

Presentation
of Dr. Martín E. Piñeiro,
Director General of IICA,
before the United Nations
Conference on Environment
and Development
Rio de Janeiro, Brazil,
June 1992



#### WHAT IS IICA?

The Inter-American Institute for Cooperation on Agriculture (IICA) is the specialized agency for agriculture of the inter-American system. The Institute was founded on October 7, 1942 when the Council of Directors of the Pan American Union approved the creation of the Inter-American Institute of Agricultural Sciences.

IICA was founded as an institution for agricultural research and graduate training in tropical agriculture. In response to changing needs in the hemisphere, the Institute gradually evolved into an agency for technical cooperation and institutional strengthening in the field of agriculture. These changes were officially recognized through the ratification of a new Convention on December 8, 1980. The Institute's purposes under the new Convention are to encourage, facilitate and support cooperation among its 32 Member States, so as to better promote agricultural development and rural well-being.

With its broader and more flexible mandate and a new structure to facilitate direct participation by the Member States in activities of the Inter-American Board of Agriculture (IABA) and the Executive Committee, the Institute now has a geographic reach that allows it to respond to needs for technical cooperation in all of its Member States.

The contributions provided by the Member States and the ties IICA maintains with its 14 Permanent Observers and numerous international organizations provide the Institute with channels to direct its human and financial resources in support of agricultural development throughout the Americas.

The 1987-1993 Medium Term Plan, the policy document that sets IICA's priorities, stresses the reactivation of the agricultural sector as the key to economic growth. In support of this policy, the Institute is placing special emphasis on the support and promotion of actions to modernize agricultural technology and strengthen the processes of regional and subregional integration. In order to attain these goals, the Institute is concentrating its actions on the following five Programs: Agricultural Policy Analysis and Planning; Technology Generation and Transfer; Organization and Management for Rural Development; Trade and Agroindustry; and Agricultural Health.

The Member States of IICA are: Antigua and Barbuda, Argentina, Barbados, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominica, the Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, the United States of America, Uruguay and Venezuela. The Permanent Observers of IICA are: Arab Republic of Egypt, Austria, Belgium, European Community, Federal Republic of Germany, France, Israel, Italy, Japan, Netherlands, Portugal, Republic of Korea, Romania, and Spain.





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Mr. President

Mr. Secretary General of the United Nations, Ministers

Mr. Secretary General of the Conference

Ladies and Gentlemen

First of all, I would like to thank the General Secretariat of the Conference for this invitation, which allows me, as Director General of the Inter-American Institute for Cooperation on Agriculture (IICA), the specialized agency for agriculture of the inter-American system, to address you on this occasion.

I am not going to speak about the importance of the topic that has brought us together. That is no longer necessary because, in the short time since the General Assembly of the United Nations decided to convene this Conference in 1989, consensus has been mounting as to the nature and magnitude of the problems at hand and the urgent need to

confront them resolutely. The fact that this has been achieved for such a complex and controversial topic is, without doubt, an encouraging sign, especially in light of the skepticism surrounding the ability of multilateral efforts to achieve concrete results. In some ways, this can be considered a turning point in the current course of events.

What was until recently a concern of primarily the scientific community is seen today as a challenge shared by a broad coalition of individuals, governments and public and private organizations from the north and south, east and west. While some grey areas and political disagreements still exist

on the topic, we must not lose sight of the undeniable fact that the objectives and program of action of Agenda 21 are realistic and feasible. This imperative was aptly summarized by the World Commission on Environment and Development at its last meeting in April: we know what must be done, and the time has come to do it.

With this mandate to move from analysis to proposals, from the discussion of problems to finding ways to solve them, I would like to spend these few minutes describing how we at IICA are preparing to face this great challenge.

### THE NEED FOR A NEW ETHIC OF GROWTH

From the conceptual point of view, we see the problem of environmental deterioration and pollution as the result of the rigid, unequitable economic model still prevailing in the world today. This model is not conducive to development and, although considerable progress has been achieved in certain areas and sectors, we have not been able to close the gap between the rich and the poor, and we must live with the shame of a world where more than one billion human beings are condemned to subsist in poverty, with no other option than to live in overcrowded urban areas or to drain the natural resource base itself, on which the future of all humanity depends.

Latin America and the Caribbean (LAC) are concrete examples of this world, where access to the minimum basic requirements for well-being is sharply divided. By century's end, it is estimated that some 230 million people —44% of the total population of LAC—will be living in poverty and destitution.

