

PLATFORMS FOR A POLICY DIALOGUE ON PEASANT FAMILY FARMING

IFAD's Strategy and Experience in the Expanded MERCOSUR



FIDA MERCOSUR

PROGRAMA REGIONAL FIDA MERCOSUR



IFAD's interpretation of the performance of its projects in the MERCOSUR sub region since 1997



Background and rationale of the initiative

The context of the policies emerging from the "Washington Consensus Reform", together with the framework of the regional trade integration process under the philosophy of open regionalism led IFAD to adopt the decision of investing in the creation of its Regional Coordination Unit (FM-RCU).

The initiative (the IFAD-MERCOSUR Regional Programme) originated in the seminar held in 1997 in Montevideo, under the name "Fighting Poverty Through Market-Based Rules", in the framework of the regional trade integration process (Common Southern Market).

The seminar was conveyed by IFAD and the Uruguayan government through the Ministry of Foreign Affairs, and it engaged senior authorities of the countries in the region, authorities with whom the institution has worked in the formulation and implementation of projects. The participants were invited to discuss potential alternatives that would help them improve their outcomes.

Below is a summary of the most outstanding conclusions of the activity:

- i. Unless the projects executed by IFAD in the region are included in the framework of development-specific public policies, and in keeping with the general market integration policy currently in force, they will contribute relatively little and only transiently to the improvement of the poor rural population's

quality of life, basically behaving as a *compensatory* tool rather than an instrument for the *promotion* of the most vulnerable rural sectors.

- ii. The countries in the region need to promote rural development policies consistent with the market integration process, to change the situation described above; governments may work side by side with IFAD to that end.
- iii. Governments decide to create a Regional Coordination Unit (RCU) in the sphere of their ministries of Agriculture and within the regulatory a framework of MERCOSUR, to handle all the public policies intended for the promotion of investment in rural territories, both in terms of infrastructure and in the development of productive and technical social and human skills. It all starts with good knowledge of the current regulations in each country, to then share experiences, improve designs and articulate strategies in the framework of the regional integration process. To that end, they decided to request a regional grant from IFAD.

Instruments used

Throughout 1999 and 2000, IFAD worked with the Ministries of Foreign Affairs of MERCOSUR's four full members and its two associates¹ to agree upon a grant for MERCOSUR to be executed by the ministries of Agriculture. The grant was to be used for the creation of the Regional Coordination Unit in charge of public policies that address the root causes of rural poverty, policies for rural development and promotion of small farmers (peasant family farming). Each government approved the Programme and entrusted the *pro tempore* Presidency at the time (Argentina) to implement the RCU IFAD-MERCOSUR, in September 2000.

Below are the premises underlying the conceptual and operational basis of IFAD's Regional Programme for MERCOSUR that was created in the late 90's to guide the management of the Programme: a) the highly specific development projects that are not supported by any well-defined public policies or by an appropriate public institutional framework are not likely to yield any results with a true impact on the fight against rural poverty; b) the actions undertaken by the Programme should contemplate the permanent and privileged engagement of the small peasant farmers and rural population, representatives of family farming and their organisations; c) mechanisms should

be established for the participation and engagement in policy dialogue with the region's government officials responsible for the design and implementation of the public policies related with agriculture, family farming and rural development and elimination of poverty; d) integration of the representative of beneficiaries and executors of the programmes and projects funded with IFAD resources in the countries of the regions; and d) creation of the conditions for developing enduring alliances between the social and business sectors and the public sector, so as to provide the policies with a broad basis of consensus, long-term sustainability and validity.

After IFAD-MERCOSUR's RCU was created, it started to operate at the administrative headquarters of the regional bloc in Montevideo; from there, it played a pivotal role in the funding and technical support of an exchange agenda between: i) offices in charge of farming policies and rural development of the countries in the bloc, ii) coordinators of the IFAD projects implemented in the region (Argentina, Brazil, Paraguay and Uruguay), and iii) representatives of rural organisations gathered in COPROFAM (MERCOSUR Regional Coordinator of Family Farmers) interested in transmitting their concerns and proposals to the government authorities involved in the integration process.



¹ Full members: Argentina, Brazil, Paraguay and Uruguay. Associate members: Chile and Bolivia (2000)

Overview of the process followed by the IFAD-MERCOSUR Programme for the coordination of policies that promote rural development, the design of projects for the sector (IFAD's in particular), and the integration of efforts between the policy offices, the units in charge of executing the projects and the guilds that represent farmers (2000-2003). Getting the construction of policy dialogue started.

Hence, IFAD's first grant was instrumental for the implementation of the RCU and to fund and technically support exchange between: i) offices in charge of farming policies and rural development in the bloc; ii) coordinators of ongoing IFAD projects in the region; iii) representatives of organisations gathered in COPROFAM; iv) between the range of actors above, thus contributing to the generation of trust between the agencies involved (and between the officials and leaders engaged in the process), and the construction of an enabling environment that may allow for progress in terms of policy dialogue, moving to a second stage (that was accompanied by IFAD through a second and a third grant).

To a certain extent, the actions in this first step also sought to bring other tiers of governments in each country to the table (including those responsible for public investment and the Ministries of Foreign Affairs) to participate in a social dialogue committee or bargaining table on public policies for rural development and the combat to root causes of rural poverty. This strategy was also significant for the further *institutionalization* of a space defined for the design, exchange and harmonisation of public policies oriented to family farming in MERCOSUR.



