More Aid for African Agriculture

Policy implications for small-scale farmers

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Part II: Evidence

(to be read in conjunction with the main report available at:
www.ukfg.org.uk/docs/More_Aid_for_African_Agriculture_MAIN_REPORT.pdf)

The main report, published in September 2008, was based on original research by Rachel Dechenne, and this longer online document that presents further evidence was prepared by her in 2007. The reports were written, edited, printed and published with support from several UK Food Group Members including: Action Aid UK, Christian Aid, Concern Worldwide UK, Find Your Feet, Oxfam GB, Practical Action and Self Help Africa; also with help from the campaign for More and Better aid to agriculture.

1: Public donors

This section examines the key policy of public donors. The review starts with bilateral donors: DFID and USAID. It follows with regional donors (EC DG DEV and OECD) and multilateral donors including the UN family (UN Millennium Commission, UNECA, IFAD, FAO, UNDP and UNCTAD) and other, more recent platforms (Commission for Africa, G8 and GRPRD).

1.1 Bilateral donors

1.1.1 UK Department for International Development – DFID

Funding

In the 2005 fiscal year the UK reported £5,916 million as Official Development Assistance (ODA), making the UK the third largest OECD-DAC donor. Excluding debt relief, DFID accounted for 88 per cent of Gross Public Expenditure on Development (GPEX). In 2005/06, 57 per cent of DFID expenditure was bilateral assistance and 38 per cent was channelled through multilateral organizations. The European Community (EC)'s development programme received the largest amount of DFID multilateral assistance (£917 million), followed by the United Nations (£299 million) and the World Bank (£272 million). DFID's bilateral assistance to sub-Saharan Africa rose 33 per cent from £826 million in 2004/05 to £1,097 million in 2005/06. The picture is, however, more sombre for agriculture (Annex 16: Table1 and 2). As the DFID bilateral aid has grown over the last two years, so spend in most sectors has increased. One of four exceptions to this is Rural Livelihoods which is the 'input sector code'[1] under which spending for agriculture is accounted for by DFID (Annex 14). This loss of DFID support to rural livelihoods activities in Africa is particularly noticeable in Annex 15. It shows a 50 per cent cut (from £32 million to just over £15 million) between 2002/03 and 2005/06. OECD-DAC figures are consistent with the above.

Nevertheless, ranked 5th (fiscal year 2005) among leading DAC donors to agriculture, forestry and fishing, DFID is the largest bilateral donor to the Comprehensive African Agricultural Development Program (CAADP). It therefore has a powerful position and a great deal of responsibility for the future trajectory of agricultural development in Africa.

It is important to note the remark made in DFID's Evaluation report (2007). There is no easy way, it says, to establish what proportion of the funds in a budget support operation may be attributed to agriculture. Moreover, it is quite difficult to get an accurate picture of DFID's spend on agriculture as, on top of there being several sources and mechanisms of funding, DFID's bilateral spend is classified under the broader category of rural livelihoods encompassing agriculture.

DFID current Agriculture Policy

A closer look at DFID's current[2] Policy (DFID, 2005), which describes a broad set of goals and objectives, reveals that DFID aims to enhance the role of agriculture and natural resources in achieving faster growth and poverty reduction. The Renewable Natural Resources and Agriculture team (RNRA) takes this agenda forward through agriculture, fisheries and forestry programmes. The policy states that well planned public spending in agriculture can improve agricultural productivity and reduce poverty. It goes on to state that, in many countries, funds for the agriculture sector are often insufficient and

[1] Statistics in Development indicate sector breakdowns of DFID and GPEX bilateral aid by aid type. For DFID DBS (Direct Budget Support), the economic sector is a key focus, in part due to the difficulties of coding this type of expenditure and because DBS is intended to facilitate the establishment and maintenance of fiscal discipline. In contrast, Sector Budget Support (SBS) is mainly focused on health and education sectors. Technical cooperation is particularly likely to be focused on the health, economic and governance sectors.

[2] This policy is set for review in 2008.

poorly focused (see below, Chapter 4). To improve the volume and pattern of public expenditure, the RNRA Team supports a public expenditure review programme with the World Bank that aims to increase government capacity to analyse agricultural budgets. DFID appears fully committed to PRSPs and to the importance of national spending plans and monitoring, evaluation and auditing mechanisms. DFID's website explains that, despite the emergence of promising models for improving poor people's access to financial services, these are often unavailable to poor farmers or for agricultural activities. DFID is helping to extend poor people's access to rural financial services by funding the Consultative Group to Assist the Poor (CGAP); and with the private sector through the Financial Sector Reform and Strengthening (FIRST) initiative (Tanzania, Zambia, Uganda, and Malawi).

The fall in spending has been matched by a decline in numbers of staff in agriculture. According to the NAO (2007), in recent years the growth of advisory skills has been concentrated in the economic and governance cadres. The number of advisers from those cadres traditionally most associated with agriculture – livelihoods, environment, enterprise and infrastructure – decreased both in country offices and across the Department. The NAO found that country teams expected livelihoods to continue to decline more than any other cadre, with large expected cuts also in infrastructure. Increasingly, livelihoods staff are required to assume responsibility for other areas in addition to agriculture (for example, infrastructure, governance). Taking all country offices, two-thirds of DFID staff mapped to agriculture belongs to the Rural Livelihoods profession; the other one-third has a different professional affiliation – many are economists. In recent years DFID has stressed the importance of the country-led development agenda and country offices have acquired more power and autonomy as a consequence.

The internal mid-term review of DFID's Agriculture Policy identifies the development and dissemination of agricultural research – particularly in Africa – as an area of weakness. As part of its agriculture research remit, DFID monitors progress of CAADP. The review states that there is not yet evidence that the CAADP initiative has led to increased uptake of improved technologies by African farmers (DFID, 2007; DFID, 2005; NAO, 2007). The review also refers to a possible lacuna in the DFID Agriculture Policy. Spreading the benefits of new technology implies a role for agricultural extension as well as research. Interviewees noted that extension was largely overlooked by the 2005 policy paper and subsequent implementation plan. But prospects seem to be good for increasing the efficiency of resource use in agricultural research. As outlined in the new agricultural research strategy, the procedure for allocating research funds is now more competitive and demand-driven: DFID subject-matter specialists no longer drive the research agenda. The shift from a largely supply-driven programme to one that is more demand-led aims to encourage greater uptake in developing countries. The Research Into Use project, discussed below, is an example here.

The Government's 2006 White Paper emphasizes the importance of new technologies and knowledge and evidenced-based policies for development; it sets out that these are fundamental to growth and poverty reduction. DFID sought views to help it develop a new research strategy due to begin in April 2008 and replace the Research Funding Framework 2005–2007.[3] DFID's budget for research will double from £110 million in 2005/06 to £220 million in 2010. This means that around £650 million will be available to fund new research programmes in the forthcoming strategy period, which will be five years (2008–13). The new strategy is an opportunity for DFID to refocus on the most pressing research challenges and make new research partnerships. As such, it represents an opportunity for civil society to have an influence on this.

DFID jointly supports a £37.5 million programme – the Research into Use (RIUP) that aims to put the best agricultural and natural research into widespread use across Africa and South Asia. The programme was launched at the Forum for Agricultural Research in Africa (FARA) General Assembly. RIUP technologies will be selected on their potential to make money for farmers, stop environmental damage, reduce poverty for the community, and increase the supply of food. Lessons from the programme will be

[3] Up to September, 2007

shared to show how fishing, farming, responsible forestry, and livestock rearing combined with new, useable technology can help reduce poverty.

Although DFID recognizes agriculture as important for growth and poverty reduction in Africa, it is not highly emphasized in its Country Assistance Plans (CAPs) for most countries as compared to education, health, governance and public sector management and no provision was made for the livelihoods of marginal farmers in Africa. DFID's support to agriculture and livelihoods in Africa has been steadily declining over the past five years (2000/01–2005/06) and the level of financial support to the sector has been low compared to education and health.

DFID funding for agriculture and rural livelihoods is mainly channeled through Poverty Reduction Budget Support (PRBS), which allows governments in line with their national plans to determine how best to tackle poverty. As explained in detail in Chapter 4, Financial institutions, despite agriculture being prioritized by most African countries as an engine for economic growth and poverty reduction in their various national pro-poor policies and strategies, it does not receive the levels of funding commensurate to its level of priority. Moreover, most countries do not follow their poverty reduction strategies in allocating resources to various sectors, especially agriculture. Expenditures of most Ministries of Agriculture are directed towards financing administrative costs, institutional support and subsidies at the expense of agricultural activities such as research, extension and marketing, and support services to smallholder farmers which have high investment returns and are more sustainable.

1.1.2 United States Agency for International Development – USAID

2004-05: Focusing aid on Africa's own priorities

Ernest Harsch (2005) explained that:

'When the government of the African island nation of Madagascar decided last year to apply for assistance under the US's new supplementary aid program, the Millennium Challenge Account, it chose to break with standard practice. Instead of simply asking government ministries to suggest potential projects, the Malagasy authorities consulted civil society groups, local businesses and farmers' associations. They encountered two recurrent complaints from farmers and small-scale businesspeople: that it is very difficult to get either bank loans or official titles to land.

So when Madagascar submitted its proposal to the Millennium Challenge Corporation (which administers the US aid programme) in October 2004, it centered on the problems of rural people. Six months later, Madagascar became the first country anywhere to gain approval for funding under the US program, to the tune of nearly \$110m over a four-year period'.

