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**AN ASSESSMENT OF PROGRESS IN PROMOTING SUSTAINABLE
RURAL DEVELOPMENT IN THE ASIAN AND PACIFIC REGION**

(Item 3 of the provisional agenda)

This paper was prepared by Mr. Mahesh Uniyal and Dr. Durga Paudyal for the Regional Implementation Meeting for Asia and the Pacific for the sixteenth session of the Commission on Sustainable Development (CSD-16). The views expressed herein are those of the author and do not necessarily reflect the views of the United Nations. The paper has been issued without formal editing.

EXECUTIVE SUMMARY

1. The paper reviews progress in sustainable rural development for rural food and livelihood security in Asia and the Pacific. It assesses constraints, challenges, emerging trends, the forces driving change, key achievements and suggests policy options against relevant global commitments at the 1992 Earth Summit (Agenda 21), strengthened by the 1997 Programme for Further Implementation of Agenda 21 adopted by the UN General Assembly and reaffirmed by the Johannesburg Plan of Implementation (JPOI) adopted by the 2002 World Summit on Sustainable Development (WSSD). The paper's inter-disciplinary approach involves overlap with issues covered by other backgrounders for the Regional Implementation Meeting (RIM) for Asia and the Pacific for the sixteenth session of the Commission on Sustainable Development (CSD-16).

Key messages

2. With more than half the world's people on less than a fifth of its surface, most of them in rural areas and being mainly small/marginal farmers or landless, Asia and the Pacific faces great challenges in balancing poverty-reducing agricultural and rural economic growth with sustainable natural resource use needed for such growth.

3. Rapid economic growth has made significant reductions in poverty in the region but enhanced competition for natural resources sustaining the majority of rural people and has been accompanied by increased inequity.

4. There is an urgent need to reverse declining public investment in agricultural and rural development which should prioritize guaranteeing rural poor equitable access to natural production resources.

5. Integrated approaches towards sustainable agriculture and food production incorporating good practices, enhancing biodiversity and food security at local levels are also needed.

6. Rural poor need policies, legislation and institutional capacity building support to enable their effective participation in decision-making and planning at local level and implementation of sustainable rural development; need for gender-sensitive policies and targeted programmes for vulnerable rural poor, especially landless, indigenous people and persons with disabilities.

7. Small farmers/rural producers need policy support to ensure a fair playing field in national and local markets in order to enhance their livelihoods and environmental sustainability in the context of trade liberalization and globalization.

8. Access to renewable and environmentally sustainable energy sources is crucial for development of farmer-owned and controlled rural enterprises to improve rural livelihoods and food security.

9. Climate change will affect vulnerable rural people and food systems; adoption of participatory, decentralized and integrated response strategies for agriculture and food systems represents the best way forward.¹

Main findings

10. Rural poverty has a territorial and socio-economic focus being largely found in rainfed, landlocked, remote, upland and forest areas and among socially marginalized groups such as landless, indigenous people, persons with disabilities and forest dwellers, in particular women.

11. While most countries in the region are committed to implement the relevant global commitments to poverty reduction, socio-economic inequities are increasing as policies do not prioritize sustainable agriculture and rural development with economic growth taking primacy in national poverty reduction strategies.

12. Trade liberalization-driven economic growth has placed large-scale private sector investments in the agriculture sector, marginalizing small rural producers and vulnerable rural poor.

13. Due to its huge rural population, predominantly adverse agro-climatic conditions and a diminishing and deteriorating natural resource base, South Asia faces the strongest challenges in poverty reduction by developing sustainable rural livelihoods.

14. South Asia has largely been ineffective in ensuring equitable access to productive (land, water and other natural resources) to rural poor – an essential condition for eradicating hunger and poverty and ensuring equitable development and social justice.

SETTING THE SCENE

15. Asia and the Pacific today is home to about 70 per cent of the world's rural population. Despite its declining share in national income, the farm sector remains the largest employer. But the per capita arable and permanent cropland availability in the region is only 0.16 ha, compared to 0.37 ha in the rest of the world.²

16. An estimated 524 million of the 2.8 billion people in the region are undernourished, the bulk of them in the two most populous countries, China with 150 million food-insecure people and India with 212 million hungry³. Hunger manifests itself in the very high child malnutrition and mortality rates in this region, with rates in some South Asian countries higher than those in sub-Saharan Africa. India has the largest number of hungry people in the world with nearly of half of all children under five being underweight. Most of the food-insecure people are in the rural areas, with

¹ *Inter Departmental Working Group on Climate Change*, Food and Agriculture Organization of the United Nations (FAO)

² *Regional Strategic Framework for Asia and the Pacific*, FAO Regional Office for Asia and the Pacific, 2004

³ *The State of Food Insecurity in the World*, 2006, FAO

small and marginal farmers, landless, women and children, indigenous people and rural persons with disabilities being the most vulnerable.

17. The widespread food insecurity in the region has economic implications as hunger is not only a consequence but also a cause of poverty, and a major contributory factor in undermining the economic productive potential of individuals, families and entire nations⁴.

18. However, the region has also seen impressive gains in poverty and food insecurity reduction over the last three decades. Economic growth over the past decade, although uneven, has surpassed that of any other region in the world, enabling 270 million people to escape poverty between 1990 and 2004⁵.

19. Yet, the region has more than half the world's extreme poor with an estimated 641 million people living on less than US\$ 1 per day.⁶ Inequitable distribution of growth rather than macro-economic growth is the main cause of income poverty in the region. Rural women are among those most at risk of poverty with fewer livelihood chances, less occupational mobility, weaker skills and less access to resources and training.

20. The high levels of rural poverty and hunger in the region persist because of lack of secure livelihoods for the marginalized rural poor, lack of adequate non-farm rural employment opportunities, declining public investment in agriculture and rural development, lack of participatory decision-making and the inability of rural producers to take advantage of the new opportunities created by the liberalisation and globalisation of agricultural trade. While many countries in the region can mobilise internally the resources needed to meet sustainable development needs, the poorest nations lack adequate funds for their basic investment needs. Providing the poorest nations with access to developed world markets can be a highly effective way to generate the funds needed for investment in sustainable rural development.

21. The declining share of agriculture in national income is reflected in the increasing urban-rural migration, especially of young males and skilled workers, resulting in the greying and feminization of the rural sector. Continuing deprivation of women, marginal farmers, and ethnic and social minorities are undermining rural human resources.

22. Yet, agriculture remains the main livelihood provider in the region which is emerging as the breadbasket of the world. More than 50 per cent of the world's industrial crops are produced in the Asia-Pacific region. Enabling policy and economic environments have led to many success stories, including unique rural development models: from agro-industrial entrepreneurship, cooperatives, and rural financial systems to farmer field schools in integrated pest management.