Tapping on a regional setting led by Brazil and by COPROFAM to consolidate progresses made in the matter, securing a specific institutional framework (REAF) with IFAD's technical and financial support (2004)

The changes occurred in the region's political arena in 2003 led to the development of a forum for the articulation and coordination of actions between governments and civil society organisations; it was meant to acknowledge the key role played by family farming in terms of food security and as an economic player in the regional context. Thus, after a broad mobilisation of initiatives, organisation leaders, public officials and academia intellectuals succeeded in gathering and agreeing upon a common guideline, led in this case by COPROFAM; together with the Government of Brazil they promoted the creation of a space devoted to policy dialogue and specifically on public policies for family farming within MERCOSUR.

In 2003, coincidentally with the MERCOSUR Presidential Summit, the IFAD-MERCOSUR Programme and COPROFAM organized a seminar in Montevideo to discuss family farming and its incidence on the balanced development of rural territories, the fight against poverty and food security. The seminar produced the "Letter of Montevideo",² which was presented by the family farming social leaders to the Ministers of Foreign Affairs in the bloc. Concerning the proposal of creating a "specialized forum for the dialogue of the regional public policies for family farming", as pushed forward by the Government of Brazil, and under the *pro tempore* presidency of Argentina, they created the Specialized Meeting on Family Farming (REAF).

The formal process that provided the legal and institutional framework was designed when the Ministers of Finances and Foreign Affairs and the presidents of the central banks in the four full member countries recognised the need to articulate the role of small farmers within the regional integration process. On the 25th of June 2004, the Common Market Group (CMG) - the regional bloc's executive body - created the Specialised Meeting on Family Farming (REAF, for its acronym in Spanish) in MERCOSUR, through resolution number 11/04. This resolution sets forth REAF's objectives, such as the strengthening of public policies aimed to family farming and the promotion and facilitation of the

² See Annex I.

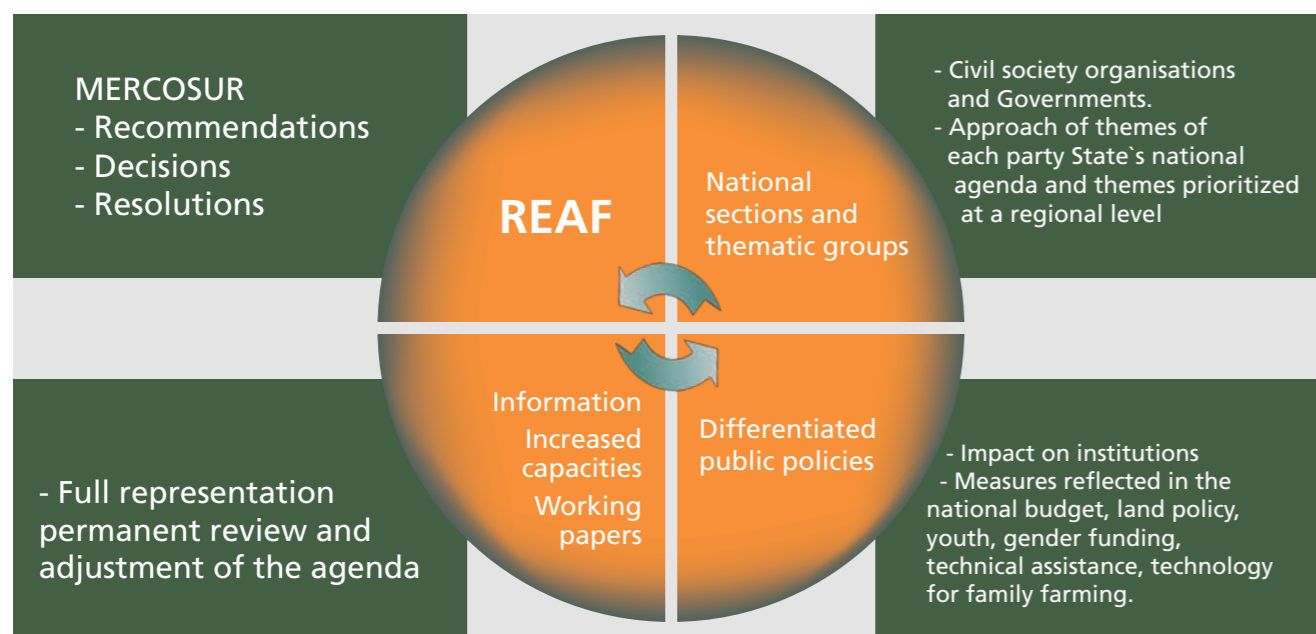


trade of their products. It is based on the understanding that differential policies may enhance the quality of living of the rural population, promoting linkages of future generations with production by means of family farming.

The social organisations of the peasant family farmers in the region, created in 1994 to actively join the regional integration process, had achieved their first instrumental objective to that end. IFAD had made it possible by acting as their *partner* and support. The next challenge was to provide contents, livelihood and applicability to the dialogue on public policies in the REAF framework, effectively acting as the advisory body to the Common Market Group (CMG) and the MERCOSUR Council (CMC). It was meant to analyse the issues, putting together a participative and positive agenda, relevant both for the interests of the peasant family farmers of the six countries that are part of MERCOSUR, as well as for the enhancement of the regional integration process. To that end, the dialogue on the themes included in the agenda should produce and raise recommendations to the bloc's executive bodies and their respective governments, respecting MERCOSUR's intergovernmental nature.

IFAD has continued to be a key partner of the social organisations and governments, providing REAF the sustainability, contents and methodology required for its actions, including the provision of the funds needed to increase the participation and facilitate the attendance of the representatives of peasant family farming to regional and national meetings, and to the working group sessions. IFAD was also instrumental in the management of REAF's technical secretariat upon its request, and conducted through the IFAD-MERCOSUR Regional Programme.