The strategy, said President Marc Ravalomanana at the April 2005 signing ceremony in Washington, DC, is Madagascar's own. 'This is a vision which aims to strengthen the rural communities, to build industries and commerce suitable to the rural areas and then to create economic growth from the bottom up.' He noted that 13 million of Madagascar's 17 million people live on less than one dollar a day, and that many of them live in the countryside. By strengthening rural incomes, Madagascar will be able to reduce its very high poverty rate, one of the key targets of the Millennium Development Goals (MDGs) adopted by world leaders in 2000.

The decision of the Millennium Challenge Corporation to back Madagascar's strategy reflects a broader trend among the world's largest donor countries. Many of them pledged not only to give significantly more aid to Africa in the coming years, but also to increasingly aim that assistance at the MDGs and other development goals identified by African countries themselves.

It is the beginning of a 'more positive relationship between Africa and the West,' former South African President Nelson Mandela said during a visit to the US in May 2005. But much more needs to be done, he added. 'The US and other donor nations should provide substantially greater economic assistance on terms that are more flexible and responsive to the priorities set by Africans themselves.'

USAID Bureau for Africa – budget justification FY 2006

USAID starts its FY 2007 budget justification (USAID web, accessed 2007) by stating that the globalization of the world economy offers Africa genuine opportunities to increase trade and attract foreign investment. Increasing agricultural productivity is key to accelerating economic growth and reducing poverty. USAID programmes, it adds, will stress the increased use of improved technologies, better quality control, wider access to rural finance, stronger producer associations, small-scale rural infrastructure, increased access to information and improved functioning of markets. Related efforts will be made to promote private-sector-led diversification of the rural economy, such as agro-processing, improved access to credit, and increased agricultural exports. Now in its third year of implementation, IEHA has expanded to include six countries with high potential to increase agricultural productivity. The United States has also taken the lead to implement a focused multi-donor programme to increase agricultural productivity in Africa, the Comprehensive African Agricultural Development Program (CAADP), which is a key element of the G8 and NEPAD development programmes.

USAID is committed to support efforts to reduce long-term threats to the environment and the loss of biodiversity. USAID proves it with its flagship programme in the environment: the Central African Regional Program for the Environment (CARPE). Initiated in 1995, CARPE is a 20-year programme that serves as the primary vehicle for the US contribution to the Congo Basin Forest Partnership, which was launched in 2002. The CBFP, an association of 29 governments and non-governmental and private sector organizations, addresses two of the world's most significant global issues, global climate change and the loss of biodiversity. In FY 2006, USAID will invest $311.3 million, or 36.6 per cent of its development resources, for programmes in economic growth, agriculture and trade, and the environment, including $47.1 million for IEHA, $15 million for the TRADE Initiative and $15 million for CARPE.

USAID Bureau for Economic Growth Agriculture and Trade (EGAT) – budget justification FY 2005-2006

Among USAID Central Programs, the Bureau for Economic Growth Agriculture and Trade (EGAT) is one of three pillars, or technical bureaus. Its portfolio of activities, which include agriculture and their respective budgets, are shown in Annex 19. EGAT planned $150.6 million for its FY 2006 programme. Key initiatives in FY 2006 include both: (1) Continued interagency and donor co-ordination, technical leadership, and field support for trade capacity building, with increasing focus on institutional reforms needed to participate more effectively in the global trading system and manage related economic transitions, and (2) Implementation of USAID's new Agriculture Strategy with a focus on strengthening agribusiness and markets.

For FY 2006, EGAT has placed, it says, greater emphasis on partnerships and alliances. EGAT assumed responsibility for co-ordinating bilateral donors' participation in the Integrated Framework for Trade Related Technical Assistance to Least Developed Countries (IF). For example, EGAT's leadership in the Organization for Economic Cooperation and Development Development Assistance Committee (OECD-DAC)'s Poverty Network (POVNET) improved guidelines for donor involvement in pro-poor growth activities. EGAT's work with the World Bank's Consultative Group to Assist the Poorest (CGAP) helped identify and disseminate lessons learned and best practices in microenterprise development to donor partners.

Other key initiatives in FY 2005 and 2006 included: the implementation of the new Agriculture Strategy (USAID, 2004) with an emphasis on strengthening agribusiness and markets; improving access to modern, affordable and efficient energy services and promoting regulatory energy policy reform; and expanding programmes to provide assistance on microeconomic reforms and economic governance. EGAT's Economic Growth Team[4] co-ordinated closely with the Office of the US Trade Representative and other agencies on assistance needs relating to the WTO agenda and US bilateral free

[4] A closer look at EGAT's portfolio of field support, technical leadership and research activities reveals that each of the Bureau's 11 Strategic Objectives, or programmes, is designed to address a specific issue.

trade area initiatives. It also worked closely with USAID field missions to provide technical support for developing countries' short - and long-term trade capacity building efforts. EGAT/EG also expanded its assessments of microeconomic reforms; reforms that countries need in order to take full advantage of the benefits of trade liberalization.

The Agriculture Program (EGAT/AG) strengthens agriculture's contribution to broad-based economic growth, better health, and improved natural resources management through three interlinked programmes:
(1) development and dissemination of innovative food-based technologies;
(2) formulation of agricultural-led economic growth; and
(3) improved competitiveness and capacity to access markets.

In FY 2005 and 2006, EGAT/AG supported research and technical services aimed at: improving agricultural productivity; promoting agribusiness development and marketing; eliminating trade barriers; developing food-based solutions to disease prevention and mitigation; improving agricultural and rural policies and governance; and revitalizing long-term training in agriculture. EGAT/AG works closely with EGAT's Natural Resource Management (EGAT/NRM) programme to assure effectiveness of activities that cut across these sectors such as those focused on assuring the sustainability of agricultural production systems or on improving water management.

The Environment and Science Policy Program (EGAT/ESP) supports a portfolio of biotechnology, climate change, and agricultural/environmental research activities. In FY 2005 and 2006 the Program will continue to support international research aimed at increasing agricultural productivity and improving the management of natural resources. It will also continue to promote the transfer of agricultural technology, especially biotechnology, to developing countries.

EGAT donor partnership FY 2005-2006

EGAT works in partnership with other donors to maximize the impact of development resources. The multilateral development banks are key partners in many of EGAT's initiatives. In particular, EGAT works closely with the World Bank on building trade capacity. EGAT's Economic Growth (EGAT/EG) staff represent joint positions among the stakeholders on the governing board of the World Bank-managed Integrated Framework Trust Fund, designed to finance the mainstreaming of trade into the national development plans of least developed countries. In addition, EGAT/EG works closely with the World Bank Investment Team on implementing microeconomic reforms. EGAT also provides funding to the Consultative Group for International Agriculture Research (CGIAR), whose Secretariat is housed at the World Bank, to support new research and dissemination partnerships on genomics, genetic resources, natural resource management, climate change and livestock disease. EGAT's Office of Poverty Reduction (EGAT/PR) supports the World Bank's Consultative Group to Assist the Poorest and plays a leadership role with the Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and African Development Bank regarding basic shelter, urban youth, air and water quality deterioration and transportation system improvements. EGAT maintains dialogue with key organizations under the United Nations umbrella, particularly the Food and Agricultural Organization (FAO), International Fund for Agricultural Development, World Food Program, United Nations Development Program, and United Nations Educational, Social and Cultural Organization (UNESCO).

USAID Global Development Alliance ***(GDA) 2006 initiative***

USAID GDA is one of the eight USAID Central Programs. It is worth noting as its mandate is to engage private partners strategically in supporting US government development and foreign policy priorities. The creation of public–private alliances with new as well as traditional partners aims to marry USAID development expertise with both the corporate sector's resources, technology and innovative talent and the non-profit sector's understanding of development issues and ability to deliver assistance at the field level.

In its January 2007 newsletter, GDA reported its meeting with the private sector in December 2007 organized jointly with the Corporate Council on Africa to 'Revitalize Agriculture'. GDA stresses that private sector input to increase rural infrastructure and trade-related capacities for improved access is central to its mission. Companies including Monsanto, Land O'Lakes, Dunavant, Chiquita, Mars, Rabobank, and Yara convened to determine how the private sector, at global and regional levels, can accelerate staple and cash-crop agricultural development in Africa. DFID, the Hewlett Foundation, and the Heinz Centre were also invited. The GDA concludes that 'the meeting was a critical first step to ensure great public–private cooperation in this high-priority development goal'.

US Government/USAID 2007 initiatives

On 20 July 2007, USINFO[5] reported a number of new initiatives unveiled by the US government at the Sixth Annual African Growth and Opportunity Act[6](AGOA) Forum. The Capacity Building Program is meant to 'strengthen the export-boosting trade measures first passed by Congress in 2000[7]' and it focus on African agricultural exports by trying to make them more competitive.

To do so, 'African agricultural products must meet the sanitary requirements of developed countries,' Secretary of State Condoleeza Rice told the AGOA audience:

'Beginning in August, the new US–Africa Sanitary-Phytosanitary Capacity Building Program will partner with African scientists and scholars to promote sound agricultural teaching and research techniques. During the first year of the programme, two US universities, Ohio State and Texas A&M, will host seven faculty members from six AGOA countries: Botswana, Ghana, Mauritius, Nigeria, Senegal and Uganda.'

