



**HIGHLIGHTS FROM THE CONFERENCE ON
THE MULTIFUNCTIONAL CHARACTER OF
AGRICULTURE AND LAND
MONDAY, 13 SEPTEMBER 1999**

Participants at the Conference on the Multifunctional Character of Agriculture and Land (MFCAL) met in Plenary on Monday for a general introduction and to discuss issues raised in the conference documents.

PLENARY

INTRODUCTION: Conference Chair Hans Alders said the Dutch Ministry of Agriculture, Nature Management and Fisheries had organized this conference to help prepare for CSD-8's consideration of integrated land management and sustainable agriculture in April 2000. He said a successful conference will simplify decision-making on these issues at the CSD, FAO and WTO.

Chair Alders said the objective of the conference is to identify new policy options, practical methods and the necessary enabling environments for MFCAL with particular emphasis on raising awareness. The principal tasks of the conference are to review progress toward realizing the Rio Principles and identify the main issues to be addressed in the future. Alders explained that the MFCAL phraseology is agreed language from the WFS and is concerned with the substance of agriculture and related land use, whereas the term "multifunctionality" has been tied to the issue of "non-trade-concerns," as referred to in the Uruguay Round of GATT, and addresses more specifically the effects on trade. He stressed that the trade-related discussion on multifunctionality is within the WTO's mandate while this conference will remain within the FAO's mandate.

Louise Fresco, Director of the FAO Research, Extension and Training Division, outlined the method used in preparing for this conference, which was uniquely inductive, empirical and participatory and involved extensive peer review. She emphasized that the framework presented in the conference documents is analytical and scientific rather than normative and aims to facilitate effective analysis of agriculture's multiple functions from local to international levels, thus helping identify where trade offs are necessary and synergies exist. The main documents of the conference are the Issues Paper and the Stock-taking Paper.

Michel Griffon, Director of the Economics Policy and Markets Programme, International Center for Agricultural Research and Development, introduced the Issues Paper, which outlines concepts, issues and policies relevant to MFCAL. He explained that it identifies agriculture as having environmental, economic and social functions as well as a food security role. He stressed that these multiple functions will apply differently in individual cases, but added that the multifunctional approach can be beneficial in all cases. The Issues Paper concludes that the multifunctional character of land: is less in evidence when natural resources are more abundant; is more common when there is greater institutional development; and can deliver effective outcomes where stakeholder participation is high.

Eric Smaling, Professor of Soil Science, Wageningen University and Research Center, introduced the Stock-taking Paper, explaining that it reviews recent contributions that the multifunctional character of agriculture has made to improving the sustainability of agri-

culture and related land use while maintaining its primary role of providing food security. Analysis of the multifunctional character contributes to understanding the potential linkages, synergies and trade offs that can help to achieve sustainability in agriculture and rural development. Smaling explained that the paper drew from three primary sources: CSD country reports; an electronic conference held in early 1999; and the Multifunctional Case Studies database. The major conclusions from these sources emphasize the importance of: active participation and leadership by rural communities; institutional development and mobilization of interested stakeholders; development and implementation of effective policies as well as enabling national policy environments; efficient and transparent flow of information; wide availability of applied research results; and improvements in economic instruments and longer-term perspectives for investment.

Responding to several requests for clarification, Chair Alders and Louise Fresco provided information on conference procedures and the status and preparation of documentation. The technical papers prepared for the conference, together with the results of the WebForum, will serve as inputs to discussion. A short summary of the conference will be prepared for the FAO Council. An extensive report of the conference, including the results of the electronic consultation and a summary of the main debate and conclusions, will also be prepared by early 2000 and will be subject to scientific review. A third output, to be completed by December, will be a summary of the conference to be incorporated in the FAO's task manager report to CSD-8.

DISCUSSION: A participant from Cuba highlighted the need to implement agricultural policies that address poverty and to provide access to appropriate technology and credit on reasonable terms to developing country farmers. A Guatemalan participant highlighted the value of a participatory approach involving all relevant stakeholders. A representative from the Philippines called for a clear definition of MFCAL and multifunctionality, and urged governments to avoid externalizing the costs associated with implementing MFCAL concepts through trade distortions. A South African delegate said MFCAL could contribute to a framework that could help identify trade offs and synergies to assist policy making.

A UK representative recommended that the conference's outcome give particular emphasis to poverty, sustainable rural livelihoods, and issues of security of tenure, access and rights to land. A speaker from Ecuador emphasized developing countries' difficulties in achieving sustainable agriculture due to dependence on foreign capital and technologies and indiscriminate subsidies and unfair practices in developed countries. A speaker from Uruguay objected to the suggestion that discussions at this conference be separated from those in other fora, as the concept of multifunctionalism discussed in the WTO and of MFCAL are not different. He called for reforms to move toward free market prices and then to prices that reflect the full costs of production. He said when governmental policies distort international prices, they negatively affect decisions about investment, production methods, international trade and consumption patterns. He advocated recommending policies that are decoupled from production and exports and rejecting export subsidies. He suggested that the conference's technical documents be revised to reflect these concerns, and did not support a summary report produced by FAO after the conference as the official confer-

ence outcome. A speaker from Egypt said the weight given to the various functions of agriculture should differ from one country to another depending on its level of development.

