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ICA Statement to the 32nd FAO Conference, December 2003

Delivered by Mr. Ivano Barberini, ICA President

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Thank you Chairperson,

The International Co-operative Alliance (ICA) would like to reiterate its concern, expressed at the 124th and 125th FAO Council Meeting this year on the proposed cuts to the 2004-2005 budget in Major Programme 2.5.3 and the negative impact this will have on the work of the Rural Development Division (SDA) in support of farmers' organizations and co-operatives. If implemented as proposed, the cuts will lead to the virtual closedown of its Co-operatives and Rural Organizations unit by the end of 2004 due to the freezing if not cancellation of professional posts in the Co-operatives and Farmers' Organizations Group that would otherwise require filling in 2004.

ICA, as the representative organization of representing co-operatives serving over 760 million individual members through its 230 member organizations in over 90 countries is extremely concerned.

It is very difficult to understand why FAO, an organization that continually expresses its commitment to eliminating rural poverty and hunger in numerous fora, is now proposing to virtually eliminate its support to strengthening farmers' organizations and co-operatives especially when it is these very organizations that small farmers and the poor use to more effectively access services and markets to improve their livelihoods.

ICA is not the only organization surprised by this proposal. A number of other organizations, representing farmer interests, including the International Federation of Agricultural Producers (IFAP), the International Fertilizer Industry Association (IFA), the Asian Network for Development of Agricultural Co-operatives (NEDAC) as well as co-operative organizations from India, Kenya, Nepal, Tanzania, and the United States, have all sent letters to the FAO Director-General asking that this proposal be seriously reconsidered. .

In our view, democratic, member-owned and financed self-help organizations-- be they informal groups, producer unions or co-operatives -are key to making rural development happen; and rural development is key to fighting poverty. Let us not forget that the livelihood of half of the world's population is made secure by co-operative enterprises and that they account for an estimated 100 million jobs around the world – more than that of multinational enterprises.

Today, as we are challenged to find solutions to improve the lives of women and men around the world, we must find ways to help institutions that build strong frameworks for community centered rural development. The cuts proposed will do just the opposite.

In September of this year, Kofi Annan noted,

“...The co-operative movement has a key role to play in our efforts to achieve the Millennium Development Goals. Those goals will not be met with a major effort to accelerate progress and it is States which have the overriding responsibility to take the political and economic lead. But on the ground, co-operatives can make an important contribution...”

At the same time, Hilde Frafjord Johnson, Minister of International Development of Norway said,

“... co-operatives can play an important role in our common efforts to fight poverty and promote democracy. In an increasingly globalized world, I believe that co-operative

organizations are more needed than ever, as a balance to corporate power and as an anchor to the grassroots level of society.

Co-operatives hold the potential of being a driving force in our partner countries in the developing world, provided they can operate in a truly democratic environment. For the poor around the world, co-operatives can provide a much needed opportunity for self-determination and empowerment. And we need opportunities like this in order to reach our goal of lifting millions out of poverty.”

We understand there have been pressures for so-called “zero-real and zero nominal growth” budgets; however, the ICA urges Member States to find alternate proposals to distribute FAO’s limited resources that will enable it to retain a specific technical focus on farmers’ organizations and co-operatives. We note in particular FAO’s long standing assistance to many Member States in the area of capacity-building, and assistance to co-operatives in restructuring and enhancing their entrepreneurial skills to increase incomes, and in engaging in dialogue with decision-makers on policy including that related to food production and food security.

Without an FAO focal point, much of the work currently undertaken will no longer be completed. We note in particular that FAO expertise in promoting rural people's organization participation in support of World Bank-financed PRSP processes and Community Driven Development (CDD) initiatives as well as FAO’s participation in the inter-agency coordinating body, the Committee for the Promotion and Advancement of Co-operatives (COPAC) will be seriously compromised.

It is also regrettable that at the very moment when FAO is moving away from support to people-centered development approaches such as rural co-operatives and producer associations, the number of government requests for FAO technical assistance in this field is growing stronger. We strongly urge delegates to rethink this proposal to ensure that FAO continue to play a strong role combating poverty and promoting food security.

Finally, may I take this opportunity to reiterate ICA’s continued support to FAO and ICA’s commitment to ensure co-operation between FAO and ICA as stated in the Memorandum of Understanding signed with FAO in 1999. We hope that together the Co-operative Movement and FAO can work together to address poverty eradication and hunger and find effective solutions.

Thank you.