA's activities in our subregional programs.

Instead, Mr. Chairman, the Caribbean countries propose a review of the responsibilities and focus of these posts, so as to strengthen the activities at the subregional and country levels. Within the context of the G-6 recommendations, one new role perceived by us for the Area Director could be the creation of linkages between international institutions and national and regional agencies, particularly in relation to the trust needed to diversify our agricultural base. Another might be a greater focus on sourcing external resources for the support of all regional and country programs and projects. These are just two roles Mr. Chairman, but clearly there are more.

Finally, Mr. Chairman, I want to stress that I am supportive of a closer link between FAO and IICA, and particularly of the suggestion that the relationship between the World Health Organization and the Pan American Health Organization should be the example to be followed. This link seems to be sensible to me, because in the Caribbean it would lead to a more rational and logical use of our limited resources and clarify the relationship between Member States and two organizations whose portfolios are very similar.

Thank you.

*Presentation by
the Representative of Haiti,
François Severin,
Minister of Agriculture,
Natural Resources
and Development*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñeiro;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

The Haitian Delegation wishes to thank the Chairman of the Seventh Regular Meeting of the Inter-American Board of Agriculture, as well as the Director General of IICA, Mr. Martín E. Piñeiro, for the invitation extended to the constitutional government of Haiti to participate in this meeting. We would also like to extend these thanks to the government and people of Mexico, for their warm welcome of the members of our delegation and of our sister delegations.

For those of us on the Haitian Delegation, this meeting is of special importance because it is taking place at a time when the constitutional government of Haiti, after two long years of crises arising from the September 30, 1991 coup d'état, is struggling under extremely difficult conditions to get the process of democratization under way again, and which should culminate with the return to Haiti, on October 30, 1993, of the Haitian Head of State, President Jean Bertrand Aristide.

We would like to take advantage of this occasion to congratulate IICA for having scrupulously respected the OAS resolutions and for honoring its commitment to support the Haitian people in their struggle to bring back democratic order to our country. The preparation of the 1994-1998 Medium Term Plan coincides with the election of the new Director General of IICA, Mr. Carlos Aquino Gonzalez. This was a truly democratic election conducted without violence which demonstrated how democracy can bloom in our country, in the Caribbean and in the Americas. The Haitian Delegation sends its sincerest

congratulations to Mr. Aquino. The comments we will now make on the guidelines for the plan should facilitate the work of the Director General-elect, and we are pleased to contribute to this process. As we stand on the threshold of the twenty-first century, it is timely to examine the different efforts made by the members of IICA in their search for lasting solutions to the complex problems of agricultural development.

Four key indicators should be considered: first, the phenomenon of migration. Excessive migration from rural to urban areas gives rise to slums in the cities, and when it is toward bordering countries, it creates tremendous tensions. Second, malnutrition in children has spread throughout a large part of our country, threatening the future of broad sectors of our populations. Third, because of environmental deterioration, agriculture is out of balance with the rural setting. Our forests are disappearing rapidly, undermining other resources which are vital for continuing life on our planet Earth. Fourth, the impact of the liberalization of international agricultural trade is keeping the agricultural sectors underdeveloped in poor countries; in our country, agriculture is not just a sector that produces goods, but also a sector that generates employment. Our country, our nations are unable to keep our people in the countryside, even though they are strongly dependent on agriculture. Those who stay behind are unable to feed their children and are obliged to destroy the environment to survive.

Beyond ideological discussion and theoretical debates, it is fitting that we briefly examine the actions of the past with a view of better foreseeing the future. We can summarize the actions of the past into three main points: the training of mid- and senior-level professionals, the decision to transfer very advanced technology to farmers, and the formulation of diagnoses and regional policies.

It is clear that training is the basis of all change. Nonetheless, we must recognize that training has not been sufficient to have a significant impact. In many cases, training has been limited to some universities or professionals, but never enough to achieve a critical mass.

Technology transfer runs up against structural constraints associated with resource-poor farms. Some successes have been accomplished, but they haven't lasted. Inputs which are frequently fundamental to this advanced technology are too expensive and often inaccessible. We had expected agricultural intensification to increase the carrying capacity of our lands, and that this would stem the exodus. We have not achieved this objective. The supply of agricultural commodities is unreliable and cases of famine and severe malnutrition have been registered.

The formulation of diagnoses and regional policies adapted to the circumstances, and able to provide leaders with orientations for their actions to

execute viable and sustainable projects, has given rise to praiseworthy efforts. Nevertheless, it has been hard to take into account local conditions that are much more differentiated than one would suppose. We would like to talk about specific macroeconomic conditions, but they are constantly in a state of flux. We would like to speak about what is often the most difficult to fully understand: human beings. A specific example is how different Dominican farmers are from Haitian farmers. A well-conceived and applied policy should be able to take this into consideration.

Mr. Chairman, the Haitian delegation considers that the excellent report by the Group of Six contains all the elements necessary for preparing guidelines for the 1994-1998 Medium Term Plan. Nevertheless, we believe IICA should strictly prioritize the orientation of its actions. The Haitian delegation would like the following points to be the subject of special attention. Firstly, we believe IICA should prioritize the objective of democratization of the structures of the agricultural sector. To do this, it is our opinion that four points should be considered: better communications and negotiations between the various players of the agricultural sector; second, active involvement of the target population in the search for solutions; third, decentralization of decision making and of resource management; and fourth, pursuit of improved articulation with the various institutions working in the rural milieu.