Thus, the challenge of sustainable development must be seen as a challenge to defeat poverty. But by setting this as a priority we must not arrive at the false conclusion that the poor are the only ones who degrade resources, nor must it be interpreted that the behavior of other sectors of society is condoned. On the other side of the development equation we have excessive consumption, energy waste and unsustainable lifestyles, which the distortions of the capitalist model and rampant consumerism give rise to in rich countries and in the more privileged sectors of developing countries. They are the major cause of the deterioration of natural resources and environmental pollution, which, today, endangers our future.

Therefore, we must pursue a strategy that aims to eliminate the biases of the current model, the most negative externalities of which are the excesses of wealth and poverty and environmental deterioration. This strategy, furthermore, must take into account that significant changes are required in the lifestyles of industrialized societies, and that there is an urgent need to provide firm support to the efforts of the most vulnerable sectors in developing countries to attain decent standards of living without degrading the natural resource base.

The end of the Cold War and the spread of democracy, as the most suitable political system for representation and participation, provide the perfect setting for dealing with the changes that must be made in the old model. It is also clear that the path we choose must not involve additional sacrifices and stumbling blocks for the economic activity of the Third World.

During the past decade, many parts of the world, among them Latin America and the Caribbean, suffered the sharpest decline this

century in their incomes and standards of living. This was paralleled by a deterioration of physical infrastructure and public services. and the loss of economic resilience in responding to unanticipated domestic and foreign events. For this reason, renewed economic growth must be a priority, one that is subject neither to discussion or negotiation. The challenge is how to make growth both socially and environmentally sustainable: that is, how to incorporate the dimensions of equity and conservation into the concept of growth at all levels of the political and economic decision-making process, so as to ensure a more efficient, effective and responsible use of our ecological capital to the benefit of both present and future generations.

Market economies have the potential of facilitating this harmonization within a framework of pluralism and with ample participation of society. Although in the past market economies gave rise to unequitable and unsustainable behavior, the problem lies not in whether the market is an efficient mechanism for allocating resources and distributing the benefits of economic activity, but rather in how the various participant social groups are organized and what the established rules of the game are. In this respect, there is an urgent need for profound institutional innovations. It is not a question of disregarding the fundamental principles of respect for liberty, individual initiative and private property, but rather of redesigning the laws that govern market performance so as to orient them deliberately to generate sustainable and equitable economic behavior.

On this road to a new development style, international cooperation must also change. Our multilateral agencies are, in many cases, part and parcel of systems that we now recognize are no longer valid because of

circumstances, and which must be rethought in light of this new, interdependent world where mutual interests and common needs, solidarity, frank dialogue and responsibilities, both shared and specific for rich and poor countries, must constitute the core of a new proposal.

Traditional approaches to international aid and cooperation should give way to new arrangments which place a premium on flexibility and make it possible to adjust to changing needs, work with a greater variety of public and private institutions, use resources more effectively and efficiently, and assume an ever more important role as catalysts in promoting joint actions among countries to solve common problems.

# THE KEY POSITION OF AGRICULTURE

All these issues have special meaning for agriculture and for the countries of Latin America and the Caribbean (LAC). With less than 10% of the world's population, the region holds one fifth of the world's potentially arable land, 12% of the lands under cultivation, more than 20% of the forests (half of the tropical forests) and one third of the fresh water of the planet. It is also one of the greatest sources of genetic diversity, with nearly 40% of total diversity. A careful analysis reveals, however, that serious problems of resource degradation, heightened over the past decade, may be at the point of no return in some cases. The fact that between 1980 and 1985 some 17.5 million hectares of humid forest, almost 8 million hectares of tropical and subtropical dry forest and 2 million hectares of mountain ecosystems have been lost, is clear evidence of the gravity of the situation.

The abundance and diversity of natural resources in the LAC region gives agriculture a ciear comparative advantage; thus, agriculture must receive priority status in whatever economic reactivation strategy is chosen. For this same reason, problems concerning agricultural development and natural resource conservation must not be considered as merely regional in scope, but rather as part of the broader worldwide concern for the preservation of our human habitat. This is also why conservation and, if possible, recovery of some resources already on the verge of extinction should be viewed as a global responsibility.

In contrast with the developed countries, where resource degradation is connected with vigorous economic development of recent decades, in Latin America it is more closely associated with the deep economic crisis that has been besetting the region for more than a decade, and the prevalence of a two-tiered agrarian structure in which commercial agriculture exists side by side with small-farm agriculture, with the latter usually pushed out onto the poorest and least productive lands.