REAF's organisation and operations in the course of the years that followed (2004-2011) with the IFAD-MERCOSU Programme acting as REAF's technical secretariat, until the commissioning of the Family Farming Fund (FAF)



Formal methodological aspects that respond to the regulatory framework and the legal organisation of MERCOSUR

REAF is an organ formally created as **part of the institutional structure** of MERCOSUR; it is clearly entrusted a role as an **advisory body** to the CMG/CMC.

In pursuance of that it must build and develop a public policies **agenda** oriented to family farming and hold at least one meeting every six months, under the *pro tempore* presidency (PTP) of each of its full members, to discuss **issues included by consensus** (MERCOSUR does not work based on majorities).

The agenda is arranged in consensus, frequently avoiding any highly controversial issues of the moment; those issues tend to be discussed at a country level, between governments and social organisations that represent family

farming. This means that the topics that are most usually debated at REAF imply medium- and long-term approaches, as well as policies and instruments capable of *setting the political grounds* for the development of family farming. To that end, a model of dialogue was applied between the party States, contemplating: i) the information and the mutual knowledge on the policies and instruments in force on the subject under discussion in each country; ii) compared and shared analysis; iii) exchange of experiences; iv) the technical work required to support the proposals for policies and adjustments or design of instruments; v) proposals to the appropriate executive bodies; and vi) dissemination.

Operational methodological aspects

REAF always sessions with **full participation** of the representatives of family farming as part of the official delegations. This issue that has always been respected at REAF was a *pioneering breakthrough* in MERCOSUR, and it ratified the Specialized Meeting as a space for policy dialogues. The family farming social delegations always participated in the discussions (both at a national and regional level) as part of the official delegations.

REAF got organized to work between the 6-monthly regional sessions, holding at least one meeting of the thematic groups, preceded by at least one meeting of every national section. Thematic groups were created as needed to discuss the themes in the agenda.

REAF received the support of COPROFAM, but it kept its doors open to all those organisations representative of the sector that conceived MERCOSUR as a regional integration project worth supporting.

Given the bloc's **intergovernmental** nature, there was a focal point in each country, appointed by the appropriate ministry and endorsed by the respective Ministry of Foreign Affairs, who was always in charge of summoning the representatives of the social organisations and heading the delegation.

Governments and social organisations related to family farming went even beyond REAF's explicit mandates with **horizontal cooperation activities** associated with their agenda, thus allowing for an enriching mutual transfer of experience-based knowledge in terms of policy instruments and rural development projects.

During the work undertaken in the second stage of the process in the region (2011), the grants awarded by IFAD through the IFAD MERCOSUR Programme were used to fund REAF's technical secretariat and a substantial part of its activities (formal meetings, thematic groups, seminars and preparatory workshops), culminating in a *full empowerment* process of governments and social organisations, and resulting in the creation of the FAF (Family Farming Fund) in MERCOSUR. This led to the provision of funding to the governments to REAF, giving rise to a third stage of its course and institutional consolidation (currently under way).



Third stage, full consolidation of REAF as a platform for regional policy dialogue, expansion and deepening of their agenda, expansion toward new countries and regions, and dissemination of the knowledge accumulated in various areas.



REAF's institutional and financial consolidation brought about new challenges for those participating in the policy dialogue: i) to expand and deepen the agenda, updating the technical work, introducing new work or new instances for exchange in seminars and work-shops; ii) to *refresh the agenda* monitoring the outputs obtained in terms of policies, instruments and their applicability; iii) to create and consolidate new instances of dialogue on policies in those countries accessing the bloc as full or associated partners; iv) to promote new instances of horizontal cooperation between the actors engaged in the policy dialogue, within the MERCOSUR bloc, as well as other regional blocs and other regions, including Africa (where both IFAD and the MERCOSUR countries are interested in generating opportunities for mutual learning and cooperation); v) disseminate lessons learned, debates, studies, results and experiences through a harmonic system based on *information and knowledge management* instruments, to further democratize the policy dialogue between social organisations and governments. To that aim, IFAD continues to be a partner in the region and decided to approve a new grant (currently under implementation).

At this stage IFAD's Regional Programme for MERCOSUR and its RCU meet REAF's needs, which are complementary to the existence of the technical secretariat and the fulfilment of its routine activities (both covered by the FAF). At this stage, too, the Regional Programme also supports governments and organisations of family farmers in each country, to assist them in the execution of their IFAD projects or for the implementation of policies derived from REAF's work through resolutions and decisions that the MERCOSUR bloc itself assumes in compliance with existing recommendations (and exceeding the performance capacity of the FAF). It also contributes to the dissemination of the experience involving REAF's dialogue on policies outside the Southern Cone, in keeping with the needs and interests of governments, organisations, with REAF's own, and even IFAD itself.³

³ Visit: www.fidamercosur.org.

As a general summary and in an oversimplified manner, one could say that in the three stages mentioned, IFAD's actions channelled through the IFAD MERCOSUR Programme in the region were adjusted as follows: i) the initial stage, where the outcomes were reported to the MERCOSUR authorities (2000-2004), ii) an intermediate stage, starting when the bloc established REAF (Specialized Meeting on Family Farming), delivering technical secretariat services to this *advisory body* that reports to the MERCOSUR authorities, raising recommendations (2004-2011); iii) the current stage, since governments adopted REAF's technical secretariat following the creation of the FAF (Family Farming Fund), and the IFAD MERCOSUR Programme went on to provide technical support for some concrete activities in REAF's agenda, and partly collaborating with governments and rural organisations to support the implementation of the recommendations coming from REAF, and to collaborate for a better implementation of the South-South cooperation that may contribute in that regard (2012-2014).

In each of those moments, where the scenarios gradually changed and the results led to the consolidation of new situations, the focus of the Programme was adjusted respecting the general objective and altering the relative significance of some specific objectives.