Mark Keenum, US Department of Agriculture (USDA) Under Secretary for the Farm and Foreign Agricultural Service, announced four initiatives designed to boost African agricultural exports:

- In August, the Namibian Beef Equivalency Training session will help Namibian beef inspectors better understand and implement US meat import standards;
- The West African Trade Investment Mission, set for February 2008, will bring 50 businessmen from the United States and 10 African nations to Accra to explore joint investment opportunities;
- An educational exchange under USDA's Norman Borlaug Fellowship Program will sponsor seven fellows from six AGOA nations to study cocoa production at several US universities; and

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[5] BIIP (2007). African Agricultural Exports Focus of Capacity-Building Program. US officials also unveil range of other initiatives at forum on trade act. Fisher-Thompson, J., USINFO Staff Writer. USINFO is produced by the Bureau of International Information Programs, US Department of State. 20 July. Accessed on 7 August 2007 from http://usinfo.state.gov

[6] USAID states on its website, accessed 8.08.2007: 'AGOA is yielding ever more encouraging results with total two-way US trade with sub-Saharan Africa rising 37% in calendar year 2004, to $44.4 billion. AGOA imports totalled $26.6 billion in 2004, an 88% increase over 2003. While petroleum continues to constitute the bulk of AGOA imports, it is worth noting that non-petroleum AGOA imports – including apparel and agricultural products – are also on the rise, totalling $3.5 billion in 2004, up 22% over 2003.'

[7] According to USAID website accessed on 8.08.2007: 'Strengthening the ability of African countries to participate competitively in the global economy is critical to overall economic growth and reducing poverty. USAID has been using its three regional "Hubs for Global Competitiveness" in southern, eastern and west Africa, which are implementing the Presidential Trade for African Development and Enterprise (TRADE) Initiative, launched in 2002, USAID is directly supporting not only AGOA but also US business linkages, enhancing the competitiveness of African products and services, improving public services that support trade, building African capacity for trade policy formulation, and strengthening the enabling environment for African businesses'.

- A series of organic certification training workshops will be held throughout sub-Saharan Africa in 2008.

Acting US Agency for International Development (USAID) Administrator Henrietta Fore also announced several infrastructural initiatives, including:

- Implementation of the $7.7 million, five-year West Africa Seed Alliance (WASA), whose goals include establishing a commercial seed industry that ensures an affordable seed supply for small-scale farmers and creating $50 million in farm revenues for local economies seeking export markets. The project will be carried out in conjunction with private-sector firms like Monsanto and non-governmental organizations such as the Bill and Melinda Gates Foundation.
- The Kalangala Infrastructure Services Project in Uganda that will upgrade roads, water supplies, electricity and ferry transport for the residents of Bugala Island in Lake Victoria. The goal is to create 5,000 new jobs while supplying clean water and energy to 50,000 residents, improving their living conditions and making it possible to raise and transport products for export.
- A new intellectual property rights assistance agreement signed with the US Department of Commerce to help Africans enforce their intellectual property rights.

'Today's Africa is on the move,' the USAID chief said. 'Economies are growing and governments are embracing democratic governance and the rule of law. Such changes fuel a free and fair market economy where private-sector businesses are born, expand and thrive.'

USAID priorities for 2007

At a Conference organized by the International Food and Agricultural Trade Policy Council (IPC) in June 2007 in Zambia, Hobgood (2007) summarized USAID priorities for 2007 to meet the challenges laid down in the 'USAID Agriculture Strategy 2004: Linking producers to markets'. The five priorities are: (1) getting regional staple food markets to work, (2) developing seed and fertilizers alliance in West and East Africa, (3) continuing our work at the country and regional level to link producers to markets, (4) using food aid resources creatively to link vulnerable populations to markets, and (5) encouraging excellence in S&T.'

To accelerate the CAADP strategy, USAID has aligned the US Presidential Initiative to End Hunger in Africa in support of this African vision of transformation and economic growth. USAID also supports Regional–Economic (COMESA, ECOWAS) and Technical Organizations (ASARECA, CORAF). In addition, Hobgood stresses USAID commitment to build capacity to facilitate public/private Partnerships–Global Development Alliances (GDAs).

These priorities are consistent with the joint USDA/USAID 'Strategic Plan: Fiscal years 2007–2012' (USAID, 2007) (Annex 20) which serves as the basis for both organizations' annual performance plans at the department, bureau and missions level.

USAID biotechnology policy

USAID's biotechnology policy is clearly supportive of the technology. As Grain[8] (2005) notes, increasingly the US government uses multilateral and bilateral free trade agreements and high-level diplomatic pressure to push countries towards the adoption of many corporate-friendly regulations related to GM crops. And this external pressure

[8] This GRAIN briefing examines how the US government uses USAID to actively promote GM agriculture. The focus is on USAID's major programmes for agricultural biotechnology (such as ABSP and PBS) and the regions where these programmes are most active in parts of Africa and Asia. Source: GRAIN (2005). USAID: Making the world hungry for GM crops, GRAIN Briefing, 30pp. Accessed on 7 August 2007 from: http://www.grain.org/briefings/?id=191.

has been effectively complemented by lobbying and funding from national and regional USAID biotech networks.

In his report on GM Trees, Chris Lang (2004) lists recent USAID and UNDP initiatives pushing for harmonization of biosafety laws favouring the proliferation of GM plants.

USAID has been spearheading a campaign to introduce GM crops and food in the South, especially Africa. For example, USAID funded the African Agricultural Technology Foundation (AATF) which is also supported by biotech firms Monsanto, Dow Chemicals, DuPont and Syngenta. Environmental lawyer Mariam Mayet is concerned that 'AATF may be the vehicle to use poverty and the urgent need for food security strategies in Africa to push for the opening of market by sharing patents and seeds and taking control of African agricultural research.' In Nigeria, USAID provided US$2.1 million over three years to fund an initiative titled the Nigeria Agriculture Biotechnology Project. The US embassy's Rick Roberts told the *Daily Times* that 'Nigeria stands to benefit greatly from biotechnology as a means of improving agricultural productivity, reducing the use of pesticides and improving nutritional quality of food products.'

USAID also funded various projects aimed at producing biosafety regulation in African countries. USAID's Agricultural Biotechnology Support Project has set up a partnership with seven countries in southern Africa to provide training in biosafety regulatory implementation. USAID is explicitly promoting WTO rules as a basis for regulation rather than the Cartagena Protocol. USAID has awarded US$14.8 million to the Program for Biosafety Systems to assist countries in the South improve their Biosafety policy and research. The Program for Biosafety Systems aims to help government regulate and carry out GM field trials.

Meanwhile, the UN Environmental Programme is carrying out a programme involving more than 120 countries to prepare 'National Biosafety Frameworks in accordance with the relevant provisions of the Biosafety Protocol'. Rather than encouraging bans on GMOs, UNEP's advice encourages these countries to draft flexible rules to allow GMOs in their territories.

Here is the USAID biotechnology agenda as described on its website (accessed on 7 August 2007):

'USAID supports development of biotechnology as a component of our strategy to increase agricultural productivity and economic growth. Biotechnology complements other USAID agricultural research programmes in breeding, natural resources management, integrated pest management, and post-harvest technologies. In 1989, USAID launched an innovative approach to biotechnology, one that integrates technology development with the establishment of the policy frameworks necessary for the safe and effective application of the technology in developing countries. In addition, this strategy harnesses the private sector's investment and expertise to further the goals of public research in developing countries.

USAID has recently expanded its support for biotechnology, reflecting the increasing demand in developing countries to be part of this new scientific revolution and to build their capacity to ensure the safe application of biotechnology. The Agency's Collaborative Agricultural Biotechnology Initiative (CABIO) provides a comprehensive strategy for technology development, management, and decision-making through a variety of programmes. CABIO links investments at the national, regional and global levels.

These collaborative programmes engage the expertise of US and developing country universities, the private sector, non-governmental organizations, the Consultative Group on International Agricultural Research (CGIAR), and other international institutions.

The goals of the programmes include:

- develop technologies targeted to small farmers in developing countries,
- build scientific capacity through short and long term training,
- enable public research systems to address regulatory and intellectual property rights issues as they move research forward,

- develop and strengthen the systems to regulate the safety of biotechnology,
- fund environmental research to inform risk assessment and management of biotechnology.

To promote the safe application of biotechnology, and to ensure compliance with national and international policies, USAID has implemented the following biotech policies and practices:

USAID will not support the transfer of bioengineered materials intended for planting without the host government's explicit advanced informed consent. Grantees and contractors must comply with national and international laws applicable to biotechnology research and testing. Further, USAID conducts an independent assessment of the potential environmental or safety risks before supporting the transfer of materials intended for direct release into the environment.

USAID supports activities to build the capacity of governments to evaluate and manage the safety of bioengineered products. In addition to regulatory policy development and training, USAID also supports efforts by developing country scientists and policy makers to address local public outreach on issues of biotechnology.

USAID supports environmental research to address potential risks to biodiversity from bioengineered products in the specific environmental and agroecological environments of developing countries.

The ultimate objective of USAID's investments in biotechnology is to provide farmers with improved crop varieties and livestock technology to increase productivity. We work to develop staple food crops that will fight off devastating diseases that contribute to food insecurity and low productivity in Africa, such as insect-resistant cowpeas, disease-resistant bananas, and disease-resistant cassava, the staple foods of many poor in Africa. Biotechnology also provides the opportunity to increase nutritional quality of crops to address the debilitating impacts of malnutrition, supporting the development of Golden Rice for Asia, golden mustard for India, and vitamin A enhanced maize for Africa'.

