**HLPE Smallholder Investments VO draft comments**

The draft is certainly moving in the right direction. But at several places, the language is ambiguous, with technical-administrative type jargon—as in some of the strategic the recommendations—which gives the impression that the writing team recognize the challenges but are nervous about clearly stating solutions to address these challenges.

The following issues should be emphasized (they have been mentioned in the draft but could do with more attention).

* The poverty situation is complex; many smallholders are in debt traps with their only real assets—land and cattle—mortgaged to local money lenders or banks; in such cases, family members often move away to find wage employment to repay debts and protect these assets; the issue is not only of low labourproductivity, but the absence of adequate labour, inputs, etc. to do do any kind of production at all.
* Majority of the world’s smallholders do not have security of tenure over their farmlands and secure access to forests, water, woodlots, grazing lands, etc. The situation is even more precarious for upland swidden cultivators; investments become very costly propositions under such insecure conditions.
* Important to recognize the near absence of publicly provided financial risk mitigation measures for smallholders; medium sized producers and traders are able to hedge risks and avail of appropriate insurance schemes but not smallholders. The “environment” did not appear out of the blue; this is a policy environment and states/governments ts have either not enacted appropriate/adequate policies, or they have dismantled them…
* Continuing feudal/semi-feudal social –economic structures and racial-cultural factors in many parts of the world act as barriers to smallholders being able to organize themselves into effective advocacy groups; particularly vulnerable here are women producers who also have to face gender based strictures and prejudices.
* Economic planners tend to not understand the smallholder system of agriculture, and do not recognize the value and potential of smallholders’ outputs (productive and non-productive); national agricultural development plans are generally oriented towards doing away with smallholder agriculture altogether, or transforming it into a production stage for market driven regional-global value chains. Agriculture development strategies by the World Bank, FAO and most governments entail capture of smallholder agricultural systems by large, powerful market actors, particularly agribusiness corporations.
* The particular constraints faced by women farmers must be brought out clearly and positive measures to address their constraints must be formulated.
* Also, particular constraints of smallholders in different contexts and situations must be elaborated and positive measures to address these constraints must be formulated.
* True, smallholders exist alongside other agricultural arrangements; but large-scale, corporate, agribusiness led agriculture get disproportionately more policy, institutional and financial support than smallholder agriculture. Smallholder agriculture on the contrary, gets negative incentives – the economic odds are stacked against it.
* I understand the importance of elaborating the role of markets. But the role of smallholder centred, smallholder driven public investment and investment regulations are far more important than market mechanisms. There is enough evidence to show that with regard to market integration, smallholders overwhelmingly face adverse incorporation/inclusion. Past-current trends show that governments are not able to or willing to reign in finance and agribusiness corporations. But at least we can push governments to direct their resources and regulatory power towards meaningful support for smallholders…
* Meaningful public investment should include essential services such as education, health, water and sanitation, transportation, housing, legal protection, etc. etc.
* Agree that coordinated strategy very important, especially between positive actions and damage control. For example, there are proposed actions for increasing smallholder resilience to natural disasters and economic crises; but these should complement measures to protect smallholders from evictions, loss of lands because of debt, contaminations of water sources by industry and industrial agriculture, destruction of diverse landscapes for monocropping, etc.
* Support for smallholder agriculture has to be systemic; it is meaningless to create small pockets/islands of smallholder production amidst massive oceans of industrial monocrops; unfortunately, these are the trends we see, and these lead to adverse incorporation and smallholders abandoning agriculture altogether. This is not an issue of markets alone but of the entire production-distribution-consumption system.
* It is not possible for smallholder and industrial agriculture to be in symbiosis with each other in the same space and time. The central question here is what type of agriculture we want to promote-which must assess what type of agriculture the planet can absorb, given the climate and environmental crises we are facing.
* Regarding rights to land and resources, recognition and support should go beyond “existing rights”; many smallholders have already lost their lands and/or are compelled to survive on very marginal holdings, degraded environments, depleted water sources, etc. What are their “existing rights” in such conditions? In many countries, rights to natural assets are rarely formalized and smallholders do not have proof of the extent of land, forest, water, eco-system losses. Even if they have proof, states use eminent domain to claim assets at any time. Resdistributive reforms are very important, but they need to be accompanied by meaningful, smallholder centred systems of resource governance.