23. There is growing inequity among countries in the region as well as at national and local levels. Average farm size is declining in many countries and increasing

⁴ Ibid

⁵ *Achievement, challenges and opportunities for sustainable development in Asia and the Pacific*, Asia-Pacific Regional Implementation Meeting, January 2006

⁶ *The Millennium Development Goals: Progress in Asia and the Pacific 2007*, ESCAP, ADB & UNDP

occupation of marginal lands is widening disparities in land and water distribution. While improved productivity and commercialization of agriculture have boosted rural incomes, policies tend to favour large producers and have not been fully sensitive to social and ecological concerns. Failure to consider equity in development and governance is marginalizing vulnerable groups, especially women, small producers and landless farmers.⁷

24. There are estimated to be more than 200 million persons with disabilities in the rural areas of Asia and the Pacific who are among the most prone to food and livelihood insecurity. A large number of them are small and marginal farmers depending on agriculture. More rural work opportunities are needed for persons with disabilities in rural areas. Malnutrition caused by extreme poverty, road or machine accidents due to agricultural mechanization and commercialization, as well as violence and armed conflict are major causes of disability among rural people in the region.

25. The food needs of a growing population coupled with rising living standards and consumer expectations are adding to pressure on an already strained natural resource base. Pressure on land, forest, water and aquatic resources in Asia and the Pacific is the most severe compared to other regions in the world. More than 28 per cent of the region's land area - 850 million hectares - is affected by some form of degradation.⁸ Water and wind erosion, salinization and waterlogging have severely affected the productivity in large parts of Central, South, South-east Asia and China, reducing rural livelihood and income opportunities.

26. With forests on just 28 per cent of the land, Asia and the Pacific has the lowest per capita green cover in all regions. Besides their valuable environmental role in water conservation, sustaining agro-ecological health, natural disaster mitigation, including climate change processes, forests provide food, household energy and livelihood to hundreds of millions of people in the region. Commercial pressures have led to increased exploitation of forest lands, affecting forest dwellers and those dependent on forests, in particular women.

27. In recent years, in more and more countries in the region, local communities, local governments and civil society organizations are being delegated powers for sustainable forest management as the central part of the strategy for rural development and sustainable natural resource management.⁹

28. Asia and the Pacific has the world's largest coastal area and nearly 40 per cent of the region's population lives within 100 km of a coast, their livelihood affected by large-scale commercial over-fishing and pollution of marine resources. The region's ecosystems which provide vital ecological and economic service to hundreds of millions of people, the majority of them rural and poor, are threatened by population increase, growing food demand and conversion for urban and industrial development.¹⁰

⁷ *Regional Strategic Framework for Asia and the Pacific*, FAO, 2004

⁸ *Regional Strategic Framework for Asia and the Pacific*, FAO, 2004

⁹ *Ibid*

¹⁰ *State of Environment in Asia and the Pacific*, 2005, ESCAP

29. Climate change threatens to undermine progress towards food and rural livelihood security in the region. Besides, the small island states in the Pacific which are threatened by sea level rises, crop, marine and aquaculture in several Asian coastal nations is also at risk. Land degradation, poor water management, rising pollution in urban areas, greenhouse gas emissions along with other factors could push more people into poverty.¹¹

30. Of all regions, Asia and the Pacific is the most exposed to disasters, ranging from wild fires, cyclones, landslides, floods and drought to transboundary animal and plant pests and diseases, war, civil unrest and economic crises. Building resilient rural communities and introducing improved agricultural practices will be crucial for cushioning the impact of disasters. In recent years, El Nino and the avian influenza outbreaks have caused huge losses to economy and threatened human life, especially in rural areas.

31. A livestock revolution is sweeping Asia and the Pacific having the world's largest animal population. Consumer driven demand has seen meat, milk and egg production grow at rates nearly four to eight times compared to the rest of the world. If this growth is sustained, the livestock sector has the potential to spearhead sustainable agriculture and rural development in Asia and the Pacific in the decade to 2015.¹² However, unsustainable large-scale industrial livestock production practices are to blame for serious environmental degradation, including climate change. The growth in world trade of livestock products has exposed the region to increased risk of disastrous pest outbreaks and transboundary animal diseases that can undo gains in food and livelihood security.

32. As poverty and hunger are concentrated in the rural areas, revitalizing the rural economy is vital if the Asia-Pacific region is to make progress towards MDG 1, other MDGs for which hunger and poverty reduction is a condition, especially MDGs 4 and 5 as well as the relevant commitments in Agenda 21, the Programme for Further Implementation of Agenda 21 and the Johannesburg Plan of Implementation.

33. Inadequate policy support and investment in the agriculture and rural sector prevent small and marginal farm and non-farm producers from taking advantage of and complying with changing global and national market trends and conditions. This calls for institutional capacity-building in the agriculture and rural sector, for improved delivery of production support services and technologies, and strengthening of local institutions, in particular agricultural cooperatives. Fair trade is a tool for more equitable distribution of opportunities and benefits. This requires a supportive policy environment, empowering the poor.

34. Most Asia-Pacific countries are implementing some form of decentralization to empower local communities, recognizing the vital role civil society can play as a partner in meeting sustainable rural development challenges. In the world's largest democracy India, a quarter of a million elected village councils with over three million directly elected councilors, more than a third of them women, have been constitutionally recognized as a lay element of grassroots governance and entrusted with a range of sustainable agricultural and rural development responsibilities and

¹¹ *The Millennium Development Goals: Progress in Asia and the Pacific 2007*. ESCAP, ADB & UNDP

¹² *Regional Strategic Framework for Asia and the Pacific*, FAO, 2004

functions. Decentralization has a key role in promoting sustainable agriculture and rural development objectives through improved planning, implementation and delivery of equitable local development programmes and essential rural services. Yet, genuine devolution of powers and funds for local development is lacking. As a result, the impact on poverty and hunger has been far from satisfactory¹³.

35. Energy plays a central role in economic development and poverty reduction in rural areas. Inadequate or inequitable access to efficient, low-cost and sustainable energy affects the livelihoods of hundreds of millions of small farmers, landless and indigenous people in the Asian region. This is denying them livelihood opportunities through start up of small-scale rural enterprises. Currently, small-scale rural industries account for less than 10 per cent of total rural energy demand.¹⁴ Rapidly rising fossil energy costs for farm inputs, local transport and agricultural machinery pose a major challenge to small farmers' households. Small farmer-owned enterprises can play an active role in local demand-driven production and delivery of energy services.¹⁵

36. About one billion rural people in the region depend solely on traditional energy sources.¹⁶ Between 80 to 90 per cent of Asia's rural household energy needs are met by wood fuels and crop residues.

37. The collection of biomass – mainly fuel wood – which is the main source of rural household energy, is primarily the responsibility of women and girls and is a burden on their time, energy and health. Informal income-generating activities by women are fuel-intensive, making them increasingly vulnerable to fuel scarcities and rising fuel prices. Lack of access to renewable and environment-friendly rural energy has adverse ecological, health, educational and livelihood implications for rural poor and undermines progress towards the MDGs.