Case study: Mozambique

In May 2007, Christian Aid interviewed USAID's Private Entreprise Officer regarding the current USAID's agricultural development policy in Mozambique. Christine de Voest said that productivity is stagnating at the local family farm level, i.e. yields per hectare are not increasing. The reason is that family farmers are not using modern inputs. Seed systems in Mozambique are chaotic, she said, and the fact that the government continues to be involved in seed distribution perpetuates inefficiencies in the system. CEMARC and CISCO dominate the seed production and heavily influence the public research system. There are no smaller companies who can certify and release seeds. That is why USAID supports AfriCare who train smallholders to be seed providers, and small seed companies in Nampula. At the regional level, USAID supports the SADC food security unit to develop regional protocols on seeds and food security. USAID believe, C. de Voest said, the only role for the public sector is to preserve, approve and release foundation seed; private companies should distribute seed. According to USAID, the concession system has restarted markets in rural areas, but concession holders hold price monopolies.

USAID is supporting the Ministry of Agriculture's Agriculture Input Marketing System (AIMS) project. It is focusing on delivering fertilizer to high potential areas along the Beira and Nacala corridors. These are relatively new projects, helping to improve the enabling environment for business. USAID no longer supports Pro-Agri[9] through direct

[9] Pro-Agri is responsible for leading a number of national programmes, and a number of local development projects. National programmes include: vaccination campaigns, pest control, seed production, extension services, natural resources supervision and food intensification. These are public goods provided by Pro-Agri.

budget support as they believe from past experience that Pro-Agri money is not going where it is needed. Some of the money is directed towards making the national agricultural research system more useful by refocusing research towards priorities highlighted by TIA (income survey). For example, new research looking at improving maize and cassava yields would have the greatest poverty reduction impact. C. de Voest believes that the national research system is improving. There is reorganization with a new socio-economic unit and a technology transfer department. USAID is funding scientists directly by calling for proposals, which are evaluated by a stakeholder group according to the following criteria: is it a public good, is it new science, is it farmer-led and based on field research. Proposal received so far are for new science in maize, cassava, goat, and chicken production, and are all led by Mozambican scientists, paired with international scientists. According to C. De Voest, most Mozambican scientists do not have access to the latest scientific literature, their work is out of date, and not useful at all to farmers.

C. de Voest believes the public sector in Mozambique will not be the impetus for change. USAID is not interested in institution-building; it has dropped US$30m on Pro-Agri, with very little result. USAID wants to develop private sector input suppliers, as input coverage and outreach are extremely low at present. The Pro-Agri extension department has been weakened as a result of leadership problems.

1.2 Regional donors

1.2.1 European Commission DG Development (EC DG DEV)

DG DEV formulates the Commission's development policy, although spending – some €7 billion a year, on 150 countries and territories – is handled by EuropeAid, a separate department of the Commission.

The Directorate General for Development (DG DEV) works on policy formulation at global and sectoral level. DG Development formulates the development policy applicable to all developing countries and conducts forward studies to this end. The main thematic and sectoral areas covered (sub-activities) are those on which the development policy focuses: linking trade with development, regional integration and cooperation, support for macro-economic policies and promoting equitable access to social services in coherence with the macro-economic framework, supporting transport, promoting food security and sustainable rural development and support for institutional capacity building.

DG Development furthermore programmes the use of financial resources dedicated to certain sectors and themes in support of the development policy under the Commission budget. The most significant budget lines are food aid/food security, environment/tropical forests, health and NGO co-financing. The implementation of programmes funded under the budget rests, however, with AIDCO.

DG Development also contributes significantly to policy formulation in other policy areas such as environment, trade, fisheries etc., which fall under the responsibility of other Commission services. It also does substantive policy co-ordination for example with the European Investment Bank, the Bretton Woods Institutions, the African Development Bank, the African Union/Commission, G8 and others.

When asked how DG DEV managed to help shape EU trade policy, Philip Mikos, the Head of the Environment and Rural Development Unit, explained:

'We worked together well with the Commission's Directorate-General for Trade to help developing countries adjust to the new EU sugar regime, which has been quite radically reformed and came into effect on 1st July, 2006. There's now a restructuring programme proposed by the Commission for sugar-producing ACP countries worth $40 million in 2006, rising to $178 million per year on average, over the next seven years. We've also been advocating on behalf of ACP countries on the future of the Economic Partnership Agreements, or EPAs. These are WTO-compatible agreements to replace the unilateral Preferential Trade Agreements in the EU-ACP Cotonou Treaty that expires in 2008. We're convinced that EPAs offer great opportunities to strengthen regional markets and boost economic growth and investment.' (Mikos, 2006)

African Agricultural Development – EU policy principles and orientations

The overall EU policy orientation towards agricultural development in general and African Agriculture in particular is captured in the 'European Consensus'[10] and the EU Strategy for Africa (EC COM). Both policy documents reiterate that agriculture and rural development are crucial for poverty reduction and growth. To contribute to growth, the Community has indicated it will focus on the sustainable intensification of production, competitiveness on regional and international markets and risk management. This should be facilitated in African countries by benefiting from technological development, supported through agricultural research and extension. Moreover, sustainable growth is predicated upon adequate access to resources (land, water, and finance) and effective management of natural resources, respecting capacity of eco-systems.

A range of Communications and Policy Guidelines has been developed for various aspects of agricultural and rural development, that in conjunction provide a wide-ranging EU framework in this area (EU council, EU Parliament and EC, 2005). They include the EU Action Plan on Agricultural Commodity chains, Dependence and Poverty, as well as EU–Africa Partnership in support of cotton sector development (EC COM, 2005); the Food Security policy[11]; the Communication on Fisheries and Poverty Reduction (EC COM, 2000); the Land Policy Guidelines (EU Task Force on Land Tenure, 2004); the initiative on Forest Law Enforcement, Governance and Trade – FLEGT (COM, 2003), and the EC and EIARD Strategies in Agricultural Research for Development adopted in 2001 and 2004 respectively.

Commenting on the EU Land Policy Guidelines, Philip Mikos said that 'The idea was to proceed in parallel with the World Bank's own Land Policies for Growth and Poverty Reduction report and develop our own specific policy and define a common understanding on how EU donors and other multilateral and bilateral donors would approach partner-governments in developing countries in a coordinated way'. He added: 'What an African smallholder usually needs is an enforceable right to farm, and secured access to land. Customary tenure systems, based on traditional authorities at local level, can provide that security. The essence of the EU proposal is to help draft laws that respect customary tenure systems and empower local communities and traditional authorities to manage the land.'

According to Mikos, developing-country governments have changed substantially in the area of decentralization, but their tax collection is not decentralized. What we donors must ensure, said Mikos, is that through our work with central government, planning, financing, accounting and monitoring are reliable at the local level.

'This way, we'd create significant new absorptive capacity for funds. And by reinforcing decentralization, we'd also be giving local administrators a real role in the construction of civil society. And, by the way, this change will allow donors to provide systemic funding through the central budget to local territorial development. That's a financing tool which is expanding rapidly and which, for the moment, cannot be applied to support rural development'.

The Director of DG DEV and Relations with ACP, Lluis Riera Figueras, declared at the EU Rural Development Forum in June that since the universal recognition in 2002 of the need for sustainable rural and agricultural development, all major international agencies and donors and but more importantly, governments in developing countries,

[10] The European Consensus refers to support for country-led participatory, decentralized and environmentally sustainable territorial development, aimed at involving beneficiaries in the identification of investments and the management of resources in order to support the emergence of local development clusters, while respecting the capacity of eco-systems.

[11] Council regulation 1292/96 continues to guide assistance in the fight against hunger.

have been focusing their resources to Rural Development (RD) and agriculture, after a decade of neglect.

As a matter of fact, he added, community assistance in the field of RD, agriculture and food security is substantially increasing. Financial resources allocated to RD, agriculture and food security under the Tenth EDF are increasing, indicatively from about 9.5 per cent to over 12.5 per cent of the national-level EDF envelopes. In volume terms this implies an increase from €660 m to about €1.1 billion, or an increase of nearly 75 per cent! In addition, the new thematic instrument in support to food security has a strong RD and Africa focus, recognizing that food security overwhelmingly prevails in the rural areas of the continent.

EC therefore gives the impression that it received the warnings from CSOs in 2005 that the phasing out of the Food Security theme, as suggested in the first proposals for the Tenth EDF, would have a disastrous effect on poor farmers.

An in-depth analysis (Practical Action/PELUM, 2005), using the examples of Kenya and Zambia, scrutinized the effectiveness of previous EC aid programme to sub-Saharan Africa. It showed that the substantial EC aid programme and influence has not been particularly well focused on resource-poor farmers.

The future will tell whether the implementation of the Tenth EDF will be a success by better impacting upon African smallholder farmers. The Tenth EDF lines of budget have not been allocated yet, but it would follow the EC's Agricultural Development Policy Statement which is soon to be released. The Commission discussed the main orientations of the proposal with a number of African organizations (notably AUC and NEPAD), before launching a wider discussion in January 2007. The wider discussion was based on a Discussion Paper ('Advancing African Agriculture'), which attracted a significant number of responses. Subsequently a Communication was drafted that took into account the results from the consultation process.

Below is a summary of the main lines of the proposal by DG DEV. The draft Communication is following an Inter-Service Consultation process and was scheduled for Commission adoption in the coming weeks.