Farmers and agricultural workers organisations have their own policy positions. The HLPE writing team should incorporate them as best as possible in this *report. I have pasted below a compilation of policy reccomendations from the* documents of different farmers organisations:

**Some Principles and “Bottom-lines” related to Agricultural Investments**

1. Small-scale food production is the dominant and most important form of food production world-wide. 85% of the food that is grown is consumed on local- national domestic markets and most of it is grown beyond the reach of multinational food chains.
2. Small farmers have been struggling to maintain their autonomy, improving the soil, the water system, the seeds and the animal breeds. Peasants women and men play a central role in a model of food production that is based on local resources and that strengthens local economies.
3. Peasant based agriculture uses and develops sustainable and agro-ecological production methods and functions in harmony with the environment. It is based on the diversification of production to minimize risks. It creates sustainable employment on farms and in rural areas. A first priority is to produce food for the family and the larger community and only part of it is sold on formal local and national domestic markets.
4. By far the largest part of the investment in agriculture in terms of labour, knowledge and capital is done by small-scale food producers themselves.
5. Food and agricultural investment policies should be based on food sovereignty that will strengthen local, sustainable food systems, realise the right to food and increase food security.
6. Policies aiming at strengthening food production have primarily to support and facilitate investment by small-scale food producers themselves. This means:

* Putting in place adequate price and market policies which will generate revenues for them that can be reinvested in agricultural production, processing and marketing.
* Policies that enable small-scale food producers’ access to land, water, grazing, rivers, lakes and coastal waters, seeds, livestock breeds, aquatic resources, agricultural biodiversity, among others - the productive resources they need to produce food.

1. Public investment and support for peasant based food production is crucial and has to be increased. This should include:

* peasant led research and strengthen their existing that are essential for innovation,
* strengthen training for peasants and small holders,
* increase local capacity to conserve food producing, ecological and genetic resources on-farm, on the range and in water bodies;
* strengthen basic services,
* support local processing and storage facilities
* improve access to local and national markets,
* implement genuine agrarian reforms,
* implement the results of the International Conference on Agrarian Reform and Rural Development,
* Setting up credit facilities for small holders and support credit cooperatives, and assure that especially women have access to it,

1. The share of public investments in agriculture, pastoralism and artisan fisheries that goes to women should be increased. Public services (such as extension and training services) should be tailored to address the particular needs faced by women small-scale food producers.
2. Peasant based agriculture has to be protected against corporate investments and resource grabs.
3. Farmers organisations and other small food producers should be effectively involved in the formulation, implementation, review and evaluation of national and sub-national policies on agriculture, investments, governace of land, natural resources and territories, etc.
4. The primary responsibilities of national governments are to eradicate hunger, food insecurity, poverty and unemployment, and esnure the rights of its peoples, especially those whoe are vulnerable. They should implement effective policies and devote an adequate percentage of their budget to supporting sustainable, small-scale food production, processing and marketing instead of channelling all the support to the export of cash crops.
5. States should be accountable for ensuring that agricultural investments are useful and relevant to small scale food producers, and that they are coherent with the visions of peasant-friendly agricultural policies.
6. Agricultural investments should be directed towards family farms, and particularly towards women and young people and other marginalized groups.
7. In the UN Committee on World Food Security (CFS) effective criteria should be developed on how to effectively support peasant based and small holder food production. The CFS should coordinate any support from donor countries and make sure that these funds indeed contribute to a strengthening of peasant based, small holder food production and not to support corporate investment.
8. The World Bank is not an appropriate institution to channel these funds. An autonomous fund has to be set up under guidance of the CFS.
9. IFAD should focus its programs on its original mandate, search for effective ways to support peasants and small-scale food producers instead of supporting and facilitating private sector, corporate investment.
10. Farmers cooperatives and small rural enterprises are important actors of local economies and have important roles to play in strengthening local food systems.
11. The influence of the corporate sector (national and international) on agriculture, food production and food systems and social servives must be reduced. The corporate sector should not be allowed to control key productive resources such as land, water, seeds end credit.
12. Governments, UN Agencies, IFIs, multilateral and inter-governmental bodies (including the CFS and GAFSP) must stop promoting Public/Private Partnerships which, as they are now conceived, are not suitable instruments to support family farms which are the very basis of food security and sovereignty in most countries.
13. Governments should speed up the proactive participation of small-scale producers and other members of civil society in the decision-making mechanisms of CAADP, as is the case in the CSF.
14. Agricultural research be financed by the public sector and take into account local knowledge, practices and capacities. Corporate control over agricultural knowledge must be dismantled.
15. FAO and governments provide Technical Cooperation Programme (TCP) resources to support capacity building and the establishment of multi-actor platforms in the context of consultations on principles of responsible agricultural investment and the implementation of the Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries and Forests.