38. As countries strive to find the right balance between economic growth, poverty reduction and environmental sustainability, there is recognition that a central element of this is redistributive growth focused on enabling the majority rural poor to take part in this growth and escape poverty.

39. In the above context, each subregion, in particular countries in South Asia, South-east Asia and the Pacific island nations must assess, initiate and strengthen appropriate policy, institutional and financial support to promote sustainable rural development that ensures sustainable natural resource management and development of a vibrant rural sector.

¹³ Ibid

¹⁴ *Energy services for sustainable development in rural areas in Asia and the Pacific: Policy and Practice*, ESCAP, 2005

¹⁵ *Role of agricultural cooperatives in biofuel development at community-level for rural food and livelihood security*, regional workshop, FAO and Network for Development of Agricultural Cooperatives in Asia and the Pacific (NEDAC), 2007

¹⁶ *Energy services for sustainable development in rural areas in Asia and the Pacific: Policy and Practice*, ESCAP, 2005

COMMITMENT TO SUSTAINABLE RURAL DEVELOPMENT

(a) Important commitments and stakeholders in Asia and the Pacific

40. Of the wide ranging global commitments¹⁷ to sustainable rural development, those relating to food and livelihood security, gender equity, land and support services for rural poor, sustainable natural resource use, low-cost, sustainable rural energy, farm support services, rural empowerment through participatory approaches, small-scale rural enterprise development and fair international agricultural trade terms for small farmers, are relevant mainly to South and South-east Asia. Pacific island and Central Asian countries have to focus on sustainable natural resource management and equitable terms for rural producers in international trade negotiations (Table 1). Small and marginal farmers, the landless, rural unemployed, indigenous communities and rural persons with disabilities, in particular women and children, and organizations of rural poor are key stakeholders along with governments, non-governmental organizations, UN agencies and regional institutions.

Table 1 Summary of Key Sustainable Rural Development Commitments¹⁸

<p><i>Promoting rural food and livelihood security</i></p> <ul style="list-style-type: none"> - Improve rural poor people's access to land, production resources and social services - Transfer sustainable agricultural production technology to rural poor - Increase food availability/affordability through equitable and efficient distribution systems - Promote development of micro, small and medium-scale rural enterprises, improve access to credit, market information and markets for rural poor
<p><i>Empowerment of rural poor for sustainable rural development</i></p> <ul style="list-style-type: none"> - Build rural poor capacities for sustainable natural resource management - Develop national programmes for participatory local development aimed at empowerment of rural poor and their organizations, particularly through increased access to productive resources, public services and institutions - Provide affordable energy to rural communities including cleaner, efficient and renewable energy services for sustainable rural development
<p><i>Enhancing rural women's role at all levels in all aspects of sustainable agriculture and rural development</i></p> <ul style="list-style-type: none"> - Improve access for rural women household heads to land and basic services - Improve participation by women in decision-making in sustainable natural resource management
<p><i>Promoting a level playing field in international markets for small rural producers</i></p> <ul style="list-style-type: none"> - Improve market access to agricultural exports of developing countries

¹⁷ Agenda 21, World Food Summit (1996), Programme for Further Implementation of Agenda 21 (1997), Millennium Development Goals (2000) and the Johannesburg Plan of Implementation (2002)

¹⁸ Selected from DESA Scoping Paper on CSD-16: S-G State of Implementation Report on Sustainable Rural Development

(b) Constraints and opportunities

Declining investment in agriculture and rural development

41. Public investment in agriculture has declined, affecting rural poverty and hunger reduction. World Bank lending for agriculture fell from 30 to 6 per cent in the past two decades, reducing access of rural poor to resources and services needed for agricultural and non-farm rural livelihoods. Arresting and reversing the decline in public investment in agriculture will have a significant positive impact on rural hunger and poverty reduction in the region, especially in South Asia and FAO has made promotion of investment opportunities for rural poverty reductions, including removal of biases in public spending for small farmers, a strategic priority area of its work in the region. Priority areas for investment include sustainable fisheries and aquaculture, improved agricultural water management and adoption of good practices by crop and livestock producers, agro-industry and ecosystem managers to promote agrobiodiversity using participatory, integrated small farmer-based approaches, in particular capacity building of small farmer organizations and cooperative enterprises.

Population, industrial pressure on natural resources and inadequate natural resources management capacities

42. A significantly large proportion of rural people in the region make a living in agriculturally adverse, ecologically fragile and natural disaster-prone areas. Growing population and urbanization/industrialization are adding pressure to the overstretched natural resource base in the region while large-scale commercial agriculture has led to erosion of natural production resources. Lack of equitable access to land, water, forests and other community resources, especially in South Asia, leads to a vicious circle of poverty contributing to environmental degradation and vice-versa. Natural resource systems in the Pacific island countries are being degraded by unsustainable livelihoods, poverty and social inequity.¹⁹ FAO provides technical assistance on integrated approaches to sustainable agriculture and food production incorporating good practices enhancing biodiversity and food security at farmer household level.

43. Climate change will affect vulnerable rural people and food systems; adoption of participatory, decentralized and integrated response strategies for agriculture and food systems represents the best way forward. FAO project experience in South Asia has demonstrated the strong positive role farmers' organizations in building awareness and adaptability to the projected adverse impact of climate change on rural food and livelihood security.

44. Inadequate and inequitable access to energy has negative environmental, livelihood and health implications for rural poor, particularly women and children. There are new opportunities for small-scale, local, sustainable bioenergy development for rural food and livelihood security. India has made the environment-friendly and hardy *jatropha* plant the basis for a national-level, sustainable rural employment generation programme. Access to renewable and environmentally sustainable rural

¹⁹ *Pacific Islands Regional Millennium Development Goals Report 2004*, Secretariat of the Pacific Community and UNDP

energy sources is crucial for improving rural livelihoods and food security through farmer-owned and controlled rural enterprises.

Lack of support services and enabling policies for small farmers and small farmer enterprise development

45. Rural institutions, particularly farmers' organizations and rural finance/marketing systems lack capacities for adapting to market challenges to generate sustainable rural income and livelihoods. Effective implementation of agrarian reforms, improved delivery of production and social services to farm and non-farm rural enterprises will benefit the majority of rural poor people in the region who live in South Asia. Linking organizations of rural poor, particularly agricultural cooperatives to urban markets provides opportunities for entrepreneurial capacity-building and improved rural livelihoods. In Asia and the Pacific, FAO is collaborating with government agencies and cooperative movements to enhance business skills and marketing capacities of small farmer cooperatives as social enterprises. Regional networking activities include bilateral exchanges, development of training methodologies and capacity-building projects.