Proposals for Cooperation on Agricultural Development – January 2007

In a discussion paper on Advancing African Agriculture issued in January 2007, DG DEV Unit B2, Sustainable Management of Natural Resources, makes proposals for EU-AU cooperation to achieve higher agricultural growth rates in order to reach the MDGs. Seven areas of cooperation are proposed and for each the main support orientations and partners are identified (Annex 10). The paper (EC DG DEV, 2007) also provides an indication of the areas in which the main EC support instruments (European Development Fund, Thematic Programs, and Research/JRC) can be used.

The main partners identified are African continental and regional organizations, notably the AUC[12], NEPAD Secretariat and RECs. The RECs implied will mainly be the ones involved in the implementation of the Cotonou[13] Agreement and in the CAADP process, i.e. ECOWAS, ECCAS, SADC and COMESA. In addition, specialized organizations will be involved, where they are involved in CAADP implementation and add a specific dimension of expertise (e.g. FARA on research).

DG DEV names seven cooperation principles including contributing to the MDGs (1st and 7th) [14] and promotion of inter-regional trade (adoption of common/international SPS standards, reducing or eliminating tariffs on cross-border trade); development and implementation of continental agricultural research programmes and co-ordination of

[12] Particularly the Department of Rural Economy and Agriculture, and its specialized technical agencies.

[13] Through the implementation of Regional Indicative Programs in the framework of EPA negotiations.

[14] 'Eradication of extreme poverty and hunger' and 'Ensure environmental sustainability' respectively.

regional research initiative. As for the National level, it particularly insists on fostering the public–private partnerships as well as guidance to and operation of national research and extension systems.

Among the seven priority areas Research and knowledge systems inspired by CAADP's fourth pillar comes third after Governance improvement at national levels (second) and Mainstreaming of agricultural development in the development agenda at all levels (first). Trade Facilitation through quality assurance and improvement in order to access international markets for agricultural produce comes fourth. EC 'offers' to assist in strengthening Africa's ability to set and adhere to 'meaningful', as it stresses, production and trade standards (strict SPS, quality standards and certification systems). Concern for the vulnerabilities of particularly small-scale producers is mentioned at the end with the need for better risk management, for which EC suggests to focus on financial instruments.

While further detailing the various components of each priority area, EC suggests the involvement of IFPRI on agro-economic modelling is to help achieving agricultural development mainstreaming. EC statesthat cooperation in the Research area will take into account the guidelines of the European Initiative for Agricultural Research for Development (EIARD), will be inspired by CAADP Pillar 4 and will be aligned with the FAAP principles, aiming to have a more pronounced impact on smallholder productivity and food security. Main partners in this area are proposed to be the Forum for Agricultural Research in Africa (FARA), the related sub-regional research organizations (SROs), the institution of the CGIAR system and IFPRI (and the like). As for the fourth and fifth areas, trade facilitation and livestock disease control, EC suggests cooperation with AUC specialized agencies (notably IAPSC and IBAR, PANVAC and PATTEC), ILRI, regional producers and exporters organizations among others. The main partners for the seventh area are expected to be AUC, RECs and World Bank, FAO and World Food Program.

Future budget for agricultural development in Africa

The Commission announced that most of its support to agricultural development in Africa will continue to take place at the national level as guided by Country Strategy Papers (CSPs). Within the CSP framework, various sources of funding[15] are combined in an integrated manner in support of national policies and strategies, reflecting national priorities. The elaboration of national level support is country specific, depends on local circumstances, needs and opportunities, and is formulated in a consultative manner in the context of CSP design and revision. The anticipated increase in the share of national budgets allocated to agriculture will implicitly be supported in many countries through budget support financed from the Tenth European Development Fund[16] (EDF).

[15] Funding from the EDF (including Stabex resources) within National Indicative Programs; from the European Community Budget (budget lines related to specific crops like sugar and bananas, or to thematic programmes on food security, environment, etc.); as well as national aspects of intra-ACP projects and programmes (e.g. SPS, livestock, commodities and fisheries)

[16]'The European Development Fund (EDF) is the main instrument for providing Community aid for development cooperation in the ACP States and OCT. The aid provided by the EDF forms part of a broader European framework. Within the European Union, the funds of the Community's general budget may be used for certain types of aid. Moreover, in addition to managing part of the EDF's resources, the European Investment Bank (EIB) contributed a total of 1.7 billion from own resources for the period covered by the Ninth EDF. The EDF is funded by the Member States, is subject to its own financial rules and is managed by a specific committee. The aid granted to ACP States and OCTs will continue to be funded by the EDF, at least for the period 2008-2013. Each EDF is concluded for a period of around five years. Since the conclusion of the first partnership convention in 1964, the EDF cycles have generally followed the partnership agreement/convention cycles. The EDF consists of several instruments, including grants, risk capital and loans to the private sector. The Stabex and Sysmin instruments designed to help the agricultural and mining sectors were abolished by the new partnership agreement signed in Cotonou in June 2000. This agreement also streamlined the EDF and introduced a system of rolling programming, making for greater flexibility and giving the ACP States greater responsibility.' Accessed on 29 July from Europa: http://europa.eu/scadplus/leg/en/lvb/r12102.htm

The Tenth EDF covers the period from 2008 to 2013 and provides an overall budget of €22 682 million. Of this amount, €21 966 million is allocated to the ACP countries, €286 million to the OCT and €430 million to the Commission as support expenditure for programming and implementation of the EDF. The amount for the ACP countries is divided accordingly: €17 766 million to the National and Regional Indicative Programs, €2 700 million to intra-ACP and intra-regional cooperation and €1 500 million to Investment Facilities. An increased share of the budget is devoted to regional programmes, thereby emphasizing the importance of regional economic integration as the basic framework for national and local development. An innovation in the Tenth EDF is the creation of 'incentive amounts' for each country. The Member States have their own bilateral agreements and implement their own initiatives with developing countries that are not financed by the EDF or any other Community funds.

To finance the cooperation proposals, various Community support instruments exist (EDF, Thematic Programs, and Research). Annex 11 gives an overview of the various instruments and their planned use in support of the priority areas for cooperation. The proposed main instrument per response area has been highlighted.

Donor co-ordination around CAADP will be enhanced and harmonization and alignment will be facilitated by the Global Donor Platform on Rural Development (GDPRD), of which the EC and various Member States are active members. The GDPRD will act as donor focal point in communication with African organizations and will assist in the organization of the CAADP Partnership Platform meetings, as well as co-ordination meetings among donors.

ACP-EU Joint Parliamentary Assembly Resolution on poverty reduction for small farmers in ACP countries

On 28 June 2007, the ACP-EU Joint Parliamentary Assembly adopted a resolution on the urgent steps the European Community needs to take to support poverty reduction for small farmers in ACP countries, in particular in the fruit and vegetable and flowers sectors.

Here are some key points. In the Preamble, the Assembly declared that biological diversity, sustainable agriculture and food security depend absolutely on the recognition of ACP countries' food sovereignty and the policy space necessary to protect ACP countries' fragile economic sectors and farmers' individual and collective rights to store, exchange, distribute and improve seeds, so as to enhance food production. The Assembly argues that the current EPA negotiation process is inappropriate, particularly as regards the agricultural sector, given the enormous differences in productivity and competitiveness between the six ACP regions and EU. The Assembly further notes that the issues of small-scale farming and HIV/AIDS are intrinsically linked, given that sustainable small-scale agricultural sector is important, not only in providing the means to pay for Anti-Retroviral (ARV) drugs but also in providing the balanced and nutritious diet that is necessary for these drugs to be effective.

The Assembly deplores that only four out of 78 ACP countries have made agriculture a priority sector under the Ninth EDF[17] , and that EU development cooperation policy is not giving priority to agriculture and rural development. The Assembly argues that small farmers in Less Favoured Areas should be given priority, having traditionally missed out on agricultural support under the well established principle of EU cohesion policy. The Assembly considers that ACP-EU development cooperation policy should be based on recognition of the right of the ACP countries to protect their agriculture in order to guarantee decent earnings for small farmers, increase local production and guarantee food security, while allowing selective market openings, as was the case in Europe.

Financial programming and budget documents of Tenth EDF. Accessed on 29 July 2007 from: http://ec.europa.eu/budget/documents /overviews_others_en.htm

[17] '30.7% of the Ninth EDF has been allocated to structural adjustment programmes, 21.4% to transport, only 7% to rural development and 1.1% to sectors specifically related to agriculture.'

The Assembly stresses that farmers' organizations must be recognized as important players in initiatives affecting the rural and agricultural sectors and must be included in the non-government group regularly consulted by the EC. The Assembly adds that it believes in particular that the interests of small-scale subsistence farmers should be adequately represented.

The Assembly therefore asks both the EU and ACP countries to reorient their policy by putting agriculture at the heart of EDF programming. It also calls on the EU to support the structural transformation of production in poor countries away from export-led economy towards an intra-regional sustainable development strategy, taking into account the real need of the populations and seeking to reduce dependency on industrialized countries and build domestic and regional markets. It calls for EDF assistance for conversion to organic farming where possible and Fair Trade farming where appropriate, and to reduce the use of capital intensive pesticides and synthetic fertilizers. Finally, the Assembly calls for the elimination of all EU export subsidies as they are gravely undermining local food production, and for the EU member states to stop dumping EU products on the third-world markets.