One indicator of this situation is the extremely high percentage of rural dwellers living below the poverty line. In 1986, the number of poor in the region was 175 million, of which 100 million—almost 60%— lived in rural areas. It is estimated that this number will grow to 130 million by the end of this decade. This fact alone underscores the magnitude and urgency of the problem we are facing.

The contradiction between resource wealth and extreme poverty, and between new opportunities for exports arising from economic opening and the impoverishment of small-farm economies, poses the challenge facing the new agriculture.

The changes taking place in the region through the processes of adjustment, liberalization and economic opening, combined with the movement toward integration, offer unsurpassable opportunities for resolving this contradiction and for Latin American and Caribbean agriculture to become a dynamic and equitable source of surplus-generation that leads the region in its effort to attain its place in the international economy.

Agriculture and agroindustry have shown clearly that they can become this source of economic growth and contribute to sustainable development. Both activities generate considerable intersectoral linkages and employment. With a suitable policy framework, they can bring about progress without harm to the environment, and also contribute to improving income distribution and to reducing rural and urban poverty.

However, in order to be able to take advantage of these opportunities without running the risk of bringing new pressures to bear on the natural resource base, it is imperative that agricultural protectionism be dismantled. It is agricultural protectionism that has depressed the prices of products from the region and contributed to encouraging resource "mining." The latest announcement on the convergence of positions within the GATT in connection with agricultural negotiations represents a new example of in maturity in multilateral affairs that must receive our support.

#### **COMPONENTS OF ACTION**

Key to this new vision of agriculture are the following three areas of work:

a) modernization of production and institutions, in order to fully tap the tremendous potential of the region's

agricultural resources; b) equity, envisaged as full incorporation into production of the small-farm economy, which to date has not reaped the benefits of agricultural development, and which is considered the only way to ensure dynamic and stable societies over the long run; and c) natural resource conservation and sustainability of production, as a prerequisite for and basis of any production strategy to be promoted.

IICA is putting this conceptual framework into practice through the Plan of Joint Action for Agricultural Reactivation In Latin America and the Caribbean (PLANLAC), a joint effort among the countries of the region approved during the Ninth Inter-American Conference of Ministers of Agriculture (ICMA), held in Canada in 1987.

At present, through the PLANLAC, IICA is working on programs dealing with institutional development and modernization of the public sector; international trade relations; the promotion of technology development and transfer; rural development and the promotion of small-farm agriculture; improvement of agricultural health, and management and conservation of natural resources.

More specifically, the projects under way deal with the following topics, among others: upgrading the skills required to incorporate environmental and natural resource management considerations into the design and implementation of public policies; boosting capabilities for exploiting the potential of traditional technologies and making use of biotechnologies now available in the countries, and facilitating the transfer and adoption of others to which the region does not yet have access; promoting new institutional systems for involving small-farm sectors in designing and implementing policies, programs and projects that give a more important role to private sector

organizations (producers' organizations, trade associations, NGOs) and consistently underscoring the need to involve rural women in efforts to modernize the agricultural sector. As far as natural resources are concerned, emphasis is placed on promoting joint actions among the countries of the region in connection with the management of fragile ecosystems. In Central America, this applies to hillsides and the humid Atlantic region; in the Andean area, the focus is on highland ecosystems; in the Amazon basin, it consists of the various ecosystems making up that basin.

The common denominators of all these actions are that a multidisciplinary approach is used for conceptual development, and inter-institutional action and joint efforts among countries become the modus operandi for implementation. These criteria represent our view of the new role international cooperation should play in bringing about sustalnable development.

As a specific example of our work in support of natural resource conservation, I would like to refer briefly to the Cooperative Research and Technology Transfer Program for the South American Tropics (PROCITROPICOS). South America hosts a great variety of ecosystems, ranging from the deserts of Patagonia to the humid jungles of the Amazon, but it is perhaps the tropical region that offers the greatest potential and is most important because of its place in the global ecosytem.

The humid tropics of the Amazon and its surrounding ecosystems: piedmont, plains and savannahs, constitute an immense and extremely complex area. It is also complex from the political point of view because of its magnitude —more than 1 billion hectares—and because it is shared by eight countries (Bolivia, Brazil, Colombia, Ecuador, Guyana,

Peru, Suriname and Venezuela). It is also complex in technical and institutional terms, because the level of available information and technological know-how is still low, and because there is a lack of institutionalized mechanisms for coordination within and among countries. All too often, this results in a duplication of efforts and a disorderly channelling of domestic and external cooperation resources for research and technology transfer and for implementing specific actions aimed at resource conservation.

