

**AGRICULTURE, TRADE AND SUSTAINABLE DEVELOPMENT:
AN OVERVIEW OF SOME KEY ISSUES**

DRAFT WORKING PAPER

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1. Introduction

Agriculture is an economic sector of primary importance in environment and development terms. Agricultural activity covers around a third of the world's land surface and provides a livelihood for many of the world's poorest people. The *World Summit on Sustainable Development* (WSSD) held in Johannesburg, South Africa, recognized this role and highlighted the sector's contribution to poverty eradication, particularly in developing countries. The WSSD further observed that sustainable agriculture and rural development are essential to increasing food production and enhancing food security and food safety. Its plan of action called for actions at all levels to promote *inter alia* proper land and water use, capacity building, technical and financial assistance for sustainable development programmes; strengthened agricultural research, increased public sector finance for sustainable agriculture and increased market access and new markets for value added agricultural products.¹

These initiatives build on the findings of the 1992 *United Nations Conference on Environment and Development*, which recommended that agricultural trade liberalization and environmental conservation measures be designed to be complementary and mutually reinforcing. *Agenda 21* which arose from this conference emphasized that a farmer-centred approach is the key to the attainment of sustainability in both developed and developing countries. Consequently, its programme areas on promoting sustainable agriculture and rural development address this objective.² They include initiatives such as agricultural policy review and integrated planning taking into account the multifunctional role served by agriculture, human resource development for sustainable agriculture, improvement of farm production methods and systems through diversification of farm and non-farm employment, infrastructure development, land conservation and rehabilitation and, land resource and planning information including education for agriculture.

Agriculture can have positive or negative impacts on the economy, the environment and development. These will depend on scale, type, and intensity of farming activities as well as on agro-ecological and physical factors. Unsustainable farming can lead to deterioration in soil, water and air quality, and to loss of natural habitats and biodiversity. These environmental changes have important implications for the levels of agricultural production and food supply and can impact on the levels of economic and social development over time. Trade in agriculture can also impact on the dynamics already at work in the agricultural sector directly and indirectly. This includes issues associated with scale, type and intensity of farming, production practices, technology use and other variables that will contribute to or detract from, the movement towards sustainability. On the positive side, apart from producing food and fiber, sustainable agriculture contributes to the viability of rural areas, the maintenance of agricultural landscapes, and the preservation of biological diversity and cultural heritage. Environmentally friendly farming practices also contribute to the maintenance of human, plant and animal health and can provide sinks for greenhouse gases.

It is important for policy makers to understand these linkages, in order to develop policy packages, which ensure the sustainable development of the agricultural sector. The aim of this

* This background note has been prepared by Evelynne Change for the March 2003 *UNEP Capacity Building Meeting on Environment, Trade and Sustainable Development for the Latin American and Caribbean Region*. Substantive ideas in the paper are based on a draft *Handbook on Integrated Assessment of Agriculture* currently under preparation for UNEP by Sarah Richardson. The views expressed in this paper, however, are the author's and do not necessarily reflect those of UNEP.

¹ Paragraph 38 WSSD Plan of Implementation.

² Chapter 14 Agenda 21.

paper is to shed light on some of these linkages and raise the key capacity building challenges, so as to assist national policy makers, in collaboration with other stakeholders, UNEP and other capacity building providers to identify areas in which to focus and enhance their activities as part of an integrated approach to sustainable development.

The next section explores the linkages between agriculture, sustainability and trade by highlighting the relevant economic, social and environmental variables associated with the agricultural sector. The third section draws the links between agriculture and trade through a brief examination of the agricultural trade negotiations. The final section contains the conclusion, summarizing the key capacity building challenges on this policy interface. This section also includes an Annex of questions relating to capacity building needs on this policy interface for discussion.