In the second place, Mr. Chairman, we believe that the recommendations set forth in Agenda 21 at the Rio Conference concerning efforts to halt the accelerated deterioration of natural resources should be more systematically applied in the member countries. IICA should encourage the governments to this end, since we all recognize that political borders are not ideological borders.

Finally, and in this same vein, Mr. Chairman, we believe that the many declarations concerning the need to foster development with equity have all too frequently been merely pious wishes, with equity all too often being sacrificed for pure growth. We firmly believe that a systematic struggle against flagrant poverty and destitution in the countryside in many of our countries should constitute an indispensable element of harmonious agricultural development and of our efforts to consolidate democracy in this hemisphere.

In closing, we would once again like to take this opportunity to convey our best wishes for success to our next Director General.

Thank you.

*Presentation by
the Representative
of El Salvador
Antonio Cabrales,
Minister Agriculture
and Livestock*

*Mr. Chairman,
Carlos Hank Gonzalez;
Mr. Director General,
Martin E. Piñeiro;
Mr. Director General-elect,
Carlos Aquino Gonzalez;
Delegates;
Ladies and Gentlemen.*

First of all, my sincere congratulations on the excellent organization of this Seventh Regular Meeting of the Inter-American Board of Agriculture. I wish to thank the government and people of Mexico for the hospitality they have shown us since our arrival.

In the last four and a half years, truly impressive economic adjustments have been made in Latin America, some of which probably could not have been imagined a few years ago. We, the ministers of agriculture, and I in particular, have supported and are supporting these adjustments because they are necessary if we are to bring about drastic changes in agriculture. Adjustment programs meant ridding ourselves of macroeconomic policies that had damaged agriculture for the past thirty years, even more so in other countries.

Two such policies were high tariffs and low exchange rates, and only we know the extent of the poverty they produced in Latin America. Economists refer to the anti-export bias of those policies, but we, the ministers of agriculture, can call them by their real name: anti-agricultural policies.

We also support adjustment programs because their aim is to improve the allocation of resources. As we have always held, agriculture has real comparative advantages that put us in a good position to compete for those resources with no fears; this is not the case in other sectors, whose comparative advantages are somewhat artificial.

The changes have benefited the economies of our countries. We have controlled inflation, achieved economic growth and bolstered our international reserves. This gave us cause for optimism, because for four and a half years there had been no agricultural policy in Latin America. What we had was an economic development policy aimed at other sectors, which, perhaps, we confused with agricultural programs. Today, however, steps are being taken to design an agricultural policy with appropriate macroeconomic considerations.

We have tried to revive and reactivate an agricultural sector that was very different from the trade and industrial sectors, and that was in disarray, undercapitalized and unprotected. That was why economists were speaking of an effective, but negative, protection which in some countries was as high as thirty percent. This is very different from the situation in other sectors of our economies that needed differentiated treatment. It is hard for us not to overemphasize the fact that the agricultural sectors we inherited have suffered many setbacks over the last forty years. That is why I repeat that we need differentiated policies.

Given this situation, and considering the comments of the Minister of Colombia, adjustment began in El Salvador in June 1989 and by 1990 agricultural growth was up an impressive 7.5%, due in large part to devaluations which are no longer necessary. Chile is a good example of this. What we need are innovative policies such as those proposed in the Report of the Group of Six Experts.

In the very short term, IICA must begin to view the crisis in Latin America with greater urgency. This crisis is very real, and has two manifestations that are considered of priority throughout the world: poverty and deforestation.

IICA should take on a new leadership role, serving as a permanent forum for discussion, and even for lodging protests against unfair trading practices, against countries that do not practice what they preach. We were sold the idea that economic growth depended on opening up our economies, but we now have our doubts: the Asian countries developed over the last thirty years without opening up their economies.

IICA should create and/or strengthen programs that assist farmers' associations in our countries, and promote alliances between the public and production sectors. That is where the day-to-day problems are, and where there is much to be done. IICA should downsize its overall agenda and help us to solve more critical and urgent problems such as rural credit, given the failure of development banks in Latin America.

I also want to mention the problem of cotton in Central America and in many countries in South America, a commodity that has all but disappeared, as well as

the problem of bananas, meat and milk. I will not mention the problem of coffee because growers have controlled the situation.

Last, but not least, it is important for IICA to analyze this new development scheme. Remember that we are correcting economic mistakes accumulated over the last thirty or forty years, and that we are entering a new era which we believe will result in success. It is imperative that IICA monitor this process and provide us with constructive criticism on the model we are following. If not, in five years, we will be worse off than we are now.

We have inherited many of our current problems from erroneous economic policies of the past. War may break out again in Latin America, not over ideologies, but because of hunger. As the Representative of Costa Rica said, if the GATT does not produce results, our only solution will be to refuse to open up our economies.

IICA should introduce some changes into its format, which may be too orthodox, at a time when we are being affected by a trade war. As the only organization that can serve as a forum, IICA which should take a leading role in the dilemma and crisis we are facing.

I would like to conclude with a practical recommendation: IICA should organize a meeting, not for the ministers of agriculture, but rather for the Ministers of the Treasury and the Central Banks, in order to inform them of the current situation in agriculture in Latin America.

Thank you.

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