A participant from Madagascar stressed the importance of the environment within the MFCAL concept. An Australian representative questioned whether MFCAL represents progress beyond the SARD approach in agricultural policy. He said MFCAL is seriously flawed when put forward as a concept and added that the conference background papers failed to provide consistent, practicable and cost-effective proposals. He said delegates must ask if the MFCAL approach benefits developing countries. He also questioned the background papers' emphasis on centralized decision-making. An important question for CSD-8 will be whether one country should be able to develop an MFCAL approach that impinges on the MFCAL objectives of another. A participant from Niger called for greater attention to investment, noting the lack of investment available to developing country producers. A speaker from Mauritius called for concrete proposals based on specific case studies that would address small island States' concerns about their competitive disadvantages. A German delegate concurred with those who would define MFCAL in its broadest sense, and highlighted the MFCAL concept as important for the EU. He said some services associated with the agricultural sector, particularly its non-production elements, should be considered public goods. A participant from China said the MFCAL framework should give more attention to socio economic considerations and the need to make the concept effective at the micro-level.

A Canadian delegate said he doubted whether the MFCAL approach would provide a useful new paradigm to promote sustainable agriculture and expressed concern that engaging in debate on the concept could distract from the key concern of world hunger. He said MFCAL and multifunctionality need to be clearly defined. A Malaysian representative said MFCAL should address the ongoing need of many countries to create employment and should create a win-win situation for all stakeholders.

A US representative said the many functions of agriculture need not be realized through trade-distorting practices, but can both encourage continued production of non-food objectives and achieve agreed national commitments to reduce trade-distorting policies and practices. She emphasized that this conference should focus on identifying specific tools and actions to help move toward more sustainable agriculture. A participant from Cameroon stressed the need for strategic planners to take into account the economic life of rural peasants. He urged that the conference's conclusions address mechanisms for implementation.

A representative from New Zealand said the linkages between MFCAL and agricultural sustainability were unclear and questioned the value added by MFCAL. He recalled that the WFS Plan of Action commitments refer both to MFCAL and trade as key to achieving food security. He opposed any definition of MFCAL or multifunctionality that would undermine commitments adopted in other fora. A delegate from Morocco said the multiple functions of agriculture and land use make it possible to implement policies that balance the different uses of land with environmental protection. He highlighted constraints posed by arid and semi-arid land and patterns of land ownership.

A participant from Thailand underlined the need to address the different realities of commercial and subsistence farmers. She appealed for clear definitions to prevent the use of MFCAL as a means of hiding market distortions that impact developing and least developed country markets. A representative from Benin highlighted the problem of food insecurity. A Spanish participant recalled the objectives of the WFS Plan of Action, reiterating the urgency of combating poverty by ensuring food security and developing a fair and equitable trading system. A speaker from Argentina emphasized that removal of price-distorting subsidies is only a first step toward achieving sustainable development. He said prices should reflect the full costs of production and stressed the need to eliminate subsidies that prevent prices from reflecting environmental externalities.

A participant from Paraguay supported the principle of MFCAL, provided that it recognizes that agriculture meets a variety of needs. She said the concept should not create incentives to implement more subsidies. A representative of Mexico said the conference and its report should address trade, as the former has the institutional flexibility to enrich international debate not only at CSD-8 but also within the WTO and environmental fora. A Lebanese participant stressed the importance of incorporating the multifunctionality of agriculture into regional and international plans of action. A delegate from Trinidad and Tobago recommended that the multiple functions be prioritized, focusing first on food security and the stakeholder function, followed by the economic, social and environmental functions respectively.

A French delegate stated that the market has failed to guarantee food security. He said agriculture's multifunctional character has to be considered when discussing trade liberalization. A delegate from Pakistan said the conference should emphasize the position and needs of farmers. A Swiss representative praised the MFCAL approach as a progression beyond the SARD approach. A representative from Zimbabwe said he did not see MFCAL as conceptually different from SARD, but conceded that there are times when it is necessary to restate a concept differently.

A representative of the International Union of Food and Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations called for recognition of the important and distinct role of agricultural food workers in sustainable agriculture, and said MFCAL should refer to agricultural workers and their trade unions as a distinct category, in line with agreed language in Chapter 29 of Agenda 21. A speaker from the Popular Coalition to Eradicate Hunger and Poverty called for urgent action to: redress the inequitable distribution of wealth and insufficient participation of the poor; reform macroeconomic policies that adversely affect the poor; and overcome barriers preventing land tenure reform. A representative for Global Forum for Sustainable Nutrition and Food Security called for implementation of policies to favor small farms and facilitate land reform and denounced export subsidies and protectionism in developed countries. A Via Campesina representative stressed the need to examine the negative impacts of the privatization of seeds, grain and water and the use of genetically modified organisms. He emphasized that MFCAL should not be an excuse to maintain destructive environmental and agrarian policies and below-cost pricing of agricultural goods.

The representative of Rural Advancement Foundation International suggested that a useful outcome would recognize the causes of diminished multifunctionality and could include recommendations to develop an action plan that integrates all functions. He warned against the diversion of resources into biotechnology at the expense of R&D of more accessible technologies for organic agriculture. He called for a rejection at the CSD of "terminator technologies," which deny farmers their rights and destroy local environments and livelihoods.

A Dutch delegate said the conference's main challenge is to identify policy options and practical approaches as well as enable the realization of previously agreed goals and targets. He called for innovative ways to integrate public, private and cooperative initiatives. An FAO representative responded to questions regarding conference documents, stating that the conference summary report would set out the Chair's conclusions, which will summarize the work of the conference, reflect the views expressed and be clearly identified as an FAO report.

THINGS TO LOOK FOR TODAY

PLENARY: Participants will meet in Plenary from 9:00-10:00 am in the Expo Foyer to hear presentations of three case studies relevant to MFCAL. A possible structure and key elements for the conference outcome will be presented in Plenary at 5:30 pm.

REGIONAL GROUP MEETINGS: Participants will meet in five regional groups to discuss case studies, processes and instruments relevant to MFCAL from 10:30 am-12:30 pm and from 2:00-5:00 pm.