2. Links between Agriculture, Sustainability and Trade

Core sustainability issues associated with agricultural practices vary greatly among regions and within commodity chains and agricultural sub-sectors. For this reason, this section offers a broad overview of the economic, environmental and social factors associated with the agriculture sector rather than an in depth assessment of sustainability issues at sectoral level or those that are unique to a particular issue, region or eco-system.

A. Economic issues

The structure of agricultural production varies throughout the world. However, there is a general differentiation between countries that are highly developed and rely on modern production practices, and those that are reliant on more traditional production methods and technologies.

In a number of developed countries, production has been transformed by technological innovation, major capital inputs and subsidisation that have resulted in high utilisation of both land and labour. These factors have not only resulted in larger farms and higher yield, but have also led to changes in production methods including, *inter alia*, tillage methods, use of pesticides, fertilisers, development of genetically modified crops, intensive livestock production and increased mechanisation, and irrigation. The size of these operations and the practices involved pose potential dangers for the environment.

In developing countries, the majority of farmers are typically middle to low-income, in some cases subsistence producers, operating on small lots channelling a proportion of their crop to the marketplace to meet household income needs and to purchase other goods and services. Production tends to focus on primary as opposed to processed products. Small-scale farming is characterised by low levels of diversification, and reliance on traditional practices and technologies. Under these conditions, increases in production tend to come not from increases in yields due to efficiencies or technologies, but from an increase in the amount of land under cultivation, which can put increasing pressure on marginal lands and forests.

Understanding links between farm economics and the use of natural resources is critical to fostering greater harmony between agriculture and the ecosystems that support us and other species. Research can help find ways in which agricultural competitiveness and economic development can contribute to the maintenance of the natural resource base and enhanced environmental quality. This can be achieved through more environmentally friendly practices that encompass critical aspects of crop production, including pest management, nutrient management, soil management, and sustainable production systems.

B. Environmental issues

Agriculture is a critical sector for the global environment. By virtue of its large land and water requirements, agriculture uses and affects a greater share of most nations' natural resources than any other industry. Agricultural activities have a direct impact on the full range of environmental media including water, land, biodiversity, and air. This section considers key environmental issues arising from various agricultural practices including production techniques, capital inputs, infrastructure and technology.

Water

Agriculture accounts for 70 per cent of global water use and has impacts on water quality and water quantity. Agrochemicals and waste products such as silage effluent and livestock slurries can and do have a serious impact on surface and groundwater quality unless they are stored, used and recycled correctly. Agricultural practices can also affect water quantity. The continuing expansion in irrigated agriculture and water use means that there is growing competition for scarce water resources and greater stress on the water needs of aquatic habitats (wetlands, lakes).

Land

Agricultural practices impact on the soil resource by degradation of the physical properties of soils through erosion, compaction, acidification and contamination. The quality of agricultural soils is also linked to agricultural practices. Damage can occur through a number of processes. For example, the intensification of livestock production can raise nitrate concentrations in soil, ground and surface waters. Farming on marginal land also brings with it dangers of soil degradation which can impair the long-term productivity of the soil. On the other hand, effective crop rotation—growing different crops in succession on the same land—can increase organic matter levels in the soil, improving its structure, resistance to soil erosion and utility as a carbon sink. Land degradation reduces agricultural productivity and is thus a major factor affecting food security and poverty reduction in rural areas.

Air

Agricultural practices also impact air quality. Odours from intensive pig and poultry farms contaminate the air, as do ammonia emissions from slurry and manures. Additional negative impacts are generated by ozone-depleting substances such as methyl bromide, a fumigant used for pest control in soil and in storage of commodities.

Agrochemical Inputs: Pesticide and Fertilisers.

The increased use of agro-chemicals results in environmental problems, which need to be addressed by codes of good practice and more effective integration of agricultural and environmental policies. The use of chemical fertilisers and pesticides in an effort to increase production can impact soil and water quality. In addition, exposure to agrochemicals can impact human and animal health through their airborne application and through residues in water, soil and food.

