



**FAO/OECD Expert Meeting on Greening the Economy with Agriculture (GEA)  
Paris, France, 5 – 7 September 2011**

**Comments (Panel) by Nikolai Fuchs, Nexus Foundation, on GEA and Food Availability**

I speak on my personal capacity, as intended in the invitation to this meeting.

To begin with, I would like to present an agricultural example from Kenya, which I just have visited: The MacadamiaFans initiative.

This initiative is located at the foothills of Mount Kenya, in the district of Embu. 50 to 60 years ago Macadamia nut trees were planted in the coffee fields, mainly to provide shadow and to serve as windbreakers. Macadamia nuts have always been a market issue, but only recently the market demand scaled up.

The MacadamiaFans initiative came up with two innovations: the coffee/macadamia nuts-plots are converted to organic agriculture, and an open account scheme was implemented. The organic quality helps to access the German market and to gain premium pricing. The open account scheme connects directly producer and consumer. The open account system works as follows: whenever the nuts are ripe the farmer brings his amount of nuts to the decentralized processing plant. With fingerprint identification scheme the farmer logs in, tags a barcode to the box of nuts, weighs it in fresh state and brings it in the drying facility. After drying the nuts are cracked either by the farmer himself or by his (grown up) children. However, after packaging, the nuts leave for export. On the package itself the farmers name and their email addresses are printed, so that the consumer is offered to make contact with the producer of these specific nuts. Every step of the whole process from farm to shelf inclusive pricing is documented via intranet which is accessible for all stakeholders.

With this scheme the farmers could scale up their profits of about 450%. After one and a half year 740 farmers are already part of the Initiative, another 4.250 are registered to become part in the near future.

Having asked the farmers why they joined the initiative they answered: “I am getting a face”.

What is to be learned:

- Yes (as to question 1 of this session), technological progress, especially IT can contribute to development and food availability. In fact, IT helps to organize and facilitate small scale, diverse production to become organized and to become accessible to markets
- Transparency, like open account schemes, and with this independency from anonymous markets and brokers is key for higher farmers income
- Processing, e.g. value adding is often crucial for higher earnings
- Self organization seems to be an important issue for these forms of development. As a next step the initiative plans to establish decentralized nurseries for macadamia nut trees. The advisory service is run by themselves. In another initiative close by the women-farmers have established their own financing scheme – “banks without walls”. Self-empowerment seems to be a driver for a dynamic and long lasting development. Open-source schemes like open account, or open biology etc. seem to be the systems of choice for a bottom up, participatory rural economy for improving food availability.

Conclusions:

- An enabling environment has to be created, through:
  - marginalized areas need a different than the business as usual approach: Business as usual tends to follow an economy approach which concentrates on the best lands, the best performing crops etc. It tends to monocultures on a as much as possible large scale. Rural economies might be different. As Mirna Cunningham just pointed out indigenous peoples economy for example is more striving on well being, than on profits. A specific frugality might be the character of such a peasant economy, taking into account a broad enough diversity and lastly resilient systems. The Macadamiafans – people said: „the change begins with us“. So it might be a good advice, to put people in the center of development policies. An enabling environment might contain:
    - a more just legal framework to enable value adding, like stopping tariff escalation in the western world for processed developing countries production
    - standard-setting (see question two for this section): keep it in a form and dimension that farmers can work with it (don't bury farmers under paper work)
    - testing: organic cotton producers in India carry hard under the burden of GMO-testing. More polluter pays principle should be established for fair competition

- The best incentives (see question three for this section) is a fair price for sustainable produced products

Only rural people with income will purchase western world goods. Higher incomes for rural people in developing countries will offer market opportunities for the western world. To make my point: western policies should concentrate on creating an enabling environment, mainly through eliminating the misincentives imposed on rural areas in the developing world. A Kenyan woman, having now worked for three decades in the development work said deep out of her heart: “keep your aid, just be fair”. Some estimates point out, that the misincentives (losses of GDP) imposed through unfair trade agreements on the developing world exceed the total aid volume on about 2,5 times.

If I may add a perspective in the light of greening the economy with agriculture on the perhaps long term outlook:

Agriculture not only contributes to public goods; it as well has not only the ability to provide ecosystem services; given the right to food, and so the somehow guaranteed access to food for everybody, agriculture is to a certain extend a public good, a common itself. Taking this into account, I find it very inspiring what Nobel prize inhabitant Elinor Ostrom found out about best functioning management of commons: it is neither extensive privatization nor pure (statly) centralization. It is about the stakeholders themselves making the rules and appointments.

Thinking about this the WTO comes into my mind. If the 153 member states are looked at as being households of he global village, they make the arrangements and appointments of world trade as stakeholders. They deal with the commons (scarce) lands and waters and agriculture looked at as a common too.

WTO policies must not necessarily be just about liberalization. Why should it. Liberalization is only one element in trade policies, still valid at some points, at some places. Protection is a trade element too, at other places and other times, where appropriate and over time. But there are other elements of trade, which should now be taken into account, like food security and climate change. Given the inspiration of commons-management (self organization) the WTO could be a place, where the stake holders of trade, which are more than the (member)states, including the private sector and civil society meet and make their arrangements and appointments on trade in the light of agriculture as a common, food security and climate change.

The WTO needs a new mandate.

Thank you!