



# CFS Bulletin

A Briefing Note of the Informal Consultation on the Zero Draft of Recommendations on Connecting Smallholders to Markets

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## INFORMAL CONSULTATION ON CONNECTING SMALLHOLDERS TO MARKETS: 28 APRIL 2016

The informal consultation on the Zero Draft of recommendations on Connecting Smallholders to Markets took place on 28 April 2016 at the headquarters of the Food and Agriculture Organization of the UN (FAO), in Rome, Italy, in preparation for the one-off Open Ended Working Group (OEWG) taking place from 8-9 June 2016. The OEWG will finalize the text and forward it to the 43rd Plenary Session of the Committee on World Food Security (CFS 43) in October 2016.

The OEWG was established at the request of CFS 42, which noted that the 2015 High-Level Forum (HLF) on Connecting Smallholders to Markets, was the first step of a process that would lead to the approval of a set of policy recommendations and good practices at the next CFS Plenary Session. CFS 42 requested a technical task team to further distil information from the HLF, its associated background documentation and past CFS work with a view to agreeing text to be forwarded to CFS 43.

CFS OEWGs are informal groups open to all CFS members, participants and observers. They review, discuss and make proposals related to the intersessional work of CFS but have no decision-making mandate. The outcomes of their work are conveyed to CFS plenary, which is the decision-making body.

The informal discussions were based on the Zero Draft produced by the CFS technical team, as well as written submissions from stakeholders.

This report summarizes the proceedings of the informal consultation.

## REPORT OF THE MEETING

### INTRODUCTION

OEWG Chair Anna Gebremedhin, Finland, welcomed participants and thanked all stakeholders for their written inputs on the Zero Draft. She noted broad support for the proposed structure of the report, with four interrelated areas of intervention: local food systems and markets; nutrition and smallholders' access to markets; institutional procurement; and smallholders in transition. The Chair proposed focusing the discussions on: areas of convergence, areas of divergence, and proposals on how to finalize negotiations on the text.

### DISCUSSION ON AREAS OF POSSIBLE CONVERGENCE

Chair Gebremedhin highlighted some of the areas of convergence on the Zero Draft based on inputs received from stakeholders, highlighting calls to: examine the impact

of global markets and take account of other markets in which smallholders operate; ensure that the proposed recommendations are evidence-based; avoid overlaps across the four sections; address the lack of data on informal markets; highlight public policies to support smallholders to meet new challenges; underline the role of the private sector and opportunities offered through market approaches; and reflect gender dimensions. With regard to calls for a common definition of smallholders, she proposed adopting already agreed language, such as in the Framework for Action on Food Security and Nutrition in Protracted Crises.

The Civil Society Mechanism (CSM) noted that up to 90% of food produced by smallholders is exchanged and distributed through local markets. He called on the CFS to recognize the need for policies to promote territorial markets, based on human rights principles such as the Right to Food, gender equity and the inclusion of youth.

Describing the draft document as a step in the right direction, Canada suggested: recognizing smallholders' participation in some export markets, such as for cocoa or coffee; providing a more in-depth gender analysis that recognizes women's low control over resources, as well as decision making power at both the household and community levels; and highlighting the capacity building needs of smallholders in such areas as financial management, sustainability, standards and traceability. He cautioned that limiting references to women's empowerment to the nutrition section of the document could reinforce unequal gender-based division of labor.

While agreeing with calls for more references to the role of the private sector and opportunities offered by market-oriented approaches, India cautioned against some stakeholders' calls to "de-emphasize" institutional procurement, describing it as a "safe route" to market access for smallholders.

The International Fund for Agriculture and Development (IFAD) supported the Chair's proposal to base definitions on agreed text, but noted the need to mention the diversity of smallholder farmers and markets in the introductory section to ensure these issues are reflected in the recommendations. IFAD also called for more policy attention to the opportunities offered by fast-growing urban markets, especially in developing countries and suggested reorganizing the text to make the document more user-friendly.

Brazil highlighted: the role of price regulation by States in promoting less "predatory" market environments for family farmers and other value chain actors; the importance of viewing public procurement policies as a "constant opportunity"; and building in clear graduation strategies in social protection policies. She supported Canada's proposal to integrate the concept of gender equality across the document.

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South Africa supported the four intervention areas in the Zero Draft, while noting the need to consider the impacts of other primary and secondary markets on smallholders. She pointed out that market approaches should not bind farmers to specific contracting arrangements

The World Farmers Organization highlighted the complexity and diversity of smallholders, and called for a greater focus on technical services, capacity development and support for gender empowerment.