Technology and infrastructure can mitigate these impacts by, for example, providing more selective pesticides and/or lower and better targeted applications of pesticides. But high cost hampers the development and use of these technologies, particularly in developing countries. Additional production strategies that can mitigate impacts are techniques such as integrated pest management and the application of organic farming techniques.

Biodiversity

Because agriculture is a major land-using activity it has impacts on biodiversity. These include wildlife habitats and wild species as well as species diversity including crop genetic diversity. The main threats to wild species from agriculture originate from converting grasslands, forests and wetlands to cropland and more intensive grazing systems. In industrialised countries, in particular, the need for increased inputs such as feed grains has led to increasing field sizes, as well as other production related impacts such as diminished crop diversity, fewer crop rotations and the increased use of agrochemicals.

Crop genetic diversity and GMOs

It is estimated that approximately 7,000 crop varieties are used world wide to produce food.³ However, modern large-scale agricultural production relies on an increasingly narrow and homogenous group of plant genetic resources for the majority of the world's food output. Modern agriculture tends to emphasise monoculture, which can impact plant diversity through selective cultivation and plant breeding thereby narrowing the genetic base for agricultural products. Today, less than 100 species of plants comprise 90 per cent of the world's total food crops.⁴

In addition to declining diversity based on the introduction of monoculture, an emerging trend associated with intensive production in some countries is the increasing acceptance of genetically modified organisms (GMOs). While the estimated global area of GMOs continues to increase, the vast majority of acreage remains confined to four countries namely, United States, Argentina, Canada and China. A small percentage of GMOs are also found in South Africa, Bulgaria, Australia, Mexico, Uruguay, Romania, Spain, Indonesia and Germany.⁵

Increasing reliance on modified plant forms can pose potential risks to the long-term stability of crop production and present the threat of widespread and potentially serious pest or disease outbreaks. The genetic diversity of crop varieties tends to be most important for more marginal and diverse agricultural environments. In developing countries and/or in economies where subsistence farming is an important sector, the selection of seeds is often part of producers' strategies to cope with difficult environmental and climatic conditions such as drought, irregular rainfall, frost, winds, pests and poor soil. Traditional producers operating under these conditions will often rely on various combinations of seed varieties and dates of sowing to ensure a viable crop.

C. Social issues

Agriculture is rooted in the fabric of many societies. This is true with regard to the very large producers that tend to characterise production in the industrialised world, but where the "family farm" continues to be important to the social fabric of rural communities. It is also tremendously important for countries in the developing world that rely on large amounts of subsistence and traditional production for both domestic consumption and for export and where the vast majority of the population live in rural areas.

³ CEC 2002.

⁴ Lori Ann Thrupp. 1998. '*Cultivating Diversity: Agro-biodiversity and Food Security.*' World Resources Institute. Washington DC.

⁵ See generally, Michaela Mongelard and Kitty Warnock, special background briefing on '*GENETICALLY MODIFIED CROPS IN AFRICA: Promises, Problems and Threats*' August 2002 available on http://www.panos.org.uk/environment/gm_food_aid_specialbriefing.htm.

Poverty/Farm Income

Poverty is overwhelmingly rural, with some 70 percent of the poorest people in developing countries living in rural areas. For many developing countries agriculture is the main source of livelihoods, and the sector with the most immediate potential for economic growth, which is the cornerstone of poverty reduction. Therefore, sustainable agriculture and increasing productivity are essential for these countries. Increasing food production to meet the needs of a growing population could create pressures on the environment including soil degradation, water table depletion, biodiversity loss, and soil degradation if undertaken without adequate land-use management.

Nevertheless, public investment in agricultural research and improved technologies could allow increasing production in developing countries in ways that impact natural resources less harmfully. Property rights regimes can also impact the way land is cultivated, providing incentives for conservation and sustainable management measures and encouraging a respect for values beyond short-term profitability. For this reason gender equity and other factors such as crop insurance, credit, and technical assistance in many communities could also be looked into.