The *general objective*, which remained valid all along the stages where the tool was applied may be summarized as follows:

To reach the design and implementation of specific (differentiated) public

policies for the most vulnerable populations of the rural areas that benefit from IFAD's operations (family farmers), considering IFAD's projects as policy tools aimed to promote the increased income, improvement of the quality of life and a rural development model that includes and incorporates those populations in the markets.

Throughout the process, several *specific objectives* that contribute to the general objective gradually shifted their relative importance; we highlight the following:

- i. Clearly identify the target population in all the countries that are partners of the bloc, based on common criteria, for differentiated public policies to be agreed and implemented between the parties consistently and in line with the integration process.
- ii. Analyse all the public policies and their instruments (including IFAD projects) of all the countries represented by the government authorities and rural organisations, discuss adjustments and proposals, and achieve agreements to formulate recommendations to MERCOSUR and their governments, seeking to improve the quality of their design and implementation.
- iii. Use horizontal (South-South) cooperation to transfer knowledge that may contribute to institutional adjustments and public management with an active involvement of the beneficiaries, both required to achieve better policies, more suitable instruments and quality results that may reach a larger number of rural beneficiaries.

Throughout the process, IFAD has always participated as a *partner*⁴ in the process of creation and consolidation of this regional policy dialogue platform, with a strong involvement of the Latin American and Caribbean Division, participating in their regional activities and monitoring and evaluating their results both at the level of their leadership and at the level of the operations managers in each country. After 14 years, this has led to the development of institutional trust among the three parties, i.e., between IFAD, governments and social organisations, enabling a policy dialogue that serves the stakeholders' various interests and objectives, and with quantifiable results. The most important role played by the IFAD-MERCOSUR Programme these years through the secretariat of REAF was to balance the asymmetries between interlocutors engaged in the policy dialogue and to prevent political malpractice from turning into a *monologue* legitimated by Governments, where family farming social organisations would be offered meager chances to effectively impact on the design of instruments and policies and on the demands on investment resources. The risk is always latent.

It is worth mentioning that during the different stages of the execution of the IFAD-MERCOSUR Programme, IFAD conducted or entrusted nine external assessments on the IFAD-MERCOSUR Programme and REAF (see Annex II). Simultaneously, to facilitate the legal formalization of COPROFAM, and to endow this key player with greater strength and formal recognition, IFAD approved a grant to benefit this organisation specifically with that aim, and to coadjuvate in its institutional strengthening, with a view to enhance its participation in REAF and other international fora.

⁴ On many occasions, several actors in this process have referred to IFAD as an honest broker (using that expression in English), to refer to the willingness to do things to collaborate, without intervening and not interfering with the daily actions. Facilitating the meetings and balancing the interlocutors of the dialogue, democratizing access to information and participating in the analysis.

The paradigm shift seen during the process concerning the peasant family farming and its role in rural development.

All along this fourteen-year-old process (2000-2013), where the IFAD-MERCOSUR Programme supported the construction of the platform on public policies for family farming REAF as a *facilitator*, there have been several changes in the political, economic, commercial and financial context, as well as several changes in the social context.

In the late 90's and the early years of the 2000-2010 decade, Brazil was the first of several changes in the ideological sign of the governments in the region, which in turn led to various changes in the approach and the priorities for public policy investment in the macroeconomy, both socially and at a sectoral level. The new priorities were now to overcome the crisis, eliminate poverty and indigence, redistribute the income produced by the least favoured sectors and promote the productive sectors, from the domestic market to exports.

Almost a decade and a half have elapsed, also coinciding with the most remarkable changes in the matter of reversal of the historical tendencies in the *terms of exchange* concerning the price of agricultural *commodities* and food in particular. Thanks to this economic phenomenon, the MERCOSUR countries, all net exporters of food (before the accession of Venezuela in 2012), have shown very significant and sustained growth rates. The poverty and indigence rates dragged from the economic crisis that extended from the late 90's to the early 2000 were reduced, with an almost non-stop growth of agriculture since 2003, both in its net product and in its share in the countries' economy. More resources became available for public investment, prioritizing the clarity of investment on social and human development, as well as promoting the development of food production, rescuing the peasant family farming sector in that same line.

Under the leadership of Brazil, the region started to recognize family farming as a socioeconomic category, and pushed for a very important *shift in paradigms* in terms of the conception of the investment public policies for the promotion of social and economic development in rural areas. The leaders of the social organisations that represent peasant family farming in the region and governments (through their ministries of Agriculture and Farming Deve-

lopment), jointly with IFAD in a *facilitator* role and partner for the design of effective policies and instruments to channel public investment, developed the legal and political institutions framework of MERCOSUR, an experience that undoubtedly helped to promote the paradigm shift mentioned.

This paradigm shift is based in two premises.

First premise

Family farming is not a synonym of rural poverty. It is a broad and heterogeneous category that is present all around the world; although there are many families of poor farmers, there are many with a huge capacity to work, to transform and to invest, who are capable of managing and handling their production systems, frequently related with the markets.

Second premise

Family farming is part of the solution to the problems derived from poverty in the rural areas. This is the case as soon as the issue is recognised and proper differential public policies are implemented, guiding investment and public services, not through *compensations to those excluded from the market*, but through capacity building, encouraging private alliances for production, promoting partnerships and the generation of proper technologies that incorporate value to their products and facilitate their trading.