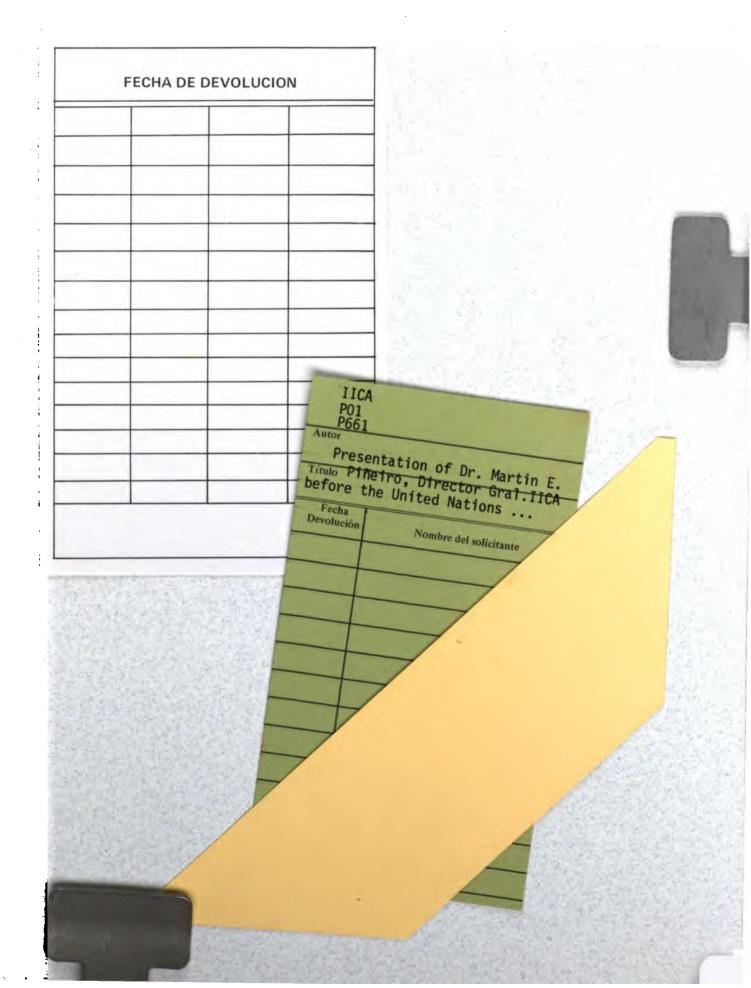
The countries of the Amazon have taken the initiative to create, in collaboration with IICA. a mechanism for cooperation and integration that will enable them to meet the shared challenge of tapping the tremendous economic potential of this region, while at the same time maintaining and conserving its natural resources. Without disregarding national sovereignty in this matter, the underiving belief is that only through the joint and coordinated efforts of all the countries will it be possible to achieve this objective, both because of the interrelations between the different ecosystems, and because the magnitude of the task makes it impossible for any country to deal with the necessary investments alone. It is for this reason that a strategy of joint activities and pooled efforts was adopted. Under this strategy, and within the framework of a common program, each country contributes in accordance with its possibilities, and the exchange of information through subject- and area-specific networks assures them access to and the benefits of the know-how generated overall.

Factors limiting the possibilities of success of initiatives such as this are neither of a scientific or political nature. The scientific

community has demonstrated many times over its capacity to meet challenges such as this. The fact that PROCITROPICOS is operating today also shows that the countries are aware of the urgency of the issue and that they have the political determination necessary to assume the difficulties involved in a commitment to joint action. The real limitation to success is the avallability of financial resources with which to mobilize not only the physical infrastructure and human resources already existing in the countries of the region, but also those from developed countries that are applicable. Our hope is that the international community will take up the challenge put forth by the countries of the Amazon basin when they undertook this initiative.

In conclusion, I would like to emphasize that the success of these ventures and their possibility of making an effective contribution to sustainable development will also be determined by whether our societies can regain their capacity to think about the future, about a possible and desirable future, about the coming generations. During the past ten vears of crisis, we began to lose this capacity; the pressing need to make adjustments transformed the short-term outlook into our only possibility. Now that the region is in recovery, we can begin once again to reflect on and act to bring about modernization with equity and natural resource conservation.

Mr. Chalrman, Delegates, thank you once again for affording me the privilege of addressing you today and for your attention. I assure you that IICA will play an active role in these processes and will take the results and agreements of this Conference as the point of departure for its action in the future.



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