Rural Development

In most developing countries, past macroeconomic policies have largely discriminated against the agricultural sector.⁶ Rural development is one of the key sustainable development concerns that should be taken into account in the elaboration of economic policy. The aim of rural development is to alleviate poverty and improve rural livelihoods. It embraces sustainable production as well as social, economic and other welfare concerns such as: access and entitlement to assets (land, water, technology), access to fair and competitive markets (both national and international), provision of relevant information and physical infrastructure, and provision of adequate sanitation, education and health facilities.

Policy makers need to identify the policy instruments required at domestic level to promote rural development. These could include macro economic and sectoral policy measures which embrace fiscal and monetary policies aimed at creating macro-economic stability, promoting balanced development and correcting the development bias, which in the past favoured urban areas over rural areas. Other strategic options to consider include agricultural diversification and fostering human capital development through public investments geared to conserving and restoring natural resources. These latter initiatives could include efforts to combat desertification, sustainably manage forestry resources and improve soil fertility conditions.⁷

Food Security

All countries, and in particular developing countries, consider food security to be an important issue. Yet, in a number of countries, unsustainable expansion of agricultural production into new areas, driven by short-term population pressures and food needs, takes priority over the longer-term objective of sustainable management of the agricultural resource base and environmental protection. Coupled with little institutional or legal pressure to shape agricultural development so as to protect the resources, such expansion could reduce the capacity of countries to achieve longer-term food security. Trade and world market prices can have an impact on food security. Higher prices for commodities can benefit farmers and

⁶ See E/CN.17/2000/7 Report on Sustainable Agriculture and Rural Development presented to the Eight session of the Commission on Sustainable Development 24th April-5th May 2000.

⁷ Tunji Akande ' *Making Agriculture Trade Work for Rural Development: Elements for a development-oriented agenda in the context of the WTO negotiations* ' 2002

increase food production; on the other hand, increases in world food prices can have a detrimental effect on countries that depend on imports for their food supply.

Some mechanisms to achieve food security include stockpiling, and promotion of sustainable domestic production. In some countries, support and some degree of protection might be necessary to maintain and encourage domestic production.

Other issues

- *Migration*: Rural-urban migration can affect the human capital available for production and maintenance of land. Furthermore, most of the rural dwellers migrating to the urban areas have no education or skills relevant to the urban areas. They end up settling in slum dwellings and other marginalized areas in the towns and cities, often without basic facilities such as water and sanitation. The result is aggravated problems of sewage and waste disposal, water supply contamination, littering and other forms of environmental pollution.
- *Gender equity*: Agriculture is a sector that relies on a higher proportion of women in the workforce than men, in many communities. Despite this important contribution, women do not always have the same access as men to land rights, capital, and access to inputs such as fertiliser, support services and credit. This disparity results in differentials in productivity to the detriment of women and requires policy makers to address the issues of gender equity and property rights.

3. Agriculture and Trade⁸

Agriculture is a critical sector for world trade. Since the conclusion of the Uruguay Round of trade negotiations, developing countries have not managed to increase their share of agricultural exports even though their share of world industrial exports has been increasing steadily. Many developing country exports still face high tariffs and other barriers in developed country markets and their attempts to develop processing industries are hampered by tariff escalation. This is particularly problematic for the least developed countries, where agriculture often constitutes the single most important sector in the economy.

A number of developing countries that depend on food imports are also concerned about possible rises in world food prices as a result of reductions in subsidies in industrialised countries. Although higher prices can benefit farmers and increase domestic production, these concerns need to be addressed as changes in world market prices of food commodities, affect mainly the poorest and most food insecure countries in the world.

This section summarizes the main accomplishments of the Agreement on Agriculture (AoA) and other Uruguay Round agreements of relevance to agriculture and sustainability. The section commences with a discussion of the relevant trade rules, and then explores some of the issues for negotiation in ongoing WTO deliberations.

