

**Director-General's Opening Speech
at the
International Conference on Agrarian Reform and Rural Development (ICARRD)
(Porto Alegre (Brazil) 7-10 March 2006)**

Your Excellency Luiz Inácio Lula da Silva, President of the Federative Republic of Brazil

Honourable Heads of States and Governments

Distinguished Ministers and Delegates

Excellencies

Ladies and Gentlemen

(Salutations)

It is an honour and a privilege for me to welcome you today to the “International Conference on Agrarian Reform and Rural Development: New challenges and opportunities to revitalize rural communities”. It is an honour because the subjects of this conference, agrarian reform and rural development, are critical for the fulfilment of the commitments of the 1996 World Food Summit, the World Food Summit: *five years later*, the World Summit on Sustainable Development (WSSD) and the Millennium Development Goals (MDGs). It was this recognition of the importance of agrarian reform and rural development that led the FAO Conference in November 2005 to support, unanimously, the organization of this conference.

1. The need to address hunger

As the first specialized agency of the United Nations, FAO was founded sixty years ago to serve as a forum in which nations would “...ensure humanity’s freedom from hunger”. Yet in 2006, at a time when there is enough food produced to feed every human being, there are still 852 million undernourished people in the world. Since 852 million is a very large number, it is sometimes difficult to grasp the real dimensions of this problem. Let me make it more concrete. It is the same as the entire population of Brazil, *multiplied four and a half times*. I am sure that you will agree that this is an unacceptable reality.

2. The importance of agrarian reform and rural development

(Key Message: Hunger is rural and hunger can not be reduced without agrarian reform and rural development)

My key message today is that **the battle to achieve the Millennium Development Goals**, especially MDG1 on poverty and hunger reduction, **will be lost or won in the rural areas of developing countries**. This is because, despite urbanization, extreme poverty continues to be mainly a rural phenomenon. Of the world’s 852 million hungry, 95 percent are concentrated in developing countries, mostly in rural areas. And of the

world's 1.1 billion extremely poor people, 75 percent live in rural areas and depend largely on agriculture, forestry, fisheries and related activities for survival.

Rural areas have undergone unprecedented changes over the last decades as the issues papers and national case studies submitted to this Conference have shown. For the rural poor, globalization and the increasing pressures of large industry, markets, and urban consumers have, on balance, been detrimental. In many places, these trends have forced small producers and farm families out of agriculture and rural areas altogether, or led them to excessive intensification and specialization and increased vulnerability to price fluctuations, the vagaries of weather, and pest and disease outbreaks. Tariffs, subsidies and other trade-distorting policies in developed countries have eroded the market share and revenues of exports by many developing countries. Growing urban settlements, migration and rising mortality rates, in some areas due to HIV/AIDS, have continued to take their toll on the rural work force, in spite of longer life-expectancies. Climate change, competition between agriculture and other sectors for land and water, loss of biological diversity, land degradation and desertification, and technology development have transformed the availability and use of natural resources, particularly in those fragile and critical ecosystems where poverty and hunger often prevail. There has also been a marked decline in investment in agricultural and rural sector development. This has further limited the opportunities available to rural populations and contributed to rural stagnation, particularly in highlands, dry lands, and fragile ecosystems in which the majority of the rural poor live. Clearly, a paradigm shift is urgently needed to address these problems.

This conference offers an opportunity to find the answers to two urgent questions. The first question is: *faced with these trends, what can be done to revitalize rural communities and rural areas?* The second is: *What are the lessons and good practices from agrarian reform that need to drive the process of rural transformation and the fight against poverty and hunger?*

3. The background to ICARRD

The tragedy is that rural poverty is not new. This Conference is dedicated to Josue de Castro, the Brazilian physicist and social scientist and Chairman of the FAO Council who, in 1952, called the world's attention to the *Geography of hunger*. He argued that the countries of the world are capable of feeding their starving populations, but do not do so for political reasons. In 1979, FAO organized a World Conference to draw attention to the importance of agrarian reform and rural development and adopted a Peasant Charter and Plan of Action to support action in rural areas. Since then, the World Food Summit in 1996 and the World Summit: *Five Years Later* in 2002 have underlined that hunger is directly linked to inadequate access to land, water and other productive resources and that, to fight hunger, political will and financial investment especially in rural areas are essential. The Millennium Summit has rallied the world in the fight against

poverty. But without a clear focus on sustainable rural development, the goal of halving poverty will only be achieved by 2050 instead of 2015.