Ineffective participation of rural poor in sustainable local development and natural resource management

46. Rural poor have no say in the making of agricultural and rural development policies, legislation and investment programmes which as a result, do not reflect local farmers' needs. Decentralization of the government's role in agriculture and rural development needs to be built upon effective institutional mechanisms for participation of rural poor. Local participatory planning enhances access to and sustainable use of land, water and other natural resources, providing opportunities for improvement of rural livelihoods as well as sustainable agriculture and rural development. India's *Panchayati Raj* village-level elected self-government institutions can be a model for empowerment of rural poor for sustainable natural resource management for rural food and livelihood security.²⁰

Lack of a level playing field in agricultural trade for small agricultural/rural producers

47. Rural poor in developing Asian countries, especially in low-income South Asian countries are ill-equipped to respond to changing market and trade terms resulting from the liberalization and globalization of agricultural trade which has also increased competition for natural resources. Small farmers and rural producers need policy support ensuring a fair playing field in national and local markets affected by trade liberalization and globalization, in order to improve their livelihoods and ensure environmental sustainability. Formal organizations of small-scale rural producers, such as agricultural cooperatives can use Fair Trade channels to tap into market opportunities in developed world markets. In Asia and the Pacific, FAO is collaborating with donors in promotion of pro-rural poor trade and agriculture policies.

²⁰ *A handbook for trainers on participatory local development*, publication, FAO Regional Office for Asia and the Pacific, 2003

Gender inequity

48. Particularly in South Asia, rural women face discrimination in access to agricultural production resources as well as opportunities for developing livelihoods skills. The increasingly assertive civil society and political campaign for gender equity across the region together with commitments by most countries to global gender equity commitments (MDG 3) is making an impact. India's constitutional reservation of one-third of elected village council seats for women has placed over a million rural women in decision-making positions in *Panchayati Raj* institutions implementing sustainable natural resource management at local level.

REVIEW OF IMPLEMENTATION

Promoting rural food and livelihood security

49. Asia and the Pacific has 524 million of the 820.2 million undernourished people in the developing world.²¹ The prevalence of hunger has been reduced in all countries in South, South-east and East Asia with the solitary exception of the Democratic People's Republic of Korea. However, population growth means that percentage decline in hunger has not been sufficient to bring about a reduction in the actual number of undernourished people.²²

50. Significant progress has been made in reducing hunger in China and South-east Asia. India still has the largest number of hungry people in the world with population growth limiting reduction in the size of the country's undernourished population to less than 3 million from 1990-92 and the latest assessment in 2001-03, compared to a reduction of more than 40 million in China over the same period.²³ The world's two most populous countries have more than two-thirds of food-insecure people in the region. According to FAO assessments, reduction in income-poverty has not necessarily translated into food security and an important reason for this is that hunger itself is a constraint to escaping poverty, indicating a policy priority for targeted hunger reduction.

51. Despite unprecedented and continuing economic growth over the past two decades, South and South-east Asia is still home for over 40 per cent of the world's poor, the majority of them in rural areas. The average per capita rural income in Bangladesh, India, Lao PDR, Nepal, Philippines, Sri Lanka and Thailand, is less than half of urban income. Similar glaring rural-urban disparities exist in access to basic facilities in most countries. In Pakistan, rural literacy levels are half of those in urban areas.

52. Agriculture's share in national income is declining in South and South-east Asia. In 2005, the agriculture sector contributed only 8.4 and 9.0 per cent of GDP respectively in Malaysia and Thailand. Among low-income countries, the share of agriculture varied from 19.0 per cent in India to 50.6 per cent in Myanmar.

²¹ *The State of Food Insecurity in the World 2006*, FAO

²² *Ibid*

²³ *Ibid*

53. However, in some countries such as Nepal, Afghanistan, Philippines and Sri Lanka, the transformation of the economy from the agriculture sector to industry and services has not been as marked, perhaps because of political instability and economic uncertainty. Farm surplus can be a source of investment for processing, marketing, rural industrial development. However, profitability is declining due to rising input costs and stagnant productivity. This will adversely affect rural poor incomes and share of agriculture in GDP growth.

54. China and Viet Nam's success in transforming agriculture and the rural economy underpins the significant gains in food and rural livelihood security in both countries. In the case of China, strong agricultural growth following de-collectivization of holdings in the late 1970s laid the basis for the subsequent rapid growth of non-farm rural enterprises which by 2000 accounted for one-fourth of rural employment and 30 per cent of national GDP. Hunger and poverty declined dramatically in the country as a result. Viet Nam likewise lifted nearly 7 million people out of food insecurity and reduced its share of people living on less than US\$1 a day from 15 to 2 per cent during the 1990s using market-oriented economic and agricultural reforms accompanied by targeted investment in rural infrastructure development.²⁴

55. In comparison, Cambodia and India, notwithstanding strong annual GDP growth of 4 and 3.9 per cent respectively from the early 1990s to 2003 failed to make a dent in the total number of food-insecure people. This was mainly because of a lack of sectoral balance in economic growth and marginal improvement in agricultural productivity during the same period in the two countries.

56. The number of undernourished people in the Democratic People's Republic of Korea has increased by more than 100 per cent between 1990-92 and 2001-03 to 8 million due to reported negative economic growth and declining agricultural productivity.²⁵ FAO experience in the region shows that pro-small farmer agricultural technology improvements speed rural poverty reduction by boosting farm incomes and lowering food prices. However, in many low-income countries in the region, especially those with high levels of undernourishment, public investment in agricultural infrastructure, including research, education and extension does not reflect the important role of the sector in ensuring rural food and livelihood security.

57. Inequitable access to resources and opportunities across territories and communities, limited employment opportunities, coupled with poor skill and educational levels are the main reason for the persisting high levels of rural poverty in South Asia and some South-east Asian countries.

58. Agrarian reform ensuring wider, secure and sustainable access to land, water and other natural resources, which significantly influence rural livelihoods opportunities, is essential for eradicating hunger and poverty, equitable development and social justice in South and South-east Asia given the typically small farm sizes. In Indonesia and Bangladesh, for instance, about two-thirds of all farms cover only one-fourth of the total cultivated area and are of less than one hectare on average.

²⁴ *The State of Food Insecurity in the World 2006*, FAO

²⁵ *Ibid*

59. In South and South-east Asia, agrarian reforms have, in general, been centralised, government-led operations. The reform process has been largely top-down, involving government administrative machinery as against a decentralised market-friendly and strategic partnership with participation of civil society and other private stakeholders including reform beneficiaries. The Philippines appears to be the exception to this general trend with a reasonably decentralised and participatory agrarian reform programme that has achieved relatively better results and outcomes. On the other hand, in the South Asian countries, agrarian reform programmes have been slow and achieved only modest results, except in selected states of India such as Kerala, West Bengal and Karnataka.

60. Although agrarian reform attempts have eliminated feudal and large absentee land-owning interests in these countries, these have failed to eliminate social differentiation based on unequal land ownership and the existence of intermediaries between tenants and owners. The limited success in freeing adequate surplus land and redistributing it among the intended beneficiaries is ascribed to a complex of factors. These include lack of strong political will, weak implementation mechanisms and inadequate financial support. Additionally, weak legal systems, resistance from surplus landowners and imperfections of the land market have also been formidable institutional barriers to effective agrarian reform in the subregion.