1.2.2 Organization for Economic Co-operation and Development (OECD)

Most OECD policy statements underpin primarily macroeconomic agricultural parameters with recommendations on how to improve its member economic prospects. The New OECD/FAO Agricultural Outlook 2007–2016 is a good example of this. The projections are based on specific assumptions regarding global macroeconomic conditions, population growth, national agricultural and trade policies, production technologies and average weather conditions. Using the underlying assumptions, the Agricultural Outlook then provides a picture of how agricultural markets could evolve in the coming decade. Based on the commodity, policy and country expertise of both organizations, this report forecasts market trends for the world's main agricultural products for the period 2007 to 2016 and includes an evaluation of recent developments and emerging issues.

Monitoring and evaluation of recipients' agricultural policy reform

The OECD Report, Agricultural Policies in Non OECD Countries: Monitoring and Evaluation 2007[18] is a monitoring exercise which mirrors that carried out each year for OECD countries and provides a common benchmark for international dialogue on agricultural policy reform. According to OECD, the estimates of the level of support to producers (PSE), and to the agricultural sector as a whole (GSSE), in particular, provide a much better understanding of the nature and functioning of agricultural policies by: Quantifying and categorizing support policies, Comparing domestic to international commodity prices, and Estimating taxpayer and consumer burdens.

For this monitoring process, local experts are engaged to provide background information while governments of countries under review and OECD member countries actively participate in the review of draft reports. This process helps ensure accuracy of the results, awareness and 'buy-in' by national policy makers, and provides an important element of capacity building.

For the 2003-05 period, estimates of government support to producers as a percentage of gross farm receipts (%PSE) were 8 per cent for South Africa compared with the OECD average of 30 per cent. Producer support estimates for India are not yet available but would appear to be slightly below the OECD average.

Support to agriculture is dominated by market price support (MPS) and input subsidies, the least efficient and most distorting ways of providing agricultural assistance. While OECD countries generally reduced MPS during 2003-05, the levels of MPS in the non OECD countries under review have generally increased or remained unchanged.

More targeted forms of support not linked to production are increasingly being sought to pursue specific goals, such as raising the incomes of poor farm households,

[18] Accessed on 14.08.2007 from: http://www.oecd.org/document/5/0,3343,en_2649_33727_38271429_1_1_1_1,00.html

promoting rural development and protecting the environment. Such policies are to be preferred as economic growth alone is unlikely to solve, and can sometimes exacerbate, economic and social divisions.

The ad hoc nature of many recent policy developments does not provide the predictable policy environment that is essential for growth and adjustment. There are several examples in this report of ad hoc and unsustainable agricultural expenditures being used to support markets. The OECD notes that while all the countries in this report have demonstrated that profound agricultural policy reform is both possible and beneficial, inconsistency in policy implementation has in some cases undermined the effectiveness of current policies and compromised further reforms.

The countries in this report provide relatively little General Services Support (GSS), which funds activities such as research and development, marketing and infrastructure improvements. While there is a strong case to be made for the benefits of increased GSS, budgetary resources have instead often been used in inefficient ways to support producer incomes. A somewhat worrying development is that the share of GSS in total support has been declining for several countries in this report, while producer support has risen.

The long-term future for most semi-subsistence farming households lies outside agriculture, so there is a need for measures that facilitate income diversification and the exploitation of non-farm activities, such as improved access to education in rural areas, better health care, pension and other social security services, enhanced land property rights and rural tax reforms.

Policy Guidance for Donors 2006: Setting out a new agenda for pro-poor agriculture

In a report published in 2006 entitled ‘Promoting pro-poor growth’, OECD’s Development Assistance Committee identifies four principles of engagement at the core of what it calls the ‘new agenda’ (Annex 34, Table 1). OECD starts off by underlining the new complex challenges that smallholder producers now face especially due in large part, it says, to the high level of economic integration/ concentration that force them to compete in markets much more demanding in terms of quality and food safety than in the past. A few decades ago, OECD says, producers achieved sustained gains in agriculture productivity thanks to the ‘Green Revolution’. But today the challenges are very different. These four principles define how the new agriculture agenda should be promoted, and how the proposed investment and policy options should be articulated to achieve the internationally agreed poverty reduction targets. Reaching this aim, OECD says, depends on ‘boosting growth in agricultural sector productivity for the majority of countries’.

In Annex 34 (Table 10) OECD gives numbers supporting this statement including a reference to World Bank (2001)’s figures stating that ‘The average income of small farmers in south India rose by 90 per cent and that of landlesslabourers by 1255 between 1973 and 1994 as a result of the Green Revolution.’ In Annex 34 (Table 4), OECD answers the question, ‘Why should we care about the future of small-scale agriculture?’ Small producers, it points out, often achieve higher land productivity with lower capital intensities than large units. This is an important efficiency advantages in many poor countries where land and capital are scarce relative to labour.

The first principle is to adapt approaches to diverse contexts. OECD suggests a Typology of five ‘rural worlds’ (Annex 34, Table 3) that can guide policy makers in understanding the diverse rural and agricultural systems and dynamics and respond with appropriate pro-poor policies. By using a more differentiated analysis based on people’s livelihoods, it makes clear, OECD says, that poverty is located unevenly across and within rural populations, that policy ‘in’ and ‘for’ agriculture (Annex 34, Table 11) affects different groups in different ways and that actions of one rural group can improve or impair the livelihood of others. Accordingly, OECD argues that public policy linked to agriculture should be tailored to a country’s agro-ecological potential and the stag of transformation that it has attained. Policies need to be flexible enough to adapt to success and allow for resources to be transferred to other areas of the economy.

The second principle is to build institutions and empower stakeholders. Public institutions need to be strengthened in their capacity to develop an appropriate blend of policies, regulatory frameworks and investments to kick-start the agricultural sector. Private sector involvement must also be strengthened to help address a range of problems including limited access to key inputs such as seed and fertilizer, and to output markets. There must be more investment in the skills, capacity and organization of rural farmers. A major challenge, particularly in public extensions and research services, is the capacity of institutions themselves to deliver client -focused services for traditional and subsistence agricultural households.

The third principle is to support pro-poor international actions. These are steering agricultural trade negotiations to reduce agricultural subsidies, scaling up aid to meet the Millennium Development Goal targets, and improving multi-donors commitment to improve aid effectiveness (Annex 34, Table 8). On agriculture specifically, G8 heads agreed to support the NEPAD's comprehensive set of actions to 'raise agricultural productivity, strengthen urban-rural linkages and empower the poor'.

Finally, the fourth principle is to foster country-led partnerships. A key challenge is to redress past imbalances in many national poverty reduction strategies (PRS) by raising the profile of agriculture. More specifically, attention must be given to effective monitoring frameworks in supporting improved decision-making, flexible implementation, and increased accountability. It is therefore important to promote the participation of all PRS stakeholders, including rural producers and their organizations, in the development of policies and investments with the aim of influencing and eventually re-orienting their implementation.

Efforts to stimulate agriculture's role in pro-poor growth should, on the basis of the principles above, be used to guide renewed attention to three priority areas. These are to:

- Enhance agricultural sector productivity and market opportunities: This is the core of a more robust agricultural economy. Productivity gains will depend on secure and equitable access to land and water resources, rangelands, fisheries and forests. It will also depend upon access to information and technology developments framed by a demand-led and multidisciplinary approach. Support for producer associations will enhance capacity to engage in market place dominated by increasingly large food processing and modern food retail industry such as global supermarket chains.

- Promote diversified livelihoods on and off the farm: Governments and external partners should incorporate migration patterns (movements out of rural areas) into their strategies. They should therefore establish functioning land markets, so that people are more able to move to new forms of economic activity.

- Reduce risk and vulnerability (Annex 34, Table 6): This not only provides social protection for poor people, but enables them to undertake new, viable but more risky livelihoods, increase their participation in market and generate pro-poor economic growth.

The paper concludes that pro-poor policies lower constraints faced by poor households as well as providing new incentives and support for their sustainable participation in more equal, market based relations and exchanges. It strongly suggests that economic policy, including agricultural policy, should be consistent with social objectives, and should address them directly where possible.

In its 2006 Report, the OECD highlights the ways in which the change process can be managed to benefit the sub-Saharan African countries. It develops its argumentation under four headings: (1) diversifying livelihoods, (2) increasing sector productivity, (3) expanding market opportunities and (4) expanding trade.

(1) The OECD starts by emphasizing the rapid urbanization of sub-Saharan Africa, and the fact that by 2020 almost half the African population will live in urban areas (Rosegrant et al, 2001). This, OECD says, offers important new opportunities for diversification into agro-industry, food wholesale, and higher value products for African producers and entrepreneurs. But the focus on staple food production should not be lost, it insists. To make a dent on poverty, a pro-poor growth strategy must emphasize higher land and labour productivity for staple crops (especially maize and cassava), while recognizing the dynamics of increased production for local, national and regional

markets. Enabling agriculture to serve as a main driver of pro-poor growth in sub-Saharan Africa will require increasing sector productivity and expanding market opportunity. Therefore, OECD says, emphasis needs to go to technology options that can make a difference for land and labour productivity as well as policies and programmes that improve market access and lower transaction costs.

(2) OECD then explains its view on how to achieve the increase in sector productivity it recommends. Farming systems in sub-Saharan Africa are particularly diverse, reflecting both the huge range of agro-ecological conditions and socio-economic diversity. In many areas, also, pressure on resources has risen sharply: with fallows, rangeland and forest recov ery periods much reduced, productivity of traditional systems is declining, soil nutrients are being 'mined' unsustainably and land cover is being destroyed. Yet, paradoxically, as FAO and the World Bank noted in 2001, considerable areas of underexploited potential remain in sub-Saharan Africa, with opportunities both to enhance the productivity of rain fed land and to expand irrigation. For several of the major crops – maize, cassava and rice especially – improved varieties on which to base such exploitation are already available.