Trade Rules

Prior to the establishment of the WTO in 1995, agriculture was one of the sectors not heavily regulated at the multilateral level. This scenario changed with the conclusion of the Uruguay Round of negotiations and the adoption of the AoA. The effect of the AoA was to bring national agricultural policies under multilateral rules and disciplines with the long-term

⁸ For further analysis of Agriculture, Trade and Sustainability, see documents for the *Joint ICSTD/FES Roundtable on Agriculture and Sustainable Development - Towards Development-Oriented Agriculture Policies: Reframing the Debate at the WTO* available on <http://www.ictsd.org/dlogue/2002-12-02/02-12-02-docu.htm>

objective of establishing a fair, market-oriented trading system through a programme of fundamental reform marked by progressive reductions in agricultural support and protection.

This objective is to be achieved through strengthened rules, and specific commitments such as those to reduce export subsidies, domestic support and import duties on agricultural trade. In order to ensure that benefits of the reform programme are shared equally among Members, the AoA provides that the commitments which countries are required to make should take into account: development concerns including food security, the need to protect the environment; the need to extend Special and Differential Treatment (S&DT) to developing countries and the possible negative implications the implementation of the reform programme could have on Least Developed Countries (LDCs) and Net Food Importing Developing Countries (NFIDCs).

Initially, negotiations on continuing reform took place under Article 20 of the AoA. These negotiations continue today with the impetus given by the Doha Declaration, which recognizes the work undertaken, reaffirms and elaborates the objectives of the AoA and sets a timetable and a series of deadlines. Agriculture is now part of the single undertaking which WTO members are mandated to conclude by 1 January 2005.

Issues for negotiation

In broad terms, negotiations for further liberalisation of agricultural trade can be broken down into three general categories: 1) Market access: tariff reduction and tariff rate quotas 2) export and competition; and 3) domestic support. In addition, WTO members are considering a fourth category entitled “non-trade concerns” in which they seek to address a range of the cross-cutting social, environmental and other issues such as have been discussed in the preceding sections.

Market Access: tariff reduction and tariff quotas. Market access typically encompasses tariffs, tariff rate quotas, tariff quota administration, special safeguards, state trading enterprises and other issues. In general, as a result of the Uruguay round, tariff levels on manufactured goods imported into developed countries are now low, with market access limited through non-tariff measures such as supply management schemes, product standards and other administrative protections. Agricultural products are protected only by tariffs as all non-tariff barriers had to be eliminated or converted to tariffs through a process known as tariffication whereby all import bans, quotas or restrictive measures were converted to bound tariffs.

Although tariff escalation was reduced after the conclusion of the Uruguay Round, it still prevails in several important product chains, notably coffee, cocoa, oilseeds, vegetables, fruits and nuts, and hides and skins. Agricultural tariffs on the whole remain high. In addition, complex tariff structures still persist in most developed countries, as do even more complex import arrangements such as seasonal restrictions or quotas. Tariff administration remains a complex technical subject but one with real impact on market access.⁹

A specific concern for developing countries is tariff escalation for processed agricultural products limiting their ability to improve their incomes by processing what they produce. Removal of tariff escalation also has the potential to reduce pressure on natural resources, by making it possible for countries to earn more for each kilogram of agricultural produce, reducing incentives to overproduce raw commodities. While tariff quotas and preferential and bilateral trade agreements have created new trading opportunities, several implementation issues exist and not all the trade opportunities so created have been utilized.