Finally this paradigm shift must yield concrete and measurable changes in the public institutional framework to allow for an effective implementation of the new model:

- i. The differential public policies specifically targeting family farming and a new process-driven agriculture require modern institutions whose visions go beyond mere production (integrating it).
- ii. Modernise and increase the relevance of the ministries of Agriculture, moving away from *paraplegic* ministries with a purely regulatory role and with outsourced services, to ministries capable of developing policies, with expertise in the knowledge and management of the marketing and operational conditions of the markets, permanently attending the commercial negotiations to open and preserve destination markets, and responsible for guiding the generation of appropriate technologies and processes.
- iii. Responsible for the implementation of differential instruments for family farming in the rural territories, or guiding public investment both in quantity (more resources) and in quality (more opportunities).
- iv. Management of timely and reliable statistics that capture statistical information on the factors that permit to reflect the specific characteristics of peasant family farming so it will not remain *invisible*.
- v. Agencies devoted to the design and formulation of public policies, prospective and policy dialogue with the organisations that represent the various forms of farming production.

During this period, public policies oriented the resources and the income generated in the processes, through investment to support production and marketing, the provision of more and better services and public goods of easy access by the beneficiaries, seeking: i) to enhance the competitiveness of processes; ii) social and economic inclusion; iii) complementation;

iv) integration and addition of value and knowledge to the processes. States should be proactive but without intervening in the markets and in pricing, acting as a warrant of equality, facilitating the access to market opportunities and public policies, their instruments and their resources.

In the next chapter we present the measurable outputs, where the existence of REAF's policy dialogue platform and the organized participation of the family farmers made it possible to obtain good outputs, which, albeit insufficient — even today — have led to a remarkable change in the scenario.



Highlights of REAF's policy dialogue performance, in some of the areas addressed by the four full partners of MERCOSUR until 2012

The main outputs (changes) registered in each of the full partners of the bloc that participated actively in the above-mentioned process (that cannot be directly attributed to this process potentially related to it), may be seen in terms of: i) the construction and consolidation of an institutional framework devoted to the family farming sector; ii) the existence of the current public policies differentiated to address the needs of family farmers (on issues targeted by REAF that showed significant changes in keeping with their recommendations); iii) target population (growing evolution); (iv) increased budgetary resources assigned by the national governments (growing evolution of the most outstanding instruments devoted to family farming and its funding).

To illustrate that, the table of the follow page, shows the most outstanding outputs in each of those aspects observed during the REAF process.⁵

Other planes that receive the impact of the policy dialogue associated to the REAF process

- i) In Argentina they have incorporated the experiences of insurance for family farmers, the programmes for youth, and gender-focused policies generated at REAF at a regional level; they are part of the national policy programme implemented by the Ministry and are in the agenda of activities of UCAR, which is responsible for the execution of the key projects with a country scope in the area of family farming.
- ii) In Brazil, family farming has been introduced into the institutional markets and is seen as a platform

for a more active incorporation to private markets, in the light of the experiences of other countries in the region that include the family farming sector in competitive value chains.

- iii) In Paraguay, progress was made in the development of public procurement experiences by local governments, insurance for family farming, instruments of inclusion of family farming to value chains, rural funding, and inclusion of the young in development programmes and projects, with the contribution of regional cross-section cooperation.

- iv) Uruguay has incorporated specific instruments for action in the areas of gender and rural youth based on the lessons learned in the REAF framework.

- v) Several regional bodies were motivated, for example, the Southern Cone Cooperative Programme for the Technological Development of Agri-food and Agri-industry PROCISUR to coordinate agendas that target family farming.

- vi) In the quality of IFAD's projects portfolio in the region, particularly in that of the countries that used to have more difficulties in the matter a decade ago (Argentina and Paraguay).

Type of output	Argentina	Brazil	Paraguay	Uruguay
Construction and consolidation of institutions	Creation of the Family Farming Forum	No major changes in this period	No major changes in this period	Creation of the Directorate for Rural Development;
	Creation of the Secretariat for Rural Development and Family Farming and the Unit for Rural Change (UCAR) in the MAGYP			Execution of the projects led by the MGAP based on the experience of PUR-IFAD, who installed the Rural Development Boards
Differential public policies that target family farming	Law 26737, National Rural Lands Registry	Enhancement of the National Programme for Family Farming that targets this sector	Development of the Program for the Promotion of Food Production by Family Farming	Several laws that regulate the concentration of land ownership and its possession by foreigners; they adjust the tax policy for holdings greater than 2,000 hectares.
		Development of the Programme for Food Procurement and the National School Food Programme	Execution of PPR-IFAD focused on the integration of family farming to competitive value chains (sesame, milk and cassava)	Increased budget of the National Colonisation Institute to implement a policy for the access of land by family farmers under leasing or undertaking purchasers schemes
		Reinterpretation of Law 5709, Limits to the concentration of land ownership and its possession by foreigners		
Family farming population that benefit from policies, programs and projects	Universe of family farmers according to the Farming Census = 251,116	Universe of family farmers according to the Farming Census = 4,367,902	Universe of family farmers according to the Farming Census = 269,559	Universe of family farmers according to the Farming Census = 32,692
	National Registry of Family Farmers that have access to specific public policy instruments = 89,856	National Registry of Family Farmers that have access to specific public policy instruments = 4,166,562	National Registry of Family Farmers that have access to specific public policy instruments = 66,465	National Registry of Family Farmers that have access to specific public policy instruments = 20,570
	Farmers that participate in projects executed by UCAR (not limited to family farmers) = 122,058	PRONAF contracts = 1,794,422	Farmers that participate in PAA = 83,263	Farmers that benefit of several instruments provided by MGAP = 11,107
	Universe coverage = 40-45 %	Universe coverage = 40-45 %	Universe coverage = 25-30 %	Universe coverage = 35-40 %
Public budget destined to family farming⁶	Growth of the budget of the MAGYP between 2004 and 2013 = 308 %	Growth of the budget of the MDA between 2004 and 2013 = 450 %	Growth of the budget of the MAG between 2011 and 2012 = 306 %	Growth of the budget of the MGAP between 2005 and 2012 = 1029 %

⁵ Below is an extract of the document "Impact of dialogue on public policies for family farming in MERCOSUR. Measures adopted in the four founding countries of MERCOSUR, related to debates and recommendations formulated by REAF", prepared by IFADMERCOSUR's UCR in April 2013. See www.fidamercosur.org.

