



DESARROLLO RURAL SOSTENIBLE DE CENTROAMÉRICA  
UNIDAD REGIONAL DE ASISTENCIA TÉCNICA

# In touch WITH RUTA



Quarterly newsletter of the Director of the Regional Unit for Technical Assistance - RUTA  
RUTA is a Project of the Ministries of Agriculture of Central America, the World Bank, IDB, DFID, FAO, IFAD, IICA, IFPRI

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To Governments and Partner Agencies:

As we come to the close of 2006, we look back with satisfaction at our all our efforts and our many accomplishments. All of this has been possible thanks to your support and encouragement.

Our counterparts in the countries and the RUTA National Technical Units (NTUs) have been fundamental in helping us keep our work focused and outlining new projects to benefit the rural populations of Central America. That is why we have devoted this issue of our newsletter, In Touch With RUTA, to the NTUs. The individual country offices have prepared reports on their main programs, but they have actually carried out many other activities as well.

We have not been disappointed by the results. This newsletter provides a sample of the many important actions and processes being carried out in the individual countries and in the region as a whole. The NTUs, the governments, the partner agencies and the people of Central America are working hard and will continue to do so in 2007.

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**SPECIAL EDITION  
BY THE NATIONAL  
TECHNICAL  
UNITS OF RUTA  
IN SIX CENTRAL  
AMERICAN  
COUNTRIES**

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## Belize works to strengthen its cocoa production



*With technical assistance from RUTA, Belize has undertaken a study of cocoa production systems and has completed a field study that will be used in developing the National Cocoa Policy.*

The Ministry of Agriculture and Fisheries of Belize has been working hard to strengthen the country's cocoa production systems. To this end, they have requested technical assistance from the RUTA project, through the National Technical Unit in Belize.

Some of the main activities to be carried out in this connection are a research study on cocoa production systems in Belize, a feasibility study and compilation of relevant data to be used in developing a baseline on the subject. Information will be gathered on aspects such as production costs, productivity and management practices, and an estimate will be made of the production potential of both small and medium-sized growers, mainly of organic cocoa.

The results of the study and the data collected will be used to identify and analyze the main factors that need to be taken into account for the different cocoa production systems in the country.

A field study was begun in January 2006. The terms of reference for the study were drawn up by the RUTA National Technical Unit in Belize, in consultation with the Cocoa Task Force, the Ministry of Agriculture and Fisheries, and the Toledo Cocoa Growers Association.

### Inputs for a National Cocoa Policy

The field study of cocoa was completed in September 2006, and the data were sent to CATIE for processing. A report will be drafted and submitted to the Government of Belize and to the Toledo Cocoa Growers Association.

This report will be used by the Government of Belize in drawing up a national cocoa policy. The aim is to boost the country's cocoa industry and take advantage of the opportunities opening up on the international market for organic and non-organic cocoa.

### Training of civil servants on issues relating to cocoa

RUTA has also supported the training of officials of the Ministry of Agriculture and Fisheries of Belize on cocoa-related issues. An official from the Ministry attended a training course in Costa Rica so as to be able to provide technical support to cocoa growers in the field.



## Belize Rural Development Programme in action

The Cayo district in Belize is the venue for one of the technical programmes aimed at reducing rural poverty in the Central American region. In this case, assistance is being provided to the poverty-reduction efforts of the Belize Rural Development Programme (BRDP).

This programme, which was set up by the Government of Belize and the European Union, is aimed at reducing rural poverty and supporting sustainable economic development in rural areas.

RUTA's support has consisted mainly of technical assistance provided to the Cayo District Development Committee (DDC) in connection with project evaluation. The basic goal is to ensure that the projects in question meet the poverty-reduction target in rural areas and create conditions for empowering the rural poor and improving their standard of living.



### BRIEF NOTES FROM BELIZE

#### US\$ 200,000 for the fight against poverty

The International Fund for Agricultural Development (IFAD) and the RUTA National Technical Unit in Belize recently completed a grant proposal for US\$ 200,000 which is now under negotiation. These funds would be used to combat rural poverty in a joint effort with the Belize Credit Union League and to strengthen the National Association of Village Council Organizations. The proposal is part of the Country Strategic Opportunities Paper (COSOP) developed in 2005 by RUTA and IFAD in the context of that year's mission to Belize. On that occasion, representatives of 90 non-governmental organizations, the private sector, community organizations and international cooperation agencies met to outline future IFAD cooperation in Belize.

#### Belize and the Central American Agricultural Policy

The RUTA National Technical Unit in Belize has also been collaborating actively with the Ministry of Agriculture and Fisheries in the design of the Central American Agricultural Policy.

Significant progress has been made in this regard since early 2006, when the working group, which includes Belize, was set up. The working group is made up of policy directors and advisors of the Central American ministries of agriculture.

The Coordinator of the RUTA National Technical Unit in Belize has been in touch with policy analysts at the Ministry of Agriculture and Fisheries (MAF) and has provided assistance in carrying out the national workshop on policy design.