The CSM described the consultations as a “process towards convergence,” noting broad support for retaining the Zero Draft in its current form. It outlined areas of potential convergence as: territorial markets; the human rights-based approach; gender dimensions and women’s empowerment; inclusion of youth; the positive and negative aspects of market externalities; indigenous and local knowledge; the contribution of local food systems to biodiversity and nutritional value; the need to bridge data gaps; context- and scale-appropriate hygiene and sanitary regulations; the role of public procurement in empowering smallholders; and making links to agreed language and good practices in related processes such as the Voluntary Guidelines on land tenure and small-scale fisheries.

The CSM called for public support for smallholders’ transition into viable agribusinesses, noting the role of global partnerships in identifying and sharing relevant good practices. He called for a follow up meeting in three years to take stock of progress in implementing the final recommendations.

The Private Sector Mechanism (PSM) highlighted the dynamic nature of markets and the need to address different economic and business models when gathering data.

Egypt called for distinguishing between the needs of developing and developed countries, and exploring alternative approaches in areas of conflict.

Costa Rica suggested calling on the relevant institutions to collect and share market information with smallholders. Ecuador noted that the HLF had underscored the critical role of public governance in empowering smallholders.

France supported calls for, *inter alia*, exploring the role of public procurement in a holistic way; highlighting the specific challenges that youth face in starting agribusinesses; and reflecting the definition of smallholders contained in the 2013 HLPE report.

The EU underlined the need for evidence-based recommendations, noting that making such recommendations is one of the strengths of the CFS. The World Food Programme suggested reflecting the “value added” of expanded markets in offering a range of nutritious foods, including fortified foods, that smallholders cannot produce on their own.

Underscoring that smallholders produce more than 70% of the food consumed globally, the CSM stressed the need to account for local fresh produce in commodities markets.

Argentina supported calls for specific language on the contribution of smallholders to food and nutrition security, and recognizing that international markets also offer opportunities for smallholders.

## **DISCUSSION ON AREAS OF DIVERGENCE**

While welcoming the many areas of convergence, the US drew attention to language touching on areas that are beyond the mandate of the CFS, such as international trade, and access

to water and sanitation and health services, and highlighted that a single set of recommendations would help avoid overlaps across the four sections.

Afghanistan also supported a shorter set of recommendations, focusing on strategic policy and governance issues, rather than “best practices” which he described as being difficult to transfer across different agricultural contexts.

Several stakeholders spoke on the need to address territorial markets in the Zero Draft. The CSM highlighted the long history of local trade and exchanges at regional, national and transboundary levels and observed that “these are real, not virtual spaces, where smallholders sell and buy produce,” stressing that such markets contribute to enhanced food and nutrition security and the “redistribution of wealth.” Cameroon called for greater attention to the positioning of smallholders within value chains.

Noting that the background document to the 2015 HLF paid sufficient attention to territorial issues, the FAO favored focusing on smallholder transition and diversifying food commodities in global markets. The UN Secretary General’s Office noted the use of territorial approaches within the EU’s policies for transforming rural areas. France proposed referring to “territorial approaches,” rather than markets, to facilitate consensus building, while also highlighting issues around identity, local economic interactions and the rural-urban nexus.

Brazil noted governments’ role in managing risk, and ensuring access health and water and sanitation services as important in ensuring food and nutrition security.

The World Farmers Organization observed that smallholders cannot meet all food needs and called for connecting all farmers’ organizations in global markets.

Noting that the core purpose of CFS is to contribute to food security, the CSM expressed concern that the discussions risked over-emphasizing markets and commodities.

## **PROCESS AND METHODOLOGY**

Introducing this item, the OEWG noted the need to: further streamline and possibly shorten the Zero Draft; omit issues beyond the CFS mandate; and address conceptual issues such as territorial approaches. With regard to the format of the June OEWG, Chair Gebremedhin emphasized that as the only opportunity for negotiations prior to CFS43, she would propose focusing on the content of the introductory text and recommendations, rather than a line-by-line drafting process, with delegates having the opportunity to submit substantive language via the Secretariat.

Responding to the Chair’s proposals, the CSM cautioned against treating the OEWG as a “light” negotiation. The PSM stressed reflecting a diversity of agricultural approaches in the draft text. The CSM noted the importance of ensuring the meaningful participation of smallholders’ groups, as called for in the CFS mandate.

Responding to comments on the lack of interpretation at the and one-off OEWG, the Chair pointed to insufficient funding for the workstream.

Closing the session, Chair Gebremedhin called for stakeholders to provide additional inputs by 29 April 2016 to enable finalization of the Chair’s draft, which would also be translated into all UN languages to facilitate the negotiations. She encouraged all stakeholders to try and identify more areas of convergence prior to the June negotiations.