Attempts to unlock these potentials for greater productivity must, however, above all respond to Africa's diversity. Here OECD refers to the one-size-fits-all recommendations for intensification technology of the sort that spread the Green Revolution, implying that it does not fit the small farmers of sub-Saharan Africa who are not well connected to markets and do not have access to finance. For many years to come, OECD says, the main way ahead for the poorer producers is more likely to start with improved management of natural resources already in hand. New forms of sustainable use need to be evolved which can replace the systems of bush fallow and transhumant grazing that sustained people in a less crowded past. Technical solutions need to be far more specific to locations and clients than in other regions.

OECD (p32) says that most of the opportunities for intensifying input-based production have already been exploited and new opportunities will require much improved dissemination of existing intensification technologies, significant investments in infrastructure programmes and functioning input markets. But input-based production intensification can also degrade land, and over time it limits the yield response. Furthermore, in Africa far fewer producers have irrigation, resource endowments are often poor, and risks are too high for input-based intensification to be relevant to more than a few large-scale producers.

OECD further argues that large-scale producers and processors already benefit from advanced technologies based on the recent discoveries of molecular biology and genetic manipulation. However, it says, much of this technology remains primarily aimed at users in developed countries and has been financed by multinational companies. For the originators of the technology, research and development geared to the needs of the rural poor in developing countries are not considered high-return investments. Application of some of the principles of these advanced technologies to the needs of poorer producers could nevertheless do much to raise their productivity and reduce risks. For instance, tissue culture can generate virus-free, and hence more productive, stocks of perennial crops that are important to the survival strategies of poor households.

Access to resources: Government policies to initiate these reforms of change need to concentrate on three main issues: security of access to resources; drawing resources users themselves into devising and spreading new production systems; and sharing with resources users the costs of transition. To initiate a spiral of rising productivity and enhanced sustainability that exploits biological processes – for example, conservation agriculture that controls erosion and builds fertility through mulching and reduced tillage, Integrated Pest Management or Integrated Soil Fertility Management – takes time. Policies must assure potential adopters of reliable access to their land, whether as private owners, long term tenants or under customary law. Annex 34 (Table 5) summarizes OECD recommendations on 'Pro-poor land administration'.

Participatory R&D: Participatory methods are needed to communicate demands on the ground to those providing research and extension support. Producers themselves should evaluate, help refine and disseminate locally adapted technologies. To support these participatory approaches new types of research and extension organizations are needed, with staff prepared through training and reformed agricultural education systems to accept as partners, members or representatives of local communities, and cooperate with them. This point is developed in Annex 34 (Table 7) where OECD details 'A new framework centered on the small producer for investment in science and technology'.

(3) To have any impact, OECD adds, such policies will need to be linked to incentives for technology changes. New, more input-intensive, agricultural technologies can succeed only when small production units produce for the accessible markets. Therefore, there is a need to expand market opportunities of small farmers. The absence of markets, OECD argues, more than anything else reflects the lack of infrastructure in many rural areas of sub-Saharan Africa. Similarly, low investments in such key services as health and education diminish agricultural sector productivity. Africa will need a substantial increase in public investments. Such investments in rural areas has fallen in many African countries over the past few decades due to the fiscal pressure imposed through structural adjustment programmes and a decline in donor support for infrastructure investments (Fan and Rao, 2003). This needs to be reversed. The overzealous downsizing of the public institutions that provide essential public goods and services like agriculture research and extension will also need to be reversed.

(4) Finally, OECD argues that to take advantage of expanding trade opportunities African producers must be able to meet more stringent demands for grading and food quality and safety standards. This requires strengthening institutions responsible for standards and quality control, for enforcing contracts and for providing market information. Here, OECD refers to Vorley and Fox (2004) to support its view that small-scale producers should structure themselves into federations which unlike former state cooperatives could defend the interest oftheir members. They should be voluntary, economically viable, self-sustaining, self-governed, transparent and responsive to their members. The function of these associations should include among other things establishing connections to domestic and global markets, creating the infrastructure to connect smallholders to finance and input supply systems and developing new forms of public and private partnerships. Subsidies, OECD explains, can be useful tools to create or build markets aimed to kick-start productivity gains such as during the Green Revolution in Asia. But they should generally be temporary measures to tackle specific barriers to private participation in markets (Annex 34, Table 2).

In Annex 3.A1 of report 2006, OECD asks 'Spotlight on Global Value Chains – Does it Mean Shutting out Small Producers?' According to OECD, although developing countries have so far failed to significantly penetrate agricultural markets of rich countries, big hopes are invested in the idea of small producers 'upgrading' into global buyer-driven food chains to escape from the cost-price squeeze of commodity production. OECD then cites Vorley and Fox (2004), acknowledging growing concern that markets are distorted by excessive corporate concentration in trading, processing, manufacturing and retailing. OECD notes that shifting out of small-scale agriculture into the role of commercial producer (globally competitive with large-scale agriculture operations) has renewed popularity, for instance in Sahelian countries, in the debate about the 'modernization' and 'competitiveness' of agriculture in an era of globalization and agrifood chains.

The reversal of the marketing chains, OECD underlines, can benefit consumers; it is no coincidence, it says, that in the UK, where supermarket power is most ascendant, consumers' aversion to genetic modification technology was translated into retailer-driven programmes to purge own-brand supply chains of genetically modified ingredients. Contract farming, according to the report, can also bring benefit to the producers. But in their worst form such as some poultry production contracts, contract farming deserves its reputation of turning producers into wage labourers on their own land.

Finally, OECD insists on the difficult position of agricultural producers working outside these closed chains, such as those who do not have sufficient scale of production to be able to sell directly. They can become relegated to the position of residual or top-up suppliers or suppliers to the shrinking wholesale market.

1.3 Multilateral donor platforms

1.3.1 Commission for Africa (2004-2005)

In early 2004, Tony Blair established the Commission for Africa. The 17 members of the Commission, nine from Africa and all working in their individual and personal capacities, published their report 'Our Common Interest' on 11 March 2005.

Summary of recommendations

The UK-sponsored Commission for Africa reported in 2005 that there is now sufficient political stability and democratic rule on the continent to give credibility to NEPAD's ambitious plans for social and economic development. There is also a broad recognition that science and technology must be embedded in these plans, at all levels, if they are to succeed.

The Commission argued that for Africa to be able to make essential investments to improve economic growth and the lives of its poorest people, it will need an additional $25 bn in aid by 2010, or twice the current level. In order to use that aid effectively, said the report, African countries must strengthen democracy, combat corruption and enhance performance, as projected under the African Union's development framework, the New Partnership for Africa's Development (NEPAD). Meanwhile, donors should do their part to 'significantly improve the quality of aid and how it is delivered,' while also opening their domestic markets to goods exported by Africa.

Details of the recommendations with focus on agriculture

Key supply-side constraints

Key supply-side constraints include insufficient rural transport infrastructure, lack of extension and marketing services, and an abundance of pests, weeds and diseases harming crops and livestock, as well as land tenure issues. Therefore, major supply side investments and reform are required in the areas of governance and the investment climate, including peace and security; social infrastructure and human skills and know-how development.

Conditionality

For reform efforts to be meaningful, African countries must get the capacity to develop their own appropriate and suitable policies which are not forced by trade agreements or International Financial Institutions.

African ownership

The Commission for Africa started its recommendations to the G8 nations gathered at Gleneagles 2005 by recognizing that Africa has begun to make progress in the long battle against poverty. To sustain that progress, however, will require a stronger partnership between African nations and those of the rich world. Africa must take the lead in this partnership, take on responsibility for its problems and take ownership of the solutions – which are far more likely to work if they spring from African judgements than if they are imposed from outside.

Stop harming poor

The international community must cease those things by which it harms or disadvantages the world's poorest people. It must do what it can to support the reforms which are under way in Africa. It must support Africa's regional initiatives, including the African Union and its NEPAD programme, to work together to generate and promote these reforms. African governments should develop social strategies for the most vulnerable. Donors should commit to long-term, predictable funding of these strategies with US$2 billion a year immediately, rising to US$5-6 billion a year by 2015.

Promoting growth

The Commission insists on the need for greater economic growth to tackle poverty. This requires major investment in urban/rural infrastructure (Africa needs US$20 billion a year[19]), agriculture, urban development, the creation of a climate which fosters investment, and policies which take careful account of the environment and climate change. Growth will be driven by the private sector, but the government creates the conditions for this – the challenge is to build a strong partnership.

African governments need US$550 million from donors and the private sector over seven years to identify and overcome the obstacles to business. In addition, developed countries should support a fund of Multilateral Investment Guarantee Agency.

In its section on 'improving growth', the Commission explains its view on the key role of agriculture for African growth. Evidence from across the world, it says, has shown that industrialization follows a period of agricultural growth. But farming can itself provide real long-term growth, as rapidly expanding diversification into cut flowers and other non-traditional crops is showing in Kenya, Uganda and Ethiopia. Yet at present agriculture has just two focuses, the Commission stresses: growing crops for subsistence and for export to the industrialized world. If a third is added – to grow staple food stuffs for those parts of Africa which have regular food shortages – then agriculture could bring growth to areas which could be breadbaskets. It would reduce food crises and the need for food imports on the present scale.