This International Conference offers an important opportunity to direct the world's attention to **the rural face of hunger and poverty**. It provides us with a chance to share lessons about what has really worked and what is still needed to reinforce government and civil society efforts in this battle against hunger. And, as the innovative preparatory process has shown, it is also a unique occasion for socially constructive dialogue among governments, social organizations, movements and civil society groups and UN agencies, a range of stakeholders with highly diverse interests, yet all deeply concerned with sustainable land use, social justice, and economic growth in rural areas.

4. FAO's land tenure work for the last 60 years

Agrarian reform has two key dimensions. The **first dimension** has to do with improving access, by the poor, to land and natural resources. Access to natural capital by the poor, such as women, indigenous peoples, workers, refugees, tenant farmers, pastoralists, fisher folk, and other socially vulnerable and disadvantaged groups, is not only important for food security and income. It is also, often, a crucial precondition for participation in local decision making, for access to credit, as a safety net in times of hardship, for environmental rehabilitation, for infrastructure development and other long term land-based investments, and as a means to reduce socio-economic disparities and to promote peace.

FAO's support to member countries has helped improve access to land by the poor through more secure and equitable leasing arrangements. Following the end of violent conflicts, FAO's interventions have assisted Internally Displaced Persons and refugees to have access to land while still protecting the rights of host communities. Pastoralists have been provided with secure and sustainable access to rangelands. Farmers have acquired better landholdings through the consolidation of their small, fragmented parcels. Communities have obtained secure access to their traditional lands, thus preventing the loss of their land to others. FAO has assisted countries to improve their administration of land tenure, to ensure good governance of these important resources. One milestone has been the "Voluntary Guidelines for the Realisation of the Right to Adequate Food", which was adopted by the Committee on World Food Security in 2003 and calls for States to take steps to facilitate access to land by the land-poor or landless, and to enhance and defend security of tenure over land, particularly for the most marginalized groups. FAO is assisting members to develop sustainable, affordable systems of land tenure to enhance economic and social growth. By helping to reconstruct land tenure and land administration arrangements in post conflict and emergency situations, FAO is helping to lay the foundation for sustainable peace.

5. FAO's rural development actions, including investment and credit

The **second dimension** of agrarian reform has to do with improving rural capacities for development and rural access to services. Secure access to land and natural resources is an essential, but not a sufficient condition to address the challenges of poverty and hunger. For rural people's to use and manage resources in a profitable and sustainable fashion, other livelihood assets are also essential. Experience has shown that training (*human capital*), stronger producer organizations (*social capital*), rural infrastructure (***physical capital***), savings, credit and investment (*financial capital*), accessible and responsive services (*enabling institutions*), and pro-poor policies (*supportive policies*) are essential components of successful agrarian reform.

FAO has been a pioneer in promoting participatory and livelihood approaches for sustainable agriculture and rural development. In support of the ECOSOC 2003 Ministerial Declaration on Rural Development, FAO's rural development interventions have enabled member countries to build stronger and more effective producer organizations, cooperatives, enterprises, and civil society institutions. These interventions have helped rural producers and the rural poor to participate at decentralized levels of government, to contribute to national policy formulation and to negotiate access to livelihood assets. Through negotiated and participatory territorial development and participatory planning approaches, and through capacity building of municipalities and local authorities, FAO has helped to foster decentralized and more accountable local governance and service systems. FAO has also helped to strengthen local institutional capacities for disaster preparedness, prevention and rapid recovery and long term sustainable development in high risk areas. These are just a few of the many areas of FAO assistance to member governments

6. The need to address poverty, hunger and land reform in an integrated perspective of rural development

Any poor person from my home country of Senegal knows that poverty, like human well-being, is multi-dimensional. And breaking the poverty cycle requires multi-dimensional solutions. A diverse, stable and balanced diet of grains, protein and vegetables, like a diverse, stable and balanced livelihood that meets both basic needs and future aspirations, require cross sectoral and integrated approaches. Sustainable rural development does not only entail increases in food production, access, availability, and use. It requires approaches that help to increase and diversify rural employment opportunities and promote remunerative, stable and decent employment, reduce regional income disparities, stem excessive rural-urban migration, preserve spatially balanced rural landscapes, protect indigenous knowledge and cultures, and offer a buffer for the urban poor in periods of economic crisis and social unrest.