⁶ MAGYP: Ministry of Agriculture, Livestock and Fishery (Argentina); MDA: Ministry of Farming Development (Brazil); MAG: Ministry of Agriculture and Livestock (Paraguay); MGAP: Ministry of Agriculture, Livestock and Fishery (Uruguay).

Permanent challenges for a political and social construction such as a policy dialogue platform. Thinking prospectively. Building scenarios to lead processes.

The permanent construction of the policy dialogue forum continues to be crucial to the social organisations in the area of family farming. It is actually a never-ending story, and progress in the area are founded both in successes and right choices and in failures and errors. In fact, social and political processes as important as that, aimed at promoting “more and better public policies” for the peasant family farming sector, “more and better public institutions”, “better and more effective and balanced partnerships between the public, social and economic-commercial sector”, are never fully completed. They may (and this is almost certainly the case) see replacements of their actors, interlocutors and facilitators. There is a turnover of people, and even of institutions; scenarios undergo changes, but a *persisting and resistant* REAF requires a constant militant and proactive attitude of the social organisations involved. **Nothing** would have been possible for IFAD, nor will it be possible in the future, unless this condition is met; otherwise, the agency would not be an *honest partner*. There is not much government officials can do without mobilisation, proposals and dialogue to support them.

This is a lesson learned after a long period, from 1997 to the present. Many things and many scenarios have changed dramatically ever since, both for the good and the bad, and will certainly continue to change in the future. Having the *space* or the *platform* is a *sine qua non* condition — but not enough in itself — to reach concrete results for women, men, young and old that inhabit rural areas, with new opportunities but also with new threats and challenges, and many of them still living in poverty.

More and better public policies require more and better policy dialogue, which in turn demands more commitment and wealth of the social organisations, capable of proposing a new generation of public policies for the peasant family farming.

Preparedness is far from the only thing you need to face the challenges the future will bring; future needs to be built. The approach in future years will be to build upon what has already been consolidated and to *keep opening and refreshing* REAF's agenda with new proposals. For example:



- i) access to land and land tenure, exploring partnership models for the production of key inputs, including pastures, forage, feed grains and seeds;
- ii) new *light* partnership formulas to be used as commercial platforms between cooperatives within one single country or various countries;
- iii) public investment in infrastructure (*hard*), related to investment in capacity building (*soft*) to enable the management and administration of the former by the social organisations and cooperatives related to family farming and hence gain scale and competitiveness in partnership;
- iv) new legal forms and formulas for the public procurement of food, where the participation of family farming becomes relevant;
- v) new interdisciplinary systems of technical assistance and rural outreach, focusing on the introduction of family farming in markets, in the value chains and food security;
- vi) social security policies in the field, to allow for a decent retirement of senior farmers. Acknowledgement of the work done and the contribution of rural women, ensuring her a balanced share of the work, in keeping with her own needs, as well as a decent and timely retirement;
- vii) linked to that, policies that generate the legal and technical framework for a reorganization of rural work and a stimulus for the generation turnover with young social leaders and rural innovative businesspeople;

viii) technologies that are appropriate for family farmers, which incorporate *the productive-commercial process* as a concern and the addition of value to production and competitiveness as a result. Conditioning, transportation, communications (ICTs), biotechnology, functions to incorporate to the technological platforms to achieve competitive family farming;

ix) tailoring of regional and international trade agreements to guarantee a *fair trade* based on a new governability in the trade of food. Organisations like ALADI have a clear mandate in this matter, and driven by governments and social organisations they should review the trade agreements and regulatory provisions currently in force, in the light of the national and regional food security strategies;

x) policies geared to adapt to and mitigate the effects of *climate change*, through public-private investment in early warning systems, and climate risk management.

As we speak we have an opportunity to prevent the International Year for Family Farming — already underway — **from being a mere commemoration**. All the representatives of citizens, law makers, and political leaders of all philosophical and political background should be familiar with and debate these concepts, these new paradigms and these new instruments for public policy.

On the other hand, the regional integration process has also undergone changes; MERCOSUR suffers a crisis of institutional and legal credibility; with the arise of new projects and processes, such as UNASUR and CELAC, the experience of REAF MERCOSUR is in the focus of these countries from other sub regions, IFAD has the experience of its Regional Programme and its country programs.

Hence, we believe it is relevant to reflect on the declaration that can be seen in Annex III, by the First High Level Meeting on Family Farming, held in Brasilia in November 2013, and on that basis to review what has been built from REAF as a platform of contents and policies, in its most literal sense (see Annex III).

There is a clear record of the number of permanent tasks to be undertaken by each *partner* in this process

for the construction of a policy dialogue platform — **persistent and resistant** — so as to enrich it, deepen it in contents and broaden its scope.

Dialogue needs to be enriched through the technical analysis of a range of themes brought to the agenda, as an expression of needs, as demands or proposals. The debate on the options or alternatives of public policies available needs to be deep and well informed. In that respect there are still clear asymmetries between interlocutors, both in terms of access to or availability of information and capacities for analysis and proposals. This asymmetry can be confirmed between and within the States, between social organisations and also between governmental institutions.