## Costa Rica begins a process of strengthening rural enterprise organizations

*The strategy is aimed at achieving competitiveness, establishing a model service center to promote competitiveness and strengthening rural producers' organizations.*



Costa Rica has already begun work on its national component in the project on support for rural enterprise organizations in Central America and will be carrying out a strenuous program of work during 2007. This initiative is carried out by the Ministry of Agriculture and Livestock (MAG) with support from the French Centre de Coopération Internationale en Recherche Agronomique pour le Développement (CIRAD), follow-up by the RUTA National Technical Unit in Costa Rica, and financing from the World Bank with funds provided by Bank-Netherlands Partnership Program (BNPP). Project activities in Honduras and Nicaragua will begin once the first inputs from Costa Rica are available.

In Costa Rica, the project will focus mainly on the northern region – Los Chiles, Upala and Guatuso – but several nationwide activities will also be carried out. The main objective is to contribute to the development of sustainable production among small-scale farmers and reduce rural poverty in Costa Rica, especially in the aforementioned counties, which have a low level of development.

According to Milagro Mora, of the Ministry of Agriculture and Livestock and Coordinator of the RUTA National Technical Unit in Costa Rica, the idea is to improve the income of the rural population and increase the value added of their products so as to generate more jobs and combat rural poverty. Mora points out that the project follows the policy guidelines of the new administration.

### Strategy, forums and competitiveness center

The first major component of the project will be the formulation of the National Rural Competitiveness Strategy and the corresponding implementation policies. Three regional forums will be held during the first quarter of 2007, one in the northern region, one in the Brunca region (south-south) and the third in the west-central region. Producer organizations, farmer groupings, community associations and many other local and national actors will participate in this effort.

The forums will focus on identifying the factors that limit competitiveness and the strategies needed to eliminate or reduce those obstacles and increase productivity. These findings will serve as inputs for a national forum on rural competitiveness to be held during the second quarter of 2007. A final proposal will then be submitted to the Government for adoption as the national rural competitiveness strategy.

The second component of the project will be an effort to strengthen the entrepreneurial capacity of producer organizations; the relevant mapping has already been started. Case studies will be conducted so as to take advantage of the successes, learn about good practices and exchange information.

The third component focuses on providing services to foster competitiveness, including technical assistance for quality certification, market research and intelligence, post-harvest procedures and product processing. These services will be provided by a model center to be set up in Upala. An analysis is being made of the main agricultural chains in the northern region – beans, livestock and yuca – so as to identify the factors that limit the competitiveness of these products. The study will cover all stages, from the farm to the consumer, so that the necessary corrections can be made.



## An inter-agency commission on international cooperation is set up to harmonize technical assistance to the agricultural sector

Costa Rica has begun the process of harmonizing the technical cooperation it receives in the area of agroproduction. In September 2006, an inter-agency commission on international cooperation was set up to implement this coordination. This body addresses the needs of the Ministry of Agriculture and Livestock (MAG), which in January will be merged with the Ministry of Economic Affairs, Industry and Commerce (MEIC) to form the Ministry of Production (MIPRO).

The need to coordinate cooperation so as to avoid the scattering and duplication of efforts and isolated actions that often do not reflect official priorities is stressed in the guidelines for the Office of the Minister of MAG/MIPRO.

In 2006 alone, the institutions of the agroproduction sector have received nearly US\$ 5 million worth of external cooperation. However, the efforts of the different agencies have not always been coordinated or focused on national priorities.

The Inter-Agency Commission on International Cooperation is made up of Taiwan, FAO, RUTA, IICA and MIPRO. The Executive Secretariat for Agricultural Sector Planning of the Ministry of Agriculture and Livestock has already prepared guidelines for including the other cooperation agencies that work with the agricultural sector.

At least 11 additional agencies or international organizations will be invited to join the Commission, including IDB, UNDP, BCIE and CATIE, as well as the cooperation agencies of Japan, Israel, Canada, France, Spain and the European Union, and the Swedish Cooperation Center.

The Inter-Agency Commission has been developing a proposal for a mechanism for harmonizing cooperation in the agroproduction sector, for submission to all the aforementioned agencies. The idea is that from now on, all international cooperation proposals should be consistent with the policies of MIPRO and the National Development Plan.

## BRIEF NOTES FROM COSTA RICA

### Support for the Central American agro-environmental agenda

Costa Rica is carrying out a pilot plan as part of the regional effort to implement the policies and strategies of the ministries of agriculture and environmental affairs of the Central American region. The country is also participating actively in the design of the Central American agricultural policy.

### Carbon capture and market development for indigenous populations

The country has been implementing a highly successful project on carbon capture and development of environmental markets in indigenous cocoa agroforestry systems in Talamanca. This initiative is a joint effort of MINAE, CATIE and the indigenous associations ADITICA, ADITIBRI and ACOMUITA. It receives support from the World Bank, with technical follow-up being provided by RUTA through the Regional Office and the National Technical Unit in Costa Rica.

### New Coordinator for the RUTA National Technical Unit in Costa Rica

Milagro Mora, the new Coordinator for the RUTA National Technical Unit in Costa Rica, has begun working with the higher and middle management levels of the Ministry of Agriculture and Livestock (MAG, soon to become MIPRO) to enhance the work of the National Technical Unit in the country. The Unit is also working more closely with other public institutions in the agroproduction sector which have undergone changes since the new Administration took over. In addition to the Coordinator, the National Technical Unit now has two high-level technical experts, and a third will come on board in January 2007.