Then the Commission explains that to 'unlock agricultural growth', interventions have to take place simultaneously in a number of areas. It lists five interlocking areas which must be addressed. The first is 'Irrigation'. The Commission urges the international community to increase funding for irrigation, in support of doubling the area of land under irrigation by 2015, initially focusing on funding a 50 per cent increase by 2010, with an emphasis on small-scale irrigation.

The second area is 'Getting crops to the market '. Accordingly, developed countries should fund the creation of storage facilities, roads and energy infrastructure in Africa's rural areas. The third is 'Research and Innovation'. The Commission insists on the need for more research that closely addresses the problems and needs of local farmers in each place. It therefore stresses that Africa should choose its own priorities and support should be channelled through African research organizations and universities.

The fourth area, 'Selling within Africa', is directly linked to the situation of smallholders. It says that the development of local and regional markets would give smallholders greater opportunities to sell their food and to diversify into new crops. This would require much better internal transport and local financial institutions to provide credit to poor smallholders and poor people. Finally, the Commission argues in favour of 'Land rights and secure tenure'. Land reform is an intensely political issue in Africa and many donor countries have pulled back from addressing it in recent decades. But the Commission concludes that African governments must take measures to give poor people, particularly women, access to land and secure rights to their land.

Promoting the role of business

Business must sign up to best codes of good social and environmental conduct, including on corruption and transparency, and focus their efforts on co-ordinated action to tackle poverty – working in partnership with each other, with donors, with national governments, and with civil society, including trade unions. In support of this, developed countries should support the UNDP Growing Sustainable Business initiative in the region. For their part, donors and African governments must develop more effective partnership with the private sector.

[19] The Commission notes that 'to support this, developed countries should provide an extra US$10 billion a year up to 2010 and, subject to review, a further increase to US$20 billion a year in the following five years.'

Environment

In support of the environment initiative of the AU's NEPAD programme, donors should strengthen environmental considerations in all their programmes. Donor governments and international institutions, including the World Bank, the UN Environmental Program (UNEP) and the UN Development Program (UNDP), should encourage the inclusion of environmental sustainability in African government's poverty reduction strategies. These should include indicators for monitoring environmental performance.

Trade

'Increased trade is vital to increase growth,' says the Commission in its introduction of section E: Recommendations on Trade. African Governments must be allowed to develop their own trade policies. Action in three key areas, it explains, by African countries and the international community working together could make this happen by: (1) supporting African-owned strategies for building the capacity to trade; (2) dismantling the rich world's trade barriers through the Doha Round of trade negotiations; and (3) providing transitional support to help Africa adjust to new trading regimes. Below are the key points made by the Commission in each of these three areas:

(1) Africa should remove its own international trade barriers between one African country and another. Africa should also do more to improve the economic environment for farmers and firms, backed up by major investments of aid from international donors to ensure Africa can produce and trade competitively.

(2) Developed countries should ensure that the Doha Round of world trade talks makes development its absolute priority. Rich countries must agree to eliminate immediately trade-distorting support to cotton and sugar, and commit by 2010 to end their export subsidies and all trade-distorting support in agriculture. Individual African countries should be allowed to sequence their own trade reforms, at their own pace, in line with their own poverty reduction and development plans. Additional financial assistance should be provided to support developing countries in building the capacity they need to trade and adjust to more open markets. Special and Differential Treatment must be made to work better for Africa, by making resort to legal disputes conditional on assessing development concerns. A review of Article XXIV of the General Agreement on Tariffs and Trade in order to reduce requirements for reciprocity and increase focus on development priorities may be useful. Rich countries should also apply development tests, including an impact assessment, when designing developed country products standards, to minimize the barriers they may create, and urgently provide help to meet them.

(3) Developed countries should remove all barriers to all exports from low-income sub-Saharan countries, by extending quota and duty-free access to all of them. They should also cease to apply rules-of-origin requirements in a way designed to hinder rather than help African exporters, by allowing Africa to source inputs from anywhere in the world, and requiring only that they add a minimum of 10 per cent of value in their processing.

Aid quality

The Commission says that to improve quality of aid an annual discussion should take place between the Development Ministers of the OECD countries and African Finance Ministers, along with representatives of civil society and international organizations.

'Aid should be untied, predictable, harmonized, and linked to the decision-making and budget processes of the country receiving it. The length of the commitment should be related to the purpose: for example, aid for infrastructure and public expenditure support should be committed for terms longer than aid for technical assistance. The use of policy conditionality associated with external assistance should be strongly reduced. Ways of strengthening accountability, and of monitoring implementation, should be put into place. The activities of the financial institutions and donors should support and not undermine institutions of accountability in African countries, for example by helping countries to strengthen international codes and standards and by avoiding heavy burdens of reporting.'

Changing the multilateral institutions

In its G: Recommendations on How to Make All This Happen, the Commission argues that 'If Africa is to take responsibility for its own development, says the Commission in its conclusions, it must be given greater influence in decision-making which affects it most directly.' It then lists several crucial points of which I've picked up those most relevant for our purpose.

'African countries must have more voice in multilateral institutions notably through greater representation on the Board of the World Bank and FMI. Appointments of the heads of the international institutions should be decided upon by open competition which looks for the best candidates rather than by traditions which limit these appointments by nationality. In each recipient country, the government and donors should set up monitoring groups to assess the quality of donor assistance and co-ordination. The management of the World Bank, the IMF, and the WTO should give greater priority to accelerating Africa's development.'

1.3.2 G8

At the 2002 G8 Summit in Kananaskis, the Group of Eight (G8) industrialized nations adopted the Africa Action Plan. This Plan was the response of the G8 to the launch by African leaders of the New Partnership for Africa's Development (NEPAD).

An additional vehicle for national donors' engagement in support of Africa and NEPAD exists in the Africa Partnership Forum launched at the Evian Summit in 2003. The Forum that emanated from the G8 response to NEPAD, the Africa Action Plan, now joins G8 and other OECD donor partners with representatives from Africa and key international organizations to take stock of progress achieved and identify and respond to future challenges in advancing the NEPAD agenda.

In 2005 at Gleneagles, the G8 once again focused on its partnership with Africa. Leaders reviewed progress on the Africa Action Plan based on a report by their Personal Representatives for Africa and consider further measures in support of the G8–Africa partnership. Forward-looking measures were also informed by the recommendations of the Commission for Africa report. The G8 nations agreed to double aid to Africa from US$25 billion in 2004 to US$50 billion in 2010.

Although the European Union has endorsed the Commission for Africa's call for doubling aid to Africa, it encountered reluctance from the US during a June visit to Washington to prepare for the summit meeting of G8 in Scotland, in July. US President George Bush did not agree to a doubling of aid to Africa, although he did pledge to provide the continent with an unspecified amount of 'additional resources', as well as support for fully cancelling Africa's debt to the World Bank and the IMF.

Aggregated aid statistics for 2006 were published by the OECD Development Assistance Committee, DAC. Compared to 2005 the total aid flows from DAC countries and international organizations declined by 3 billion to US$104 billion and as a share of DAC countries' Gross National Income (GNI) it declined from 0.33 per cent to 0.30 per cent. As for 2005, the figures for 2006 were strongly inflated by unusually high debt relief.

The main picture is that the rapid increase of total aid flows to sub-Saharan Africa in recent years is mainly explained by increased debt relief and emergency assistance, while the absolute level of project and programme assistance has been quite stable and therefore its share of the total Official Development Assistance has declined from over 60 per cent in the early 1990s to just above 40 per cent.

Since the 1990s social sectors and governance have received greater shares of development aid, which should be seen against the background of the strong emphasis on these sectors in the Poverty Reduction Strategies. The shares of agriculture and industry have declined.

1.3.3 Global Donor Platform on Rural Development (GDPRD)

In the late 1990s and early 2000s, the big donor agencies started acknowledging their failure to meet their own targets. They began rethinking their development strategy. Each of them produced their own separate approach that, according to Kevin Cleaver, director of Agriculture and Rural Development, World Bank, resulted in 'havoc confusion and waste'. In 2003 the World Bank started presenting its new agricultural and rural development strategy in various forums, mainly to the directors of agriculture and rural development in other donor organizations. And there were some 29 donor agencies doing the same thing, not just the bilateral bodies but also the international financial institutions: the African Development Bank, the Asian Development Bank, the IFAD, the European Commission, the Canadians, the Japanese.

They realized that they had been part of the problem. Cleaver illustrates this with what happened in Kenya in the 1980s.

'Each donor would come in with its own strategy for agricultural extension, its own agricultural credit system, its own view on what local government policy should be on subsidies and taxes. The French, the British, the Americans, all had different views, based on their different cultures and historical experiences. Each of us, the World Bank included, introduced our own separate approach, and the net result was havoc and confusion and waste. Most of the donor projects couldn't be sustained after the donors left. Many recipient countries wound up hopping from one donor to the next, becoming cemeteries for failed projects.'

So the big donors agencies got together, admitted their past errors and agreed to create a new mechanism – not only, insists Cleaver, to co-ordinate their overall approach to new agricultural and rural development strategies, but also to make sure that, this time, our desire to co-ordinate at the top would find expression at the country level. This led to the creation of the Global Donor Platform (Annex 27). And that's how they identified four pilot countries, Nicaragua, Burkina Faso, Tanzania and Cambodia. This time, Cleaver explains, the managers of rural development and agriculture