Striking a balance among stakeholders, supporting democratisation in access to information. Asymmetries among the stakeholders engaged in the dialogue are also present in their : i) availability of technical advisors for an independent analysis of the proposals; ii) availability of resources for the travelling of the representatives and technical experts of the social organisations, to allow them to participate in each of the activities agreed for the policy dialogue; iii) create channels and instruments through which the relevant information may reach destination in a timely and orderly manner.

Finally, closing the gaps between leaders and grass-roots of the social organisations is probably the most important challenge ahead. The specialisation required from the social leaders involved in the debate and the policy dialogue results in a number of effects that jeopardise democratisation of decisions, enrichment of proposals and satisfaction of the organisations in the territories and their partners. There are thousands of family farmers and peasants of both genders that do not as yet visualise the results of policy dialogue and the activities of their delegates and representatives. Without this quality, there is a high risk of falling in discredit, routine and demobilisation. All the actors — including us — must try harder, and we might have to invest more through programmes and projects, so that participation, rotation of leaders and socialization of the information, decisions and opportunities may be effective, through the policy dialogue platform.

LETTER OF MONTEVIDEO PROPOSAL SUBMITTED BY COPROFAM TO THE MERCOSUR COUNCIL

La Coordinadora de The Coordinator of Family Farmers Organisations of MERCOSUR, COPROFAM, is an organisation formed by a number of entities that represent family farmers of the expanded MERCOSUR. It has operated since 1994 and its aim is to facilitate those farmers' inception to the integration process. Those entities include the Federación Agraria Argentina (FAA, Argentina), Confederación Nacional de Trabajadores en la Agricultura (CONTAG, Brazil), Unión Agrícola Nacional, (UAN, Paraguay), Mesa Coordinadora de Organizaciones de Productores Familiares (Argentina), Comisión Nacional de Fomento Rural (CNFR, Uruguay), Intergremial de Productores de Leche (IPL, Uruguay), Asociación de Colonos (ACU, Uruguay), Coordinadora de Integración de Organizaciones Económicas Campesinas (CIOEC, Bolivia).

Since its creation, COPROFAM has been permanently engaged in the analysis of the problems faced by the sector, and has presented specific proposals for the implementation of differential policies, in the framework of MERCOSUR. Hence, it was in that context that an event was organised jointly with IFAD MERCOSUR in Montevideo this week, to analyse the asymmetries that impact the farming sector and, in particular, small family-based holdings.

In the framework of that activity participants discussed some worrying issues on the current reality of the sector such as: scarce harmonisation of macroeconomic policies (e.g.: exchange rate), the different market sizes and scales, the existing regional differences in terms of policies specifically targeting this sector.

Attendees agreed upon the convenience of deepening the integration process, but there are several issues that need to be borne in mind in order to prevent any unnecessary economic and social costs, as occurred in the past, including:

1. Consolidate the harmonisation of the macro policies already presented to governments in 2000, making use of the current favourable alignment of the exchange rate.
2. Agricultural policies are perceived to be so asymmetric that future resolutions may require broader strategies and instruments than those currently established at WTO. In that respect, the plan is to reach a proper agreement consistent with the specific scenario, and reciprocal commitments in the framework of MERCOSUR, to allow for the harmonisation of agricultural policies.
3. MERCOSUR has two different agricultures, i.e., one is driven by businesses and the other by family farmers. Rural family holdings warrant special treatment.

Hence, the domestic policies and instruments that address the needs of family farming in each country also require harmonisation so that those farmers may benefit of the market opportunities offered by regional integration.

These differential policies that target family farming are broadly justified, since they apply to a vast range of rural communities. They also play a key role in the social and demographic stability due to the social, economic and cultural functions they play, and with which they contribute to food security and to environmental sustainability. At the level of the MERCOSUR countries, family farming and peasant and indigenous farming represent the social and economic foundation of the small and medium-sized communities.

In recent years we have witnessed a process of concentration of land ownership, wealth and power and farming income, which have deepened the unemployment rates in the countryside and the rural exodus, with their negative consequences for the entire society.

BECAUSE OF THE ABOVE, IT IS CLEAR THAT FAMILY FARMING IS A KEY PILLAR FOR OUR SOCIETIES AND AN INDISPUTABLE ACTOR OF RURAL AND LOCAL DEVELOPMENT. Based on that we propose to include the issues concerning family farming in the forum of institutional debate of this Common Market Council, and we put ourselves at the disposal of the Council.

In addition, we propose the creation of an *ad hoc* group specialized in the framework of SGT 8, engaging representatives of governments and of COPROFAM. The group is expected to present the results within six months, and to propose an agenda for the differential policy on family farming and raise it to the Common Market Council, considering the themes and objectives below:

- a. Analyse the conditions for the participation of family farming in the production chains that currently constitute the production structure of the countries or to be promoted in the future.
- b. Evaluate the impact of the current integration measures on family farming and those to be adopted in the future.
- c. Exchange information on the farming and marketing policies in the context of MERCOSUR and analyse their impact on family farming and on territorial and local development.
- d. The aspects related to family farming analysed by this working group will have to be taken into account in the negotiations of MERCOSUR in the ambit of NAFTA, WTO and the European Union.

We reaffirm the existence of very strong asymmetries in the framework of MERCOSUR, which lead to significant unbalances and regional inequalities; hence, COPROFAM proposes the urgent definition and implementation of regional development policies that consider and respect the diversity of the territories and communities, as recently expressed by the presidents of Argentina and Brazil.

Montevideo, 15th of December 2003.