### Follow-up to the production re-engineering program

The National Technical Unit supported a study on the production re-engineering program, identification of potential obstacles to achieving sustainable development and development of agricultural enterprises by small and medium-sized farmers.

## El Salvador sets up pilot biodiesel production plant

*The plant is expected to produce 400 liters of biodiesel per day from oil extracted from plants such as tempate and other sources.*



In 2006, in an effort to reactivate the agriculture sector and produce clean renewable energy, El Salvador set up the first pilot biodiesel production plant in the country. The plant will produce 400 liters of biodiesel per day from oil extracted from plants such as physic nut (*Jatropha curcas*, known locally as tempate) and castor beans (*Ricinus comunis*, known locally as higuerrillo).

This initiative is being promoted by the government through the Ministries of Economic Affairs, the Ministry of Environmental Affairs and the Ministry of Agriculture and Livestock. It is supported by the José Simeón Cañas Central American University (UCA), the Government of Finland's Energy and Environment Partnership with Central America, and the Asociación Agroindustrial de Productores y Transformadores de Energía Renovable (Agroindustry Association of Producers and Transformers of Renewable Energy).

### ¿Cómo se hace?

El biodiesel es un combustible de naturaleza orgánica que se obtiene por medio de la conversión de aceites vegetales. La conversión consiste en la reacción química del aceite vegetal con alcohol metílico (metanol) y un catalizador de soda cáustica por medio del proceso de transesterificación.

The Asociación Agroindustrial de Energía Renovable was established in order to include the agricultural sector in this effort and encourage physic nut and castor bean growers to join in the collective effort. The association will promote production throughout the entire agroindustrial chain.

The Ministry of Agriculture and Livestock wants to promote cultivation of physic nut for biodiesel production because this plant is native to our region, the seed has a high oil content, it is resistant to drought, and it can be planted on any kind of soil, including sandy, salty and rocky soil and marginal lands. An added advantage is that it is not eaten by livestock, and it is not known to be vulnerable to major pests.

### Advantages

The cultivation of physic nut for biodiesel will give a significant boost to the agricultural reactivation strategy. The project will make it possible to develop an alternative to conventional diesel so as to mitigate the impact of high oil prices, improve long-term energy security, help reduce environmentally harmful gas emissions and promote the use of renewable energy.



*Güija Lake in the rural region of El Salvador*

## More than 300 people trained to promote rural investment

A total of 333 men and women were trained in 2006 to use the RURALINVEST tool for the design and assessment of small-scale rural investments. This tool was designed by FAO and is being promoted by RUTA in the Central American countries with a view to disseminating its use for the benefit of the poor rural population.

In the case of El Salvador, the RURALINVEST program is being taught at the José Simeón Cañas Central American University (UCA), the Faculty of Agricultural Sciences of the University of El Salvador (UES), the National School of Agriculture (ENA) and the information centers of the Ministry of Agriculture and Livestock.

The José Simeón Cañas University has adopted the program under an agreement with RUTA and is offering training in RURALINVEST as part of its project-design courses in the context of the major in business management. To date 157 men and 176 women (133 total) have received the training.

## BRIEF NOTES FROM EL SALVADOR

### Disaster prevention in the event of climate change

Nearly 500 people in El Salvador have been briefed on the phenomena caused by climate change, with a view to helping prevent or mitigate the impact of potential natural disasters in the agriculture sector, especially in the event of floods.

The RUTA National Technical Unit cooperated with MAG in organizing six workshops on climate change and the La Niña phenomenon, since it could affect the agricultural and fisheries sector. A total of 416 men and 55 women received this training.

Because of its mountainous terrain, El Salvador is exposed to many types of natural disasters associated with climate change, hence the importance of preventing and disseminating information on the subject.

### Achiote growers receive encouragement

The Ministry of Agriculture and Livestock, with support from RUTA, has been working to promote non-traditional crops such as achiote (*Bixa orellana*, also known as annatto). As part of this effort, two achiote growers associations were granted legal standing: the Asociación Agropecuaria Virolence de Productores de Achiote R.L, in La Paz, and the Asociación de Achiotereros de Metapán. The two groupings have a total of 52 members, mostly small-scale achiote producers.

### El Salvador acts to combat bird flu

The Government of El Salvador and the RUTA National Technical Unit have actively supported the country's efforts and participation in bird flu prevention activities. As the venue for the headquarters of the Regional Organization for Plant and Animal Health (OIRSA), El Salvador has been actively involved in logistical planning to ensure the success of this effort and in the organization of videoconferences on bird flu.

## Strategic Plan for the Agrifood Sector (2006-2010) launched in Honduras

*The Plan, which addresses problems that hinder the development of agriculture in the country, includes four expanded sectoral approaches that were designed with the assistance of RUTA.*

In August 2006, the Government of Honduras launched the Strategic Plan of Operations (2006-2010) for the Agrifood Sector. The Plan covers five strategic areas: food security, changing production patterns, poverty reduction, citizen empowerment and decentralization, and territorial approach and targeting.