61. The prevailing high rural poverty levels in South and South-east Asia mean that employment generation through rural non-farm activities (RNA) should be a key poverty reduction strategy. With a growing rural population and land-scarcity, agricultural growth alone cannot absorb the rapidly increasing rural workforce. The relatively small urban industrial sector too cannot provide sufficient employment opportunities for the labour force released from agriculture.

62. The rural non-farm sector accounts for between 20 to 50 per cent of total rural employment in South and South-east Asia (Table 1). An important role of the rural non-farm sector is providing work opportunities during the slack agricultural season. The sector has an immense economic contribution to make in accelerating reduction of poverty and rural-urban income gaps as well as rural-urban migration. Most South and South-east Asian countries have adopted appropriate policies and are supporting development of rural non-farm and agro-based industries for creating work and income opportunities for farm households. "The Chinese experience suggests that the impact of rapid economic growth on poverty reduction tends to slacken eventually if the rural sector does not grow hand in hand. As incomes have grown, the impact and effectiveness of general economic growth on poverty reduction have weakened."²⁶

²⁶ *Rapid growth of selected Asian economies: Lessons and implications for agriculture and food security. Synthesis report, 2004*, FAO, Regional Office for Asia and the Pacific

Table 2 Employment/income share of RNAs in selected Asian countries

Countries	Years	Employment share of RNA in total rural employment (%)	Income share of RNA in total rural areas (%)	Sectoral breakdown			
				Manufacturing	Construction	Trade Transport	Services
Bangladesh	(1991)	34.0		39	12	25	24
China	(1986)	20.0	47 (1990)	42	N/A	N/A	27
India	(1993)	23.1	34 (1981)	30.7	11.6	25	26
Indonesia	(1995)	36.9		23.8	9.4	31.7	24.2
Malaysia	(1980)	49.0		10.0	N/A	N/A	N/A
Nepal	N/A	N/A	20 (1995)	N/A	N/A	N/A	N/A
Pakistan	(1992-93)	36.2		19.0	19.4	32.0	26.8
Philippines	(1985)	33.0	56 (1985)	20.9 ^(b)	11.5 ^(b)	25.0 ^(b)	32.0 ^(b)
Sri Lanka	(1981)	46.0		19.8	6.6	25.0	25.2
Thailand	(1996)	50.0	43 (1998)	30.3	21.5	27.2	19.7
Vietnam	(1993)	70.0 (a)		N/A	N/A	N/A	N/A

Notes: (a) Both primary and secondary sources of employment.

(b) 1980 figures.

Source: Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP) Rural Development Report 2007

63. Some big South Asian countries have not given adequate attention to developing the basic physical and social infrastructure of rural development – roads, communication, power, basic health care and education, housing and sanitation. In a rapidly globalizing agricultural economy, market connectivity, information and communication technology, farm clinics, training schools, demonstration plot, farm technology incubators, privatized extension services, market yards, processing facilities for value addition are more important than ever. Modern banking systems are not ready to venture in the agriculture sector and cooperative banking systems and self-help micro-financing groups can play a vital role in this regard, helping generate rural self-employment and income.

64. Food insecurity also persists in some South and South-east Asian countries despite surplus food production because of deficiencies in the infrastructure for distribution, price distortions and allocation problems. The South Asian countries are cooperating in addressing rural food and livelihood security issues through adoption by the South Asian Association for Regional Cooperation (SAARC) countries of the SAARC Development Goals (SDG) 2007 – 2012, aiming for a poverty-free South Asia. The 22 SDGs are divided into four categories – livelihood, health, education and environment goals.

65. The 22 Pacific island nations include about 30 000 islands spread over a vast area. A large majority of the about 6 million people in the subregion inhabit small and remote coastal or rural communities closely dependent on local natural resources for livelihoods. Despite the paucity of data, there is evidence of growing poverty and income inequalities in several Pacific island countries (PICs), challenging the

conventional view that easy access to subsistence resources and strong social networks have cushioned their people against financial hardship.²⁷ There are significantly high levels of child undernourishment and the percentage of underweight children has not changed or increased in at least four Pacific island countries.²⁸

66. While none of the National Statistics Offices in the PICs are currently producing official estimates of purchasing power parity (PPP) adjustment factors, assessments by the Asian Development Bank (ADB) reveal that at least one-fifth of households in 12 of 13 PICs cannot meet their basic needs. Rural households in the Pacific on average spend less on non-food needs than urban and have fewer cash income opportunities. The assessment suggests a strong positive link between a vibrant subsistence agricultural sector feeding local demand and lower levels of rural poverty.

67. In several instances, poverty and hunger in the PICs is related to the growing economic imbalance in favour of urban areas where over 43 per cent of the population of seven out of 15 PICs resides. Urban growth rates are typically higher than rural growth rates in most countries.

68. Child undernourishment assessments in PIC countries are largely based on hospital referrals. Kiribati and Marshall Islands show a significant increase in the percentage of underweight children. Samoa has made significant progress in child nutrition, with only 1.9 per cent of children being underweight in 1999.²⁹ However, a 2002 survey by the World Health Organization (WHO) Regional Office for the Western Pacific covering 27 primary schools in 13 Pacific countries found the prevalence of overweight children to be higher than that of underweight children. Other surveys reveal that between 2 to 23 per cent of children under 5 years in some Pacific communities suffer from mild to moderate under-nutrition.

69. The Pacific subregion, once self-reliant in food, also needs to reduce its heavy dependence on food imports. There is a pressing need to increase employment and income opportunities for small-scale rural producers. Agriculture, fishery and forestry offer lucrative livelihood opportunities. However, a major concern is the lack of interest among youth in taking up agriculture as a livelihood, necessitating identification of profitable agriculture-based enterprises that will help to change the perception of the sector as a subsistence provider. Among other things, this requires closer linkages between small farmers and large private sector processors, exporters, etc.

70. Important sustainable rural development issues in the Pacific related to food and livelihood security include land tenure, subsistence activities and access to natural resources, education and economic opportunities. "The complexity of poverty in the Pacific suggests that a focus on economic growth alone will not lead to eradication of poverty and hunger, but it is crucial that economic growth be pursued in a manner that promotes sustainable development."³⁰

²⁷ *Pacific Islands Regional Millennium Development Goals Report 2004*, Secretariat of the Pacific Community and UNDP

²⁸ *Ibid*

²⁹ *Pacific Islands Regional Millennium Development Goals Report 2004*, Secretariat of the Pacific Community and UNDP

³⁰ *Ibid*

71. The Central Asian region includes Asia-Pacific's fastest growing economies: three Central Asian countries – Kazakhstan, Tajikistan and Turkmenistan are among the ten countries with highest GDP growth between 1999 and 2003.³¹ These countries depend primarily on their natural resource base for economic growth and have benefited from soaring commodity prices including oil and gas, strong exports and growing trade with the reviving Russian economy. With the exception of Kazakhstan, agriculture is the mainstay of the region's economies.

