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Improving Agriculture: Environmental and Social Considerations of Sectoral Reform

USAID supports agricultural development to increase food security and rural incomes; encourage enterprise development, trade related linkages, and economic growth; contribute to improved nutrition and health; reinforce conflict resolution and improved governance; and enhance sustainable natural resource management. Environmental policy and institutional capacity building for policy reform address important aspects of the enabling environment necessary for good governance and effective and sustainable agricultural development. Development of sound policy environments enables open markets, private sector investment, and gender-equitable access to technology, factors of production, products, and income.

How Environmental Policy and Practice Affects the Agricultural Sector

- *Preserving or restoring the health of land, water, pasture, and forest resources improves agricultural productivity and sustainability.* Integrated management of agricultural and natural landscapes is critical to limiting soil and water erosion and preserving or restoring the health of these resources. Sound environmental and natural resource management is fundamental to sustaining agricultural production systems, their economic benefit streams, and the potential to increase future productivity.
- *Secure property rights increases resource stewardship and investment critical to productivity.* People lacking secure property rights are typically unwilling to risk investing in property or resources that they might lose. This limits enterprise expansion and investments in productivity enhancing technology, infrastructure, or efforts to preserve or restore the health of their resource base.
- *Effective institutions and governance enable women, youths and men to acquire, protect and use the assets they need to take advantage of emergent market and trade opportunities.* Local resource markets, including markets for land, labor, energy, financial capital and water, play a major role in household livelihood and risk management strategies to cope with climatic variability, natural or conflict-related disasters, economic downturns and political uncertainty. Building institutional capacity to enhance the functioning of these markets improves community, household and individual access to, and rights over, the use of these factors of production as well as influencing urban-rural resource allocations.
- *Building institutional capacity for the regulation, monitoring and enforcement of food safety standards helps ensure access to developed-country markets.* International markets increasingly have strong food safety standards and require evidence that production and handling processes are safe and environmentally friendly. Integrated Pest Management (IPM) provides the basis for rational pesticide use, which considers both agricultural production requirements and market-driven food safety criterion.
- *Management of natural landscapes, ecosystems and wildlife influences the potential of eco-tourism.* Policies that support sound management of natural resources helps ensure access to the benefits of eco-tourism. Eco-tourism provides employment, an alternative income stream and source of economic growth in rural areas, and further enhances incentives for improved natural resource management among rural populations who are the immediate stewards of these goods.

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.