EVALUATIONS OF IFAD-MERCOSUR AND REAF

Evaluations of REAF		
Draft An Assessment Of The Strengthening The Participation Of Small Farmers' Organizations In Policy Dialogue Within The Commission On Family Farming Of The Southern Cone Common Market (MERCOSUR) Grant	Darío Pulgar, Rinaldo Barcia	Diciembre 2007
Mid-term review of the grant given to MERCOSUR's Specialised Meeting on Family Farming	Darío Pulgar, Rinaldo Barcia	December 2007
Systematization of the experience of the IFAD MERCOSUR Programme to support the design and implementation of policies focused on the development of small farmers and the poor rural population	With the support of FIDAMERICA Rafael Sarno Altamirano	Enero 2008
Differential Policies for Family Farming in MERCOSUR- Contribution of Political Dialogue in the Design of Public Policies and Institutionalization	Susana Márquez, Álvaro Ramos	March 2010
Balance and evaluation of REAF-COPROFAM and civil society organisations	COPROFAM	December 2011
The dialogue on the baseline policies for the replication of the experience implemented by REAF (<i>scaling up</i>)	Pablo Glikman	December 2011
Balance and evaluation of the Specialised Meeting on Family Farming (REAF)/ MERCOSUR	FUNDER FOUNDATION	February 2012
The Specialised Meeting on Family Farming as an instrument for policy dialogue	RIMISP – Latin American Centre for Rural Development Julio A. Berdegú Ignacia Fernández Arlison Favareto	August 2012
Impact of the dialogue on public policies that target family farming in MERCOSUR. Measures adopted in the four countries the founded MERCOSUR, related to the debates and recommendation formulated by REAF	IFAD-MERCOSUR-CLAEH Regional Programme IFAD MERCOSUR	April 2013

FINAL DECLARATION OF CELAC'S FIRST HIGH OFFICIALS' MEETING ON FAMILY FARMING

The countries in the Community of Latin American and Caribbean States (CELAC, for its abbreviation in Spanish), gathered at the First High Official's Meeting on Family Farming in Brasilia on the 5th and 6th of November 2013:

1. Recognise the key role played by the indigenous native peoples and the traditional communities, as well as their experiences, expertise and innovations in the production, protection and preservation of all the original genetic diversity and the management of natural resources, to strengthen family farming in the region;

2. Underscore the fact that public policies that target the promotion of the production and well-being of family, peasant and indigenous farmers guarantee food and nutritional security, the eradication of hunger and rural poverty, the increase in the quality and availability of food, the diversification of supply, respecting the cultural features typical of each site, healthy feeding habits, as well as the reduction of rural exodus towards cities and the promotion of sustainable development;

3. Highlight the role of the differential institutional mechanisms that prioritize funding, rural credit (resources and financial services) and the procurement of the family farmers' products as important instruments to promote the production and permanence of the family, peasant and indigenous farmers in the countryside. For these objectives to be attained, the implementation of identification systems and national registries of family, peasant and indigenous farmers is strongly encouraged;

4. Acknowledge that, beside the institutional procurement programmes and support to marketing, the support to productive inclusion of the family, peasant and indigenous farmers requires the combination of a number of government policies that promote equality and economic autonomy of rural women, access to land, water and information, funding instruments, technical assistance and rural outreach and insurance, as well as the promotion of partnerships, cooperatives and policies that promote the integration between producers and consumers;

5. Highlight the importance of the rural development and family farming policies as tools for the reduction of the socio-economic inequality that persist in the countries of the region, by integrating a number of sectoral policies and government actions at different levels and promoting dialogue between governments and social organisations and the private sector for their engagement in the management of public policies;

6. Highlight the need to invest in low-cost and popular environmentally friendly science, technology and innovation, with a green agro approach for the development of production, including agriculture, livestock, aquiculture of limited resources, fishery and community silviculture, associated to the preservation and transformation of traditional foods, seeking to improve the people's quality of life, especially that of poor rural communities. A special approach is applied to social technologies;

7. Drive public policies that promote the economic autonomy of women, respecting gender identity, by enabling access under equal conditions, goods and services and equality in the availability of resources, goods and services derived from the farming production, and family farming in particular;

8. Promote public policies that face the rural exodus of youth and stimulate the strengthening and consolidation of family farming through programmes that support their production, marketing, health, education, infrastructure, recreation and digital inclusion;

9. Stress the importance of using successful experiences of the regional integration mechanisms for the cooperation for rural development in the framework of CELAC, including the MERCOSUR Specialised Meeting on Family Farming (REAF);

10. Reaffirm their commitment with the creation and the strengthening of policy dialogue mechanisms that allow for the participation of all the social organisations, particularly those related to family, peasant and indigenous farmers, in the development of public policies for family farming and rural development,

11. Compliment FAO for the activities developed in the framework of the International Quinoa Year, celebrated in 2013. Furthermore, they reaffirm their commitment with the 2025 Hunger-Free Latin American and Caribbean Initiative and request FAO to maintain their support to the cooperation projects implemented for the Initiative,

They agree to:

1. Promote dialogue and cooperation aimed to develop the rural areas and family, peasant and indigenous farmers in the ambit of CELAC, based on the initiatives undertaken by the member States, including the 2005 Hunger-Free Latin American and Caribbean Initiative and REAF.

2. Promote cooperation and exchange projects in the area of development, implementation, monitoring and assessment of the public policies intended to support family, peasant and indigenous farmers.

3. Support the International Year of Peasant Family Farming (UN, 2014), by promoting the engagement of the social organisations and the organisation of events, and raising awareness on the importance of family, peasant and indigenous farming, and fostering the creation of national committees to drive the discussion of concrete actions in each country and across the region.

4. Propose the creation of an open Ad Hoc Working Group, coordinated by PTP-CELAC, with the objective of implementing a regional integration agenda on rural development and family farming, with the support of FAO-RLC, and to explore alternatives for the exchange of experiences and cooperation on the theme in the CELAC countries, with the contribution of family farmers' organisations.

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