72. The average per income is highest in oil-rich Kazakhstan and lowest in Kyrgyzstan and Tajikistan with their difficult mountainous terrain which has created artificial ethnic enclaves that act as barriers to social and economic development. The poorer countries are also constrained by high external debt. While recent economic growth has lowered poverty in Kazakhstan and Turkmenistan, poverty levels have still not declined significantly in Kyrgyzstan, Tajikistan and Uzbekistan. Deteriorating natural resources and environmental pressure – pollution, land degradation – are blamed for the growing vulnerability of the subregion to natural disasters.

73. Central Asian countries face the challenge of acting urgently in support of sustainable economic growth though deep-rooted cultural factors and institutional shortcomings are major hurdles to this.

Empowerment of rural poor for sustainable rural development

74. Ineffective agrarian reform together with population growth, especially in South Asia, has led to land fragmentation and declining agricultural productivity, in turn contributing to widespread food insecurity and large-scale distress migrations from rural to urban areas. In South-east Asia, the Philippines and Thailand are implementing major agrarian reform. However, in Myanmar, Laos and Cambodia, equitable and sustainable natural resource management is constrained by lack of good governance in land issues. In most countries, inadequacies in public investment in agriculture and legislation responsive to the need for land reform and land use administration is a constraint to sustainable land and natural resource management.

75. Rapid economic growth, particularly in South and South-east Asia has overstrained the natural resource base with adverse implications for rural livelihoods. Urbanization and industrialization has reduced availability of fertile agricultural land for small rural producers, South and South-east and China. Some 28 per cent of the land area in the region is degraded. Deforestation, unsustainable agricultural activities, overgrazing have degraded increasingly large areas of arable land on which tens of millions of rural people depend for food and income security in South and South-east Asia. Particularly in India and Pakistan, land degradation worsens the adverse livelihood effects of recurrent droughts that lead to temporary large-scale rural distress migrations. Forest cover has declined rapidly in Cambodia, Indonesia, Myanmar and the Philippines, though reforestation in some Central Asian countries, Viet Nam and China has resulted in a slight net increase in the overall green cover in Asia and the Pacific.³²

³¹ *International Monetary Fund World Economic Outlook Database, 2004*

³² *The Millennium Development Goals: Progress in Asia and the Pacific 2007*. ESCAP, ADB, UNDP

76. More and more countries in Asia and the Pacific are devising innovative approaches for participatory management of natural resources. Involving local communities in joint forest management strategies, especially in India, has demonstrated the effectiveness of local participatory approaches that inform broader sustainable development strategies in many Asian countries, notably India, Pakistan, Sri Lanka and the Philippines. India's constitutionally recognised *Panchayati Raj* elected village councils are entrusted with sustainable rural development responsibilities including poverty alleviation, land improvement, soil and water conservation, land reforms, social forestry, rural enterprise development, rural housing, rural energy, rural infrastructure and communications.³³

77. While many countries are giving a greater say to rural communities in local decision-making through some form of decentralization aimed at sustainable natural resource management for improved food and livelihood security, there is still a lack of effective participation by rural poor in decision-making. Financial resources to build institutional capacities to ensure improved access to production and social services and equitable sharing of benefits of natural resource management have still not been devolved to local levels.

78. The physical infrastructure for economic empowerment of rural poor is lacking in South Asia with inadequate government investment in transport, storage, power and market facilities as well as limited outreach of the formal banking sector in the rural areas. The agricultural value-addition and marketing infrastructure in South Asia is still not developed enough for effective promotion of small-scale agricultural and rural enterprises. Agricultural cooperatives, as democratic member-controlled organizations based upon social cohesion, self-help and equity, lack support for business development and in many cases lack autonomy, especially in South Asia.

79. Indigenous people are among the poorest rural poor in the region which is home to about 70 per cent of the world's more than 250 million indigenous peoples.³⁴ The large majority of indigenous communities live in upland and forested areas relying on subsistence production systems that are being affected by deforestation and restrictive legislation (natural parks, etc) limiting their access to livelihood resources, particularly in Lao PDR, India, Myanmar and Nepal.

80. Sustainable natural resource management is also a major challenge in the Pacific with available data showing that in most PICs, deforestation exceeds the rate of reforestation.³⁵ The Solomon Islands are projected to lose all commercial forest resources in this decade and Samoa its remaining natural forests in another five to six years.³⁶ The 1995 "Code of Conduct for Logging of Indigenous Forests in Selected South Pacific Countries" and the 2003-2007 Action Strategy for Nature Conservation in the Pacific Region are addressing the concern. However, there is a scarcity of data for sustainable management decisions and PICs need capacities to monitor changes in their rich marine areas that sustain livelihoods and national economic growth but are vulnerable to overexploitation and pollution.³⁷

³³ 11th Schedule, 73rd Amendment, Constitution of India

³⁴ International Fund for Agricultural Development (IFAD)

³⁵ *Pacific Islands Regional Millennium Development Goals Report 2004*. Secretariat of the Pacific Community, UNDP

³⁶ *Ibid*

³⁷ *Ibid*

81. In Central Asia, industrial demand for this subregions abundant natural resources has led to large-scale land degradation and environmental pollution, including poorly maintained radioactive waste sites. The Aral Sea is a stark reminder for future generations of the importance of intra-regional cooperation in natural resource conservation. Water shortages, water-logging and related cross-border natural resource management problems have resulted in disputes in the past. The United Nations Environment Programme (UNEP), United Nations Development Programme (UNDP), the Organization for Security and Cooperation in Europe (OSCE) and the Security through Science programme of the North Atlantic Treaty Organization (NATO) have conducted an in-depth assessment of the close link between environment, livelihoods and security in the highly fertile Ferghana Valley straddling Kyrgyzstan, Tajikistan and Uzbekistan. The valley is home to 10 million people with annual per capita gross national incomes of much less than US\$500 and 60 per cent of the population is below the poverty line.³⁸

82. An estimated 1.7 billion people in developing Asian countries in 2002 relied on biomass for cooking and heating.³⁹ Rural energy poverty especially affects women. "Some progress has been made in the region towards sustainable energy development taking advantage of locally available and environmentally benign renewable energy resources. It is particularly encouraging to note that many Governments are recognizing the benefits of utilizing renewable energy resources in order to provide rural energy services. Progress is however not observed across the board, and the share of modern renewable energy is marginal."⁴⁰

83. China, India, Indonesia, Malaysia, Philippines, Sri Lanka, Thailand and Viet Nam have national biomass energy programmes and projects. In India, the rural administrative sub-division of *taluka* comprising a closed biomass and rainwater basin with an average population of about 200 000, is the basis of the 1997 National *Policy on Energy Self-sufficient Talukas*. The talukas can produce an estimated 400 million tonnes of agricultural residues annually, enough for the country's rural energy, animal feed and natural fertilizer needs. India's National Biodiesel Mission is using jatropha plantations on wastelands as a mass rural income/employment-generation programme linked to commercial bio-fuel production.⁴¹

84. "That production of biofuels are based on renewable resources, that their use reduces, or is perceived to reduce, the emission of harmful greenhouse gases, that they enhance the energy security of countries that import crude oil, and that their production may also boost domestic farm and rural incomes, are influential factors now generating substantial policy developments on a global scale."⁴²

85. Climate change is fast emerging as a threat to food security and rural livelihoods in the region and could reduce fresh water supply in Central, South, East and South-east Asia, affecting more than a billion people by the 2050s. Densely populated coastal regions in South, East and South-East Asia face high risk of sea and river flooding.