This plan was launched in the context of the reactivation of the Agroforestry Board, and the activity was attended by over 300 representatives of the production sector and government and international cooperation agencies. The Strategic Plan for 2006-2010 was presented to Manuel Zelaya Rosales, President of the Republic, by Héctor Hernández, Minister of Agriculture and Livestock.

RUTA assisted with the preparatory activities coordinated by the Management Planning and Evaluation Unit (UPEG) and will continue supporting implementation of the Plan, which is a component of President Zelaya's plan of government.

RUTA has also provided support for the design and implementation of four expanded subsectoral programs which have been assigned priority in the Strategic Plan, namely, the National Forestry Development Program (PRONAFOR), the National Plant and Animal Health Service (SENASA), the National Research and Technology Transfer Service (SNITTA) and the Small Farmer Program (PEAGRO). RUTA has also collaborated in strengthening the new institutional framework so as to enable the entities concerned to plan, budget and provide follow-up to actions, outputs and impacts obtained envisaged in the Strategic Plan of Operations.



*Manuel Zelaya, President of Honduras, receives the Strategic Plan of Operations (2006-2010) for the Agrifood Sector from Héctor Hernández, Minister of Agriculture and Livestock.*

*Bottom: View of the audience at the launching ceremony.*



### Emergency plans to combat bird flu

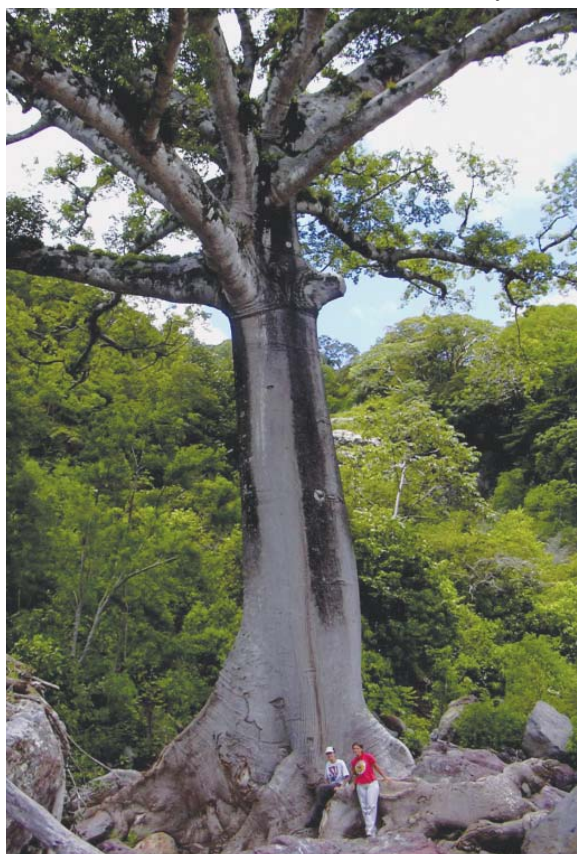
The Secretariat of Agriculture and Livestock and the Secretariat of Health have joined efforts to draw up and implement emergency plans for dealing with the threat that bird flu represents to both animal and human health. The objective is to reduce the risk of contagion arising from the lack of awareness of poultry farmers and the general public. In addition to national programs, a series of regional videoconferences on bird flu have been organized by RUTA and OIRSA, through the RUTA National Technical Unit in Honduras, which operates under the Secretariat of Agriculture and Livestock.

## Community forestry and Payment for Environmental Services are strengthened in Honduras

Several rural communities in Honduras are moving forward with management and conservation, community forestry and management at the local level, in order to overcome their vulnerability. These programs are supported by the Forestry and Rural Productivity Project (PBPR) of the Secretariat for Agriculture and Livestock (SAG).

This project is being carried out in the context of the poverty reduction strategy, the World Bank's Country Assistance Strategy (CAS), the State policy for the agrifood sector and the rural environment of Honduras, the forestry policy, the territorial management policy and the protected areas policy.

In September 2006, a mission from the World Bank visited several rural communities that were benefited by the project and noted the progress made. The visit began in the municipalities of San Ignacio and El Porvenir, where a system of payment for environmental services is underway to protect the water sources for those communities. In the municipality of Marale, the mission got a first-hand look at the experiment carried out by a group of women working with food microenterprises – Delicias Maralense and Luz y Esperanza – that were established recently with the help of PBPR/SAG.



As regards forestry, the mission visited the municipal authorities of Yoro and Jocón to see the progress that has been made in the project on normalization of the Agua Fría pilot area. In regard to the community forestry, members of the San Francisco tribe of the Tolupan ethnic group reported on the activities of the microenterprise plan to be implemented soon. The mission also met with representatives of the Federation of Xicaques Tribes of Yoro (Fretrixy), which has signed an agreement with PBPR.