⁹ Isabelle Mamaty, ‘African Countries and the Agreement on Agriculture: What Scope for Sustainable Development’ ICTSD Africa Trade Project Policy Paper No. 2

Export subsidies and competition. The use of export subsidies was one of the most contentious issues during the Uruguay Round of negotiations. These differences remain even Post Doha. Some countries propose the total elimination of all forms of export subsidies, others are prepared to negotiate further progressive reductions but not complete elimination. Most developing countries argue that their domestic producers are disadvantaged if they are to compete with imports whose prices are depressed due to export subsidies or face greater competition in export markets for this reason. In addition many countries would like to extend and improve the rules for preventing governments from circumventing their commitments on export subsidies through use of State Trading Enterprises, food aid and subsidized export credits. Another concern is the inequality in the rules governing export subsidies. Specifically, the fact that developed countries are allowed to continue to spend large amounts of money on export subsidies while developing countries cannot do so, firstly because they lack the money and secondly, because only those countries that originally subsidized exports were allowed to continue to do so.

Domestic support. The AoA includes reductions in both the values of subsidies and the volume of subsidised exports. Rules were put in place to reduce distortions caused by support payments and encourage reform away from the most trade-distorting forms of support, towards mechanisms and instruments deemed to be minimally or non-trade distorting. Despite support reduction commitments, actual support in developed countries remains high.

WTO subsidies are generally identified as green (permitted), amber (slow down) and red (restricted) boxes. However, the AoA has no red box—it includes an *amber box*, *blue box* and *green box* subsidies. Domestic subsidies that are classified in the *amber box* are the most distorting forms of support and are subject to reduction requirements. The *blue box* includes domestic support measures that are tied to programmes that limit production. It covers payments linked directly to acreage or animal numbers, but under schemes, which also limit production by imposing production quotas or requiring farmers to set aside part of their land. *Green box* measures are exempted from reduction. They include measures that are considered to have minimal or no trade distorting effect. These exemptions include provisions related to environmental and conservation objectives as well as other eligible policies such as those related to advisory services, domestic food aid, decoupled income support, income insurance and safety-net programmes, set aside payments (if land is retired for a minimum of three years) etc.¹⁰

Domestic support measures that encourage agro-environment and rural development measures can help maintain rural agricultural landscapes, provide incentives for the adoption of more sustainable production methods, and boost regional development programmes. Conversely, production linked subsidies used in many industrialised countries and economies in transition have encouraged environmentally destructive farming, including the use of chemical fertilisers and pesticides and the abandonment of traditional practices such as rotating crops and fallowing fields. These shifts can accelerate soil erosion and the accumulation of chemicals in lands, water, threatening the long-term stability of global agriculture.

Removal of export subsidies and lowering of tariffs can open up trade and increase economic activity. The increased income can be used to develop rural areas, improve livelihoods and this may curb rural-urban migration. Technology transfer and environmentally sound

¹⁰ These subsidies have to be government funded (not by charging customers higher prices) and must not involve price support. They tend to be programmes that are not directed at particular programmes, and include direct income supports for farmers without correlation to current production levels or prices. Green Box, subsidies are allowed without limits provided they comply with relevant criteria.

technology can be one of the offshoots of the ensuing foreign direct investment. In addition, the improved standards of living could increase demands for better environmental quality and also result in more environmentally friendly farming techniques. However, increased trade in agricultural products can apply higher pressure to the natural resource base and the environment more generally.

The effects of agricultural trade liberalization on the environment are complex and dynamic, and cannot be viewed simply as either positive or negative, but as some combination of the two. *Agenda 21* drew attention to the urgent need to achieve substantial and progressive reduction of export subsidies and other types of trade distorting support. The WSSD reiterates this aspiration and mandates governments to reduce harmful subsidies with emphasis on the agricultural sector.

While the ongoing trade negotiations have potential to provide gains for the environment, there must be recognition that issues of environmental degradation and natural resource misuse are broader than the issues addressed by trade negotiations alone. Similarly, a range of social issues such as poverty and rural development arise that cut across the range of negotiating issues. The question for WTO negotiators becomes how to focus and conduct their efforts so that the agricultural and trade policy reforms they design will support sustainable agriculture and rural development.