³⁸ *Central Asia: Environment and Security Initiative*. UNEP, UNDP, OSCE, NATO

³⁹ *Regional Strategic Framework for Asia and the Pacific*, FAO, 2004

⁴⁰ *Regional Strategic Framework for Asia and the Pacific*, FAO, 2004

⁴¹ *Role of agricultural cooperatives in biofuel development for rural food and livelihood security in Asia*, FAO-NEDAC regional workshop, 2007

⁴² *High-level conferences on world food security and global challenges*, FAO Conference, 34th session

Crop yields could decrease by 30 per cent in Central and South Asia by the mid-21st century, increasing food insecurity.⁴³ Small-scale rainfed farmers, pastoralists, fishers and forest-dependent people are most at risk.⁴⁴

86. “About half of all greenhouse gas emissions produced by developing countries (versus less than a third in developed countries) are derived from the land use, land use change and forestry (LULUCF) sectors. Globally, the main source of greenhouse gas emissions in the LULUCF sectors are deforestation (17 per cent of total), forest harvest management (2.5 per cent), agriculture and soils (6 per cent), livestock and manure (5 per cent), and rice cultivation (1.5 per cent).⁴⁵”

87. Mitigation and adaptation strategies in the marine, coastal, inland water, flood-plain, forest, dryland, island, mountain and cultivated areas of South and South-east Asia involves protecting local food supplies and livelihood resources from negative climate change effects. This requires more efficient land and water use, good forestry/fishery practices, better livestock management and more energy-efficient agro-industries.⁴⁶

88. FAO is building capacities at national, local and community levels for improved awareness and preparedness for climate change impacts. An FAO climate change adaptation project in Bangladesh has shown the vital role of local farmers organizations, cooperatives, local governments and NGOs in promoting understanding of the impacts of climate change as well as in creating “ownership of the adaptation options with the local people and institutions”.⁴⁷

89. The PICs are perhaps the most sensitive to the imminent threat from climate change. Climate change-linked weather events have caused untold damage, drought, floods, volcanic eruptions in the Marshall Islands, Fiji and Vanuatu. Most PICs are implementing projects and activities in keeping with global climate change commitments and these have led to significant abatement in the levels of greenhouse gas emissions.⁴⁸ Both the IPCC and FAO advocate sustainable development for reducing vulnerability to climate change and using adaptive strategies.

Enhancing rural women’s role at all levels in all aspects of sustainable agriculture and rural development

90. Rural women need access to land, water and other natural resources, inputs and services as well as equal opportunity for skills development and use. Some countries like Indonesia, the Philippines and Thailand have made much progress in this direction through legal steps and policy measures to mainstream women’s participation in development.

⁴³ *Fourth Assessment Report, 2007*, Intergovernmental Panel on Climate Change (IPCC)

⁴⁴ *Framework Document on Climate Change and Food Security*, FAO Inter Departmental Working Group on Climate Change

⁴⁵ *Expert meetings on Climate Change and Bioenergy*, FAO

⁴⁶ *Framework Document on Climate Change and Food Security*, FAO Inter Departmental Working Group on Climate Change

⁴⁷ *Framework Document on Climate Change and Food Security*, FAO Inter Departmental Working Group on Climate Change

⁴⁸ *Pacific Islands Regional Millennium Development Goals Report 2004*. Secretariat of the Pacific Community and UNDP

91. While gender disparities in basic education are being fast removed in South Asia, rural women lack adequate work opportunities. Rural work data from India's 2001 census shows that 30 million rural households had at least one member seeking work, the majority of them women. This is not surprising as declining rural work opportunities encourage male rural-urban migration.

92. Gender inequities in access to production resources are most marked in the populous South Asian countries. India's *Panchayati Raj* system of village governance has institutionalized efforts to change the equation, albeit slowly, through constitutional reservation for women of one-third of decision-making positions in village councils. More than 1 million women have been elected to the quarter of a million village councils in the country and there are several documented instances of women village council heads as successful local development managers. Nepal's inheritance law entitles daughters to inheritance.

93. However, gender discrimination and inequitable social development remain serious concerns in several countries. There is also growing evidence of ethnic and indigenous communities being marginalized in the development process. Inequitable access to resources, opportunities and participation across communities and geographic regions is causing social tension and conflict in several countries.

94. While the PICs have made significant progress toward gender equality, women remain disadvantaged in many areas, including education, employment and political representation.⁴⁹

Promoting a level playing field in international markets for small rural producers

95. Most food trade in the region is to domestic markets and most consumption is from domestic food production. The Asia-Pacific region is a net importer of agricultural products.⁵⁰ Besides world trade talks, most countries in South, South-east and East Asia are negotiating regional and bilateral trading arrangements that have a direct bearing on small agricultural and rural producers whose interests, however, have not been adequately considered, denying them opportunities in international markets.

96. Food procurement and distribution systems are becoming more centralized. Private and foreign investment is entering national food chains, taking away control of food production, processing and marketing from small producers. Most Asian farms are small. In South and South-east Asia, small farmers face increasingly complex and adverse market conditions and lack competitive and organizational capacities to address the challenge. These include high food quality and safety standards and intellectual property rights introduced by trade agreements that were negotiated without the participation of small-scale rural producers.

97. Capacities and legislation are inadequate to ensure a fair playing field for small farmers. Legislation on agricultural cooperative enterprise development is not adapted

⁴⁹ *Framework Document on Climate Change and Food Security*, FAO Inter Departmental Working Group on Climate Change

⁵⁰ *Regional State of Food and Agriculture 28th FAO Regional Conference for Asia and the Pacific, 2006*

to new market requirements for food safety and quality. Agricultural production support systems are not fully responsive to small farm producers' needs.

98. Globalization holds both risks and gains for PICs. The proposed Pacific Plan aims to reduce subregional vulnerabilities through enhanced regional cooperation. Failure to integrate successfully with the global economy exposes the PICs to "deepening risk of marginalization, economic decline, increased insecurity and a more impoverished region."⁵¹ Intraregional integration is being promoted through the Pacific Island Countries Trade Agreement and the South Pacific Regional Trade and Economic Cooperation Agreement.