Yet some solutions to rural problems can only be found outside rural areas. One important example relates to subsidies and trade. Whereas agriculture provides around 70 percent of the labour force with work and contributes 36 percent to GDP in developing countries, in high-income countries it employs only around 5 percent of the labour force and contributes only 2 percent to gross domestic product (GDP). Yet farm subsidies in rich countries distort the global marketplace, making it in many cases almost impossible for poor farmers in developing countries to compete. They encourage excess supply, which further lowers world agricultural prices -- reducing the money that poor farmers make, or pushing them out of the business entirely.

Clearly, multidimensional problems need multi-dimensional and integrated solutions. **Breaking the cycle of rural poverty and revitalizing rural communities requires integrated, people centred and territorial approaches.** It also urgently requires **partnerships and collaboration among many different stakeholders:** men and women, old and young, urban and rural, farmers, fisher folk, landless workers, indigenous peoples, pastoralists, governments and local authorities, the scientific and technological community, NGOs, businesses and industries. After all, **the real strength of rural development, and its greatest untapped potential, is the strength of rural people themselves.** No single actor can break this cycle alone.

7. The need for action and ICARRD objectives

Excellencies

Ladies and Gentlemen

This conference is a call to action. It is a call for understanding, learning and constructive dialogue to address agrarian reform, sustainable rural development and rural poverty through the creation of a lasting platform to monitor and evaluate best policies and practices, and progress in agrarian reform and rural development. That is the first objective of the conference. It is also a call for the experiences, recognition, political will, resources, and concrete actions needed by all actors to enhance international cooperation and promote more equitable, transparent and accountable access to land and other livelihood assets. This is, in fact, the second objective of the conference.

The issues papers, national case studies, and electronic forum raise some of the critical elements for action. They identify policies, practices and capacities needed for securing and improving access to land, water and agrarian inputs and services. They reveal some of the new opportunities to strengthen rural producers and communities and facilitate people's choices in rural development. They highlight the challenges of social justice, food sovereignty, the right to food and cultural diversity.

Your deliberations during this conference, along with the Civil Society Forum and side events, should help to round out and complete this picture. They should not only affirm that agrarian reform and rural development are needed to fight hunger. They should identify ways to make this happen and, thus, help to renew global and national commitments and accelerate progress. Securing rights and access to land and other livelihood assets by the poor requires good practices and policies, as well as the political will and financial investment of national governments to revitalize the rural sector, and the commitment of developed countries to fulfil their pledge to increase development assistance.

(Thanks)

In closing, I would like to thank the Federative Republic of Brazil, and in particular His Excellency, President Luiz Inácio Lula da Silva, for offering to host this conference and for welcoming us to Porto Alegre, the home of the World Social Forums. I would also like to express my appreciation to the International Fund for Agricultural Development (IFAD), the Governments of Switzerland, Spain, Norway and EU, the International Planning Committee for Food Sovereignty (IPC), Action Aid International, and the many other organizations that have provided financial or in kind support for the preparations of the conference. I am also grateful to the Conference Steering Committee and FAO Secretariat for its diligent work over the last year to prepare this conference.

Finally, I wish to pledge the commitment of FAO to participate actively in the follow-up of this conference. In particular, I look forward to your recommendations on the mechanisms and tools by which to promote, monitor and assess its follow-up and progress at national and international level.

I wish you success in your deliberations and look forward to bringing the results of this Conference to the attention of the governing bodies of FAO and seeking their guidance and support for strengthening the Organization's work in this field.