In addition, evidence suggests that the market will react positively to agricultural products obtained by using environment friendly and sustainable working practices. For example, with increased consumer awareness largely motivated by health concerns, markets for organically grown crops such as fruits, vegetables and flowers, have expanded dramatically offering new opportunities for farmers in both developed countries and some in developing countries. This could be of potential benefit to farmers in developing countries as it allows them a better return on their crops while having to introduce minimal changes in their production systems, which currently use few synthetic chemical inputs.

4. Conclusion

Many factors contribute to productive farming and sustainable agricultural practices. They include farmer empowerment with education and credit, better farming practices, improved technology, appropriate domestic and international policies, development of physical and institutional infrastructure, suitable geographic and ecological conditions as well as access to markets and competitive valuation of commodities. No single factor is itself an answer and an integrated analysis of agricultural, trade and environmental policies could contribute to sustainable agricultural production.

In the context of the current agriculture negotiations, better possibilities of access to international markets and a less distorted international market may facilitate sustainable and profitable farming activity. However, it will in many cases still be necessary to develop complementary measures and safeguards to ensure that the increased access results in benefits for the poor and does not damage the environment. This may contribute towards achieving other sustainable development concerns such as food security, improved livelihood, rural development and poverty alleviation. Of course, gains at the multilateral level will only work in the context of a national policy, which articulates and reflects domestic needs and creates a framework, which fosters the sustainable use of natural resources.

The challenge for governments and capacity building providers is to identify the key policy linkages and sustainability challenges on this policy interface, and design sets of complementary capacity building activities which expand and liberalize agricultural trade in a way which is supportive of sustainable development.

Annex 1.

Questions

The purpose of these questions is to help identify the most important issues arising in the area of Agriculture, Trade and Sustainable Development, and to focus discussions on the role of capacity building in addressing these issues as part of a systematic, long-term and demand-driven approach. Discussions regarding capacity building can draw on the companion document to this one entitled *Enhancing Capacity Building for Environment, Trade and Sustainable Development*. References to relevant sections of that document are included below.

Key issues in sustainable agriculture development.

- What are the key issues of sectoral, national and regional importance on this policy interface?
- What are the key interactions between trade policy and agricultural sustainability, rural development, food security, poverty alleviation that policy makers will have to address?
- How can expansion and liberalization of trade be used to promote sustainable agriculture and rural development?
- Which sectors require focus and enhancement of capacity building activities to enhance this role?
- How can policies be designed to meet the economic, social and environmental challenges faced by both large and small-scale holdings?

Capacity building needs and objectives (Sections 1 and 2A of Capacity Building paper)

- What is the current status of capacity building efforts on the agriculture and trade policy interface at the national and regional levels?
- What are the immediate needs for capacity building?
- What are the capacity building needs in the context of multilateral and bilateral trade negotiations impacting on the agriculture sector?
- What are the principal long-term needs for capacity building to support policy integration for sustainable agriculture and rural development?

Approaches and delivery mechanisms (Section 2B and C of Capacity Building paper)

- How to get early engagement of relevant policy makers, including agricultural and environmental policy makers, in trade negotiations and the formulation of policies that impact on the agricultural sector?
- How to enhance effective participation of all stakeholders to ensure that capacity building activities are well targeted, meet the needs of their recipients and contribute to integrated policy making?
- How to develop more 'farmer centred' capacity building programs and enhance the participation of small scale and subsistence farmers in these programmes?
- How can programmes be developed and funded to ensure a systematic approach to capacity building, and continuity over the longer term?

Partnerships – moving forward together on capacity building (Sections 4 and 5 of Capacity Building paper)

- What are the relevant government policy organs and institutions to be engaged in steering agricultural sector capacity building programmes?
- What is the role of relevant local and national institutions including academic and research institutions in capacity building?
- What is the role of regional trade agreement secretariats in capacity building on this policy interface? What are their capacity building needs?
- How can multilateral institutions such as UNEP, UNCTAD, UNDP, the WTO, the World Bank and others contribute to more systematic capacity building efforts on this policy interface?