### BRIEF NOTES FROM HONDURAS

#### Presentation of Central American regional studies

Two important regional studies were presented to high-level officials and directors of programs and projects in the Secretariat of Agriculture and Livestock of Honduras. These studies were carried out with support from the RUTA National Technical Unit in Honduras. The first one, on drivers of sustainable rural growth and poverty reduction in Central America, was presented by Dr. Francisco Pichón (RUTA/WB) and Dr. Hans Jansen (RUTA/IFPRI). The second, on experiences in supporting the development of agricultural insurance markets in Central America, was presented by Dr. Francisco Pichón and Dr. Marcelo Castedo (FIDES). Representatives of international cooperation agencies also attended the presentations.



#### Training in management of agricultural investment projects

Two seminars on project design and evaluation and management of agricultural investment projects were offered this year by the Agricultural Training Center (CEDA) of Comayagua for officials and technical staff of the Secretariat for Agriculture and Livestock (SAG), the National Technical Unit in Honduras, and agencies and universities working in the sector. Coordination was provided by the RUTA National Technical Unit, the Central American Institute of Public Administration (ICAP) and the Secretariat of Agriculture and Livestock. The activities were inaugurated by Héctor Hernández, Minister of Agriculture and Livestock, who stressed the importance of training for project implementation, given the major changes which the sector is undergoing.

## Agricultural sector of Guatemala prepares to take advantage of opportunities offered by CAFTA

*The Ministry of Agriculture will promote agribusiness and develop trade-related capacities, with the support of RUTA and other agencies.*

A new Agribusiness Area will be set up in the Ministry of Agriculture and Livestock (MAGA) of Guatemala to respond to the needs of small farmers in connection with the marketing of agricultural products. The objective is to help them take advantage of the opportunities opened up by the Free Trade Agreement with the United States (DR-CAFTA).

An institutional structure is being set up to deal with agribusiness issues taking into account the results of a diagnostic study. A proposal on the matter was developed for the Policies and Strategic Information Unit of MAGA by the RUTA National Technical Unit in Guatemala and the Agricultural Marketing Institute (INDECA).

The RUTA National Technical Unit has also provided support to the Office of the Minister of Agriculture and Livestock in connection with negotiations and discussions held in Washington DC on requirements for the recognition of other countries' standards for plant and animal health and safety of unprocessed foods.

The RUTA National Technical Unit is also helping the Ministries of Agriculture and of Economic Affairs to set up the Trade Capacity Building Committee (TCBC). This Committee will promote trade capacities with a view to enabling the country to take advantage of the benefits of DR-CAFTA and encouraging international donor institutions, non-governmental organizations and United States private-sector entities to help develop, implement, monitor and evaluate trade capacity-building projects.

### Study and videoconferences on CAFTA

The International Food Policy Research Institute (IFPRI), a RUTA partner agency, is currently conducting a study on the impact of DR-CAFTA on the five Central American countries. The National Technical Unit in Guatemala helped select the national research team (IDIES/URL) and plan the activities relating to agriculture chains.

Another important effort in preparing the country for DR-CAFTA was the series of videoconferences on opportunities and challenges for the generation of rural employment in Central America. The series was organized by FAO, RUTA and ILO, in collaboration with the Global Development Learning Network (GDLN). The communications media were well represented at these events.



*On the way to the country in the western highlands of Guatemala.*



## New challenges for a new Administration

*The RUTA National Technical Unit drew up the Plan of Work for 2007 with support from the new Minister of Agriculture.*

New topics such as development of a biofuel incentive plan, the National Rural Development Program in the Occidente (western) region, and contacts with donors through the Coffee with RUTA model are some of the activities planned by the RUTA National Technical Unit in Guatemala for 2007.

The National Technical Unit will enjoy the support of the incoming Minister of Agriculture, Livestock and Food, Bernardo López Figueroa, who took office in October 2006. During his term as Vice-Minister, Mr. López supported the creation of the National Technical Unit, so he is familiar with the work of RUTA in Guatemala.

Miguel Gómez, Director of RUTA, recently visited with Minister López to learn about the Ministry's new priorities and discuss requests that might be supported by RUTA, with a view to including them in the National Technical Unit's Plan of Work for 2007.

### The National Rural Development Program

One of the main efforts that will be carried out in 2007 with support from IFAD is the National Rural Development Program, Phase One: The Western Region. The RUTA National Technical Unit in Guatemala has been involved in developing this project, which is one of the most important endeavors undertaken in the country.

## BRIEF NOTES FROM GUATEMALA

### Progress with the Central American Agricultural Policy

Guatemala is actively supporting the development of the Central American Agricultural Policy. The Minister of Agriculture carried out an official visit to the ETEA Foundation for Development and Cooperation in Spain, which was subsequently hired by RUTA to develop the Policy. The National Technical Unit, in coordination with UPIE and Guatelvierte/DaCrédito, is working on the thematic area of rural financing and risk management, and is planning initial consultations on the Policy.

### 200 people trained to promote rural investment

More than 200 people in Guatemala received training this year on the use and management of RURALINVEST software. The idea is to strengthen the human resource capacity of MAGA and other agencies working on rural investment projects so as to transfer and develop capacities pertaining to the formulation and evaluation of small rural investments. The training was provided jointly by FAO, RUTA and IFAD.