POLICY OPTIONS

99. Persisting hunger in South Asia is linked to low productivity of small farmers and lack of adequate rural livelihood opportunities that limits access to food. Increasing small farm yields will boost small farmer and agricultural worker incomes which is more likely to be used for meeting food and basic non-food needs derived from rural areas.

100. Governments in the low-income countries in South and South-east Asia need to allocate a larger portion of government spending on agriculture and rural development for improved food security. At the same time, policies must encourage private investment in the sectors.⁵² Food insecurity affects economic productivity and income growth by itself is not always enough to reduce hunger, requiring targeted interventions to areas of high hunger.

101. "Agricultural growth [thus] generates a virtuous cycle in which agricultural growth and rural off-farm activities sustain each other. Such growth can make a powerful contribution towards reducing the numbers of undernourished."⁵³ In order to benefit fully from agricultural growth, rural poor need support for rural enterprise development, in particular agricultural cooperatives, through provision of skills for value-added production and marketing. Especially in rainfed areas, rural employment strategies and programmes must provide additional farm and non-farm work opportunities for small farmers. Livelihood promotion programmes are needed for other vulnerable rural poor groups – indigenous people, persons with disabilities and women.

102. South Asia needs legislation to ensure that landless and indigenous people, in particular women, have adequate access to production resources.

103. Countries in the region must put small farmers at the centre of agricultural trade negotiations with a view to create a fair players' field. This must be accompanied by capacity-building for food safety and quality certification, tapping niche markets for organic produce and fair trade opportunities. The development of rural enterprises

⁵¹ *Pacific Islands Regional Millennium Development Goals Report 2004*, Secretariat of the Pacific Community and UNDP

⁵² *The State of Food Insecurity in the World 2006*, FAO

⁵³ *Ibid*

requires training capacities to equip rural poor with production/marketing skills as well as improved market information systems, provision of capital, technology, education and extension services.

104. Rural development approaches incorporating local governance need to integrate with policy interventions in the field of agriculture, fisheries, forestry, livestock as well as trade, finance and industry. There is need for more synergy between public and private sectors and civil society organizations (CSOs) in decentralized, participatory approaches for sustainable agriculture and rural development. More funding support is needed from governments and donors for participatory and pro-poor sustainable rural development. India's *Panchayati Raj* institutions can be a model for strengthening self-management capacities of community-level associations of the rural poor and improving their access to livelihood resources and services. ICT facilities can promote rural enterprise development and enhance participation of rural poor in their socio-economic transformation.

105. The provision of renewable and environmentally sustainable rural energy can improve rural livelihoods and food security through development of farmer-owned and controlled rural enterprises.

Lessons learned and best practices

106. Whether poverty reduction comes from agricultural or non-agricultural growth is linked to the stage of development and linkages between farm and non-farm sector. Growth in agriculture results in an almost immediate impact in terms of increased employment of rural labour in a host of non-tradable activities; most farm households supplement their income from non-farm earnings thus having an immediate impact on poverty reduction and food security.⁵⁴

107. Agricultural cooperative enterprises based upon democratic member participation, social cohesion, self-help and equity provide sustainable employment opportunities, quality production/social services and marketing networks for farm/non-farm produce. They link rural and urban areas through provision of savings and credit and social services to vulnerable rural poor.

108. Developing country governments need strengthened institutional capacities at decentralized level to reach out to vulnerable rural poor. There is need to strengthen inter-institutional coordination and facilitate participatory planning and devolution of financial resources.

109. Equitable participation by rural women in local decision-making can be improved through legislation and institutional capacity building.

110. External development agencies often come in with highly specialized and ad hoc, technical sector advisors while there is need for an interdisciplinary team approach based on knowledge of local rural entrepreneurial conditions and contacts with rural enterprise networks, in particular agricultural cooperatives.

⁵⁴ *Rapid growth of selected Asian economies: Lessons and implications for agriculture and food security, Synthesis report*, FAO Regional Office for Asia and the Pacific, 2004

Success case replication in South-east Asia

The Success Case Replication (SCR) methodology developed in South-east Asia by ESCAP and FAO involved multiplication of village-based, food/non-food rural enterprises in a poverty alleviation project covering 3 300 farmer households in eight countries. Involving peer training of potential rural entrepreneurs by successful ones, the project resulted in average annual income increases of US\$500 for the farm families covered by the project. The successful entrepreneurs, many of them women, became SCR trainers themselves resulting in a 10 to 100-fold replication of successful rural enterprises. The strength of the methodology is the low cost of initial project preparation aimed at identification of SCR trainers in a selected geographical area.

FAO Stocktaking on Good Policies and Practices on Agrarian Reform and Rural Development

Support services for effective land use

In the Philippines, FAO supported the government's Comprehensive Agrarian Reform Programme (CARP) through several projects targeted at agrarian reform communities (ARCs) - a cluster of villages (barangays) where 60 per cent or more of the people have been given land under the land reform programme. The projects supported increased agricultural productivity in the ARCs through:

- 1 Identification by farmer-led development teams of local problems and priorities and their incorporation in community development plans.
2. Training in farm and non-farm productive activities including accounting, bookkeeping and gender issues.
3. Helping build links between agrarian reform beneficiaries and agribusinesses to provide market outlets to the farmers.
4. Facilitating access to credit through matching agrarian reform beneficiaries with financial institutions.

FAO Stocktaking on Good Policies and Practices on Agrarian Reform and Rural Development

Addressing climate change-related risks

111. FAO can support adaptation to climate change in agro-ecosystems (crops, livestock, grasslands), forests and woodlands, inland waters as well as coastal and marine ecosystems. Numerous adaptation options are available and FAO is codifying these and helping local communities understand those most suitable for them.⁵⁵

112. While IPCC advocates the integration of strategic response to climate change, resources and institutional frameworks have a sectoral focus. FAO has noted that "using food security as an entry point for evaluating priorities for food system responses to the challenge of climate change may offer an opening for developing a more integrated approach," and that adopting a participatory pro-poor integrated

⁵⁵ *Framework Document on Climate Change and Food Security*, FAO Inter Departmental Working Group on Climate Change

strategic framework which could incorporate the following strategies could represent the best way forward: ⁵⁶

- (1) Providing incentives to persuade crop and livestock producers, agro-industries and ecosystem managers to adopt good practices for mitigation and adaptation.
- (2) Promoting agro-biodiversity is crucial for local adaptation and resilience.
- (3) Raising productivity from improved agricultural water management will be key to ensure global food supply and security.
- (4) Promoting conservation agriculture for efficient water use, promoting soil quality, withstanding extreme weather events and carbon sequestration.
- (5) Capacity-building for sustainable livestock management practices for adaptation and associated mitigation should be given high priority.
- (6) Promoting fishing and aquatic food production offers sustainable livelihood opportunities for people living by seacoasts, rivers and lakes.

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⁵⁶ Ibid