### Promoting anti-poverty methodologies

The RUTA National Technical Unit in Guatemala is working with the World Bank on the application of the analytical methods used in the study on drivers of growth. With the Trifinio Commission of the Trifinio Plan and PRODERT, it coordinated field trips and meetings to establish a basis for developing the methodology. The social impact and poverty analysis methodology promoted by the World Bank, IFAD and RUTA is also being disseminated.

### Forums on gender and on comparative advantage

In 2006, the forum on "mainstreaming gender equity in development planning and management in rural territories: sharing significant experiences" was carried out jointly with IICA and UICN, through the Global Development Learning Network (GDLN). The Unit has also helped with the dissemination, in a number of forums, of the research study on revealed comparative advantage (RCA) of Guatemalan agricultural products, conducted by IICA Guatemala in cooperation with UPIE/MAGA.

*PRORURAL brings hope for the reactivation of the rural areas of Nicaragua. In the photo: Farmers in Cosigüina*

## Rural Development Program

### on the agenda

#### *Rural Development Program on the agenda*

The agriculture sector of Nicaragua hopes that the incoming Administration will take a historic step forward towards rural development by continuing with a long-term vision, considering the effort made to lay the foundation for a Sectoral strategy for productive rural development.

The new Administration is expected to follow through with the Sectoral Program for Sustainable Productive Rural Development (PRORURAL), which is the first program of its kind. It has been implemented through the joint efforts of MAGFOR, INTA, FUNICA, IDR and INAFOR, with support from the private sector and international cooperation agencies.

PRORURAL follows the sector-wide approach, which entails coordinating cooperation and domestic investments. The focus is on seven areas that are key to rural development in Nicaragua, i.e., technological innovation, plant and animal health and food safety, sustainable forestry development, production support services, investment in infrastructure, modernization and institutional strengthening, and agricultural/forestry policies and strategies.

The foundation for PRORURAL was laid in 2006 in such a way that the new Administration would be able to implement it and make the necessary adjustments without missing out on all the progress achieved to date.

RUTA in Nicaragua will continue supporting this process, helping to meet the challenges facing PRORURAL, given its strategic importance for the country and its potential for the region as a whole.



#### What PRORURAL has accomplished so far

- Workshops were held in conjunction with the launching and dissemination of PRORURAL in the departments of Masaya, Carazo, León, Chinandega, Rio San Juan, RAAS (southern Atlantic autonomous region) and RAAN (northern Atlantic autonomous region), and in the municipalities of Tipitapa and Villa El Carmen. These events were attended by representatives of producer organizations, public institutions, cooperation agencies and civil society. (The report on the workshops is available upon request).
- The plans of operation for the Directorate of Technology Policy are ready (coordination of technology policy and its implementation within the Plan of Action for 2006).
- The indicators for the logical framework have been reviewed and will be used in drafting the technical documents for the Joint Fund established by Finland, Switzerland and Sweden for the Operational National Development Plan (PND-O/PRORURAL).
- The PRORURAL Plan of Action was presented to the technical team monitoring the program and to the joint missions sent by cooperating agencies and the Common Fund.
- Mechanisms for management and follow-up of PRORURAL policies and strategies were prepared jointly with RUTA/PREVAL and were discussed with missions from cooperating agencies.
- The terms of reference for planning actions pertaining to the design and implementation of the follow-up, evaluation and learning system (SISEVA) of PRORURAL are ready, both for 2006 and for the long term.
- The program participated in four joint missions organized by international cooperation agencies in connection with the design and monitoring of PRORURAL. Representatives of the public and private sectors also participated in these missions.

## Nicaragua promotes the growth of small farmers in rural areas

The Government of Nicaragua has been working with several agencies and institutions to develop tools for promoting growth at the territorial level and identifying ways to include farmers in the PRORURAL strategy. This effort is being led by the Ministry of Agriculture and Forestry and



coordinated by RUTA, with the support of Nitlapan and PCaC, Finland, FAO and the World Bank. An important input for this process is the study on drivers of growth entitled “Motores de crecimiento para Nicaragua: activos y potencial para reducir la pobreza.”

Another key study is the analysis of the meat and dairy cluster in Boaco and Chontales, which has two fundamental objectives: firstly, to present to the Government of Nicaragua and the local governments

of Chontales department an analysis of the potential of a given cluster in a specific area, so as to stimulate growth and reduce poverty; secondly, to design a method to enable national counterparts to replicate the study for other clusters and territories.

This effort entailed conducting field interviews, holding workshops with actors in the value chains in high- and low-growth areas, joint missions to the region, analyses and discussions with national and international technical teams, and use of the large amount of qualitative and quantitative geographical information on the territory prepared by MAGFOR. Thus, work was carried out in the territories themselves and multi-agency cooperation was gained in developing know-how to enable farmers to adopt PRORURAL and maximize the value of their products. In particular, a case study is being conducted on meat and dairy products that have grown over the last five years thanks to the opening up of trade, with a view to determining the extent to which this has benefited small farmers. The final report on this research, which will be ready in December 2006, will serve as a tool for other strategic components of rural production in Nicaragua.

### BRIEF NOTES FROM NICARAGUA

#### Nicaragua seeks to increase investments in rural areas

Fifty experts from 32 public and private agencies received training in Nicaragua in the RURALINVEST technology designed by RUTA/FAO for the design of small rural investment projects. Two national workshops were held, with coordination and support being provided by MAGFOR, IICA, the European Union and the Rural Credit Fund.

#### The National Technical Unit serves the regional agenda

The RUTA National Technical Unit in Nicaragua provides support to the Office of the Minister of Agriculture and Forestry in connection with the following national and regional programs: the pro tempore chairmanship of CAC-CORECA, indicators and matrix for Plan Agro 2015, national rural life strategies, investment projects of the Puebla Panama Plan to which the ministers of agriculture have assigned priority, and drafting of the Central American Agricultural Policy.

#### Joint study with the World Bank

During 2006, the RUTA National Technical Unit collaborated with the World Bank, including Nicaragua in the study on the structural implications of globalization and economic integration for agriculture and rural development. This research study will cover Mexico, Senegal, Mali, Madagascar, Morocco and Nicaragua. The study looks at the impact of free trade agreements on agriculture and the history of structural changes in the individual countries studied.

#### Nicaragua also works to prevent bird flu

With the support of OIRSA and MAGFOR, Nicaragua participated in a series of videoconferences on bird flu. These activities were designed to bring together and coordinate personnel from the different ministries that are concerned with this issue – health education, defense and agriculture – as well as the production sector and non-governmental organizations. The idea is to strengthen epidemiological surveillance systems and set up a network and early warning system. Approximately 40 personalities from the public and private sector took part in these activities.

## RUTA National Technical Units: bastions of rural development in Central America

*UTNs are part of the Ministries of Agriculture of each Central American country and develop the national activities of RUTA Working Plan.*



*Promoting development and reducing poverty in Central American rural areas is the mission of the RUTA's UTNs. In the picture: Honduran rural family.*

The National Technical Units of RUTA play a crucial role in rural development, improving the competitiveness of rural production and reducing poverty in the rural areas of Central America.

At present, there are six National Technical Units in the following member countries: Belize, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. Activities in Panama are coordinated directly by the RUTA Regional Office and a liaison official appointed by MIDA.

From the institutional standpoint, the National Technical Units work with the ministries of agriculture and livestock. This facilitates coordination with the ministry offices and other institutions in the agroproduction sector, supporting and promoting actions, policies, projects, processes and agreements aimed at improving competitiveness and living standards in rural areas.

As described by Miguel Gómez, Director of the RUTA Project, the National Technical Units support implementation of the guidelines drawn up by the Central American Agricultural Council (CAC) and carry out an active program of work, in line their priorities and with the RUTA Plan of Work. Most of the Units are capitalizing on the experience gained from more than 20 years of joint efforts in the region. Most of the National Technical Units were created in 1980, when the RUTA Project was put underway.

## BRIEF NOTES FROM PANAMA

### Progress in drawing up the Central American Agricultural Policy (PACA)

Significant progress was made in drawing up the Central American Agricultural Policy during the Minister of Agriculture's term as pro tempore Chair of the Executive Secretariat of the Central American Agricultural Council (CAC), even though the policy is not binding on Panama. The second meeting of the working group on PACA was held in Panama on 22 May 2006. This group, which is made up of the policy directors and advisors of the Central American ministries of agriculture, received technical support from CAC, RUTA, IICA and the ETEA Foundation. At this meeting, decisions were taken on the six areas to be covered by PACA and the overall objective of the policy. Gabriela de Morales, Policy Director of MIDA, served as coordinator of the technical group on public investment.

### Virtual dialogues

Panama participated actively in all of RUTA's activities, including the regional efforts to combat bird flu and the studies on the impact of CAFTA on the rural economy of Central America. During these events, the strategic role played by RUTA in facilitating dialogue between the countries of the isthmus was stressed.

### Host to the supervisory mission

In May 2006, Panama hosted the RUTA supervisory mission, with MIDA playing an active role in this regard. The mission expressed satisfaction at the progress made by the RUTA Project and by the countries in the area of sustainable rural development.

RUTA National Technical Units in Central America

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## Reflections of economists on the impact of DR-CAFTA on the rural sector of Central America

In September, RUTA, the World Bank, IDB and IFPRI published a 24-page booklet summarizing the thoughts of a highly qualified group of economists on the impact of the Free Trade Agreement between the United States and Central America and the Dominican Republic (DR-CAFTA). The booklet was edited by Carlos Arce and includes contributions by Miguel Gómez, Hans Jansen, Sam Morley, Jorge León, Francisco Pichón and Diego Arias. It was published with the support of the United Kingdom Department for International Development (DFID).

Economists and researchers specializing in rural development from different regional research centers met in March 2006 in Costa Rica, under the auspices of RUTA. At the meeting, they also drew up an agenda for research on the design of complementary policies relating to DR-CAFTA.



## Series on drivers of growth in Central America is published

In September 2006, a series entitled *Motores de crecimiento rural sostenible y reducción de la pobreza en Centroamérica* was published in September 2006 by RUTA and the World Bank. The series includes case studies on Guatemala, Honduras and Nicaragua, and was published with the support of the United Kingdom Department for International Development (DFID).

The studies identify the capacities and potentialities of the poor rural population in each country, with a view to strengthening those assets and helping the people overcome poverty. Even vulnerable populations have, to a greater or lesser degree, certain key assets that can be activated as “drivers of growth” so as to improve their living standards. These assets may be related to aspects such as their culture, production, education, natural resources, land, organization, health, infrastructure or others. Recognizing these assets is especially useful in targeting public interventions so as to strengthen the drivers of growth in different rural communities. That is the goal of this series.





## DESARROLLO RURAL SOSTENIBLE DE CENTROAMÉRICA

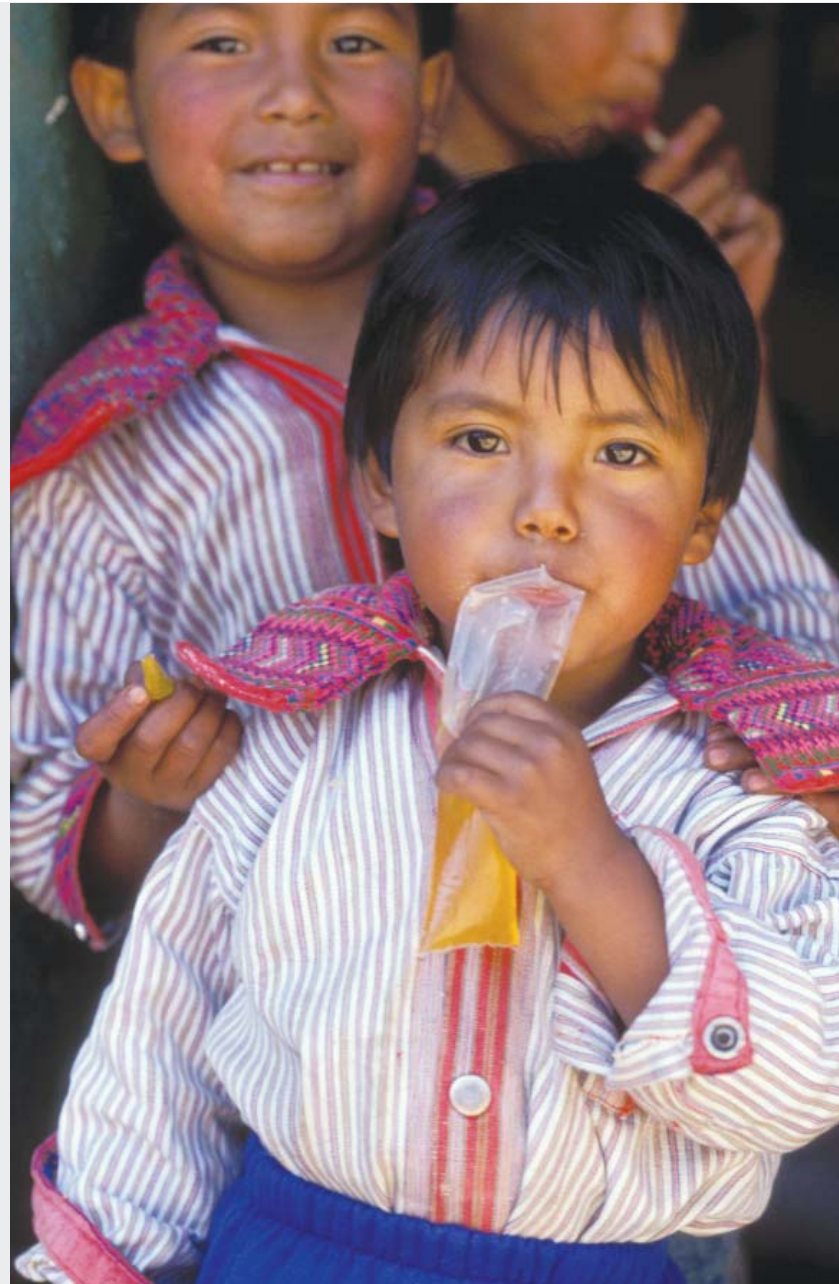
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### UNIDAD REGIONAL DE ASISTENCIA TÉCNICA

The RUTA Project was created to promote the rural and agricultural development of Central America. It is a joint initiative that was started in 1980 by the Central American governments and a group of cooperation agencies. At present, the governments of Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama are participating in RUTA, along with seven partner agencies, namely, the World Bank, the Inter-American Development Bank (IDB), the Department for International Development (DFID) of the United Kingdom, the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the Inter-American Institute for Cooperation on Agriculture (IICA) and the international Food Policy Research Institute (IFPRI).

RUTA seeks to contribute to sustainable rural growth and reduce poverty in Central America by developing national and regional capacities. RUTA works in conjunction with the seven ministries of agriculture and livestock of the Isthmus and with the technical and financial support of its partner agencies.

In fulfilling its role, RUTA serves as a processor and transmitter of information, acting among other things as a retailer for the dissemination of methodologies developed by its partners, a facilitator of dialogue, a leader on important issues and a trainer.



Quarterly newsletter from the Director of the  
Regional Unit for Technical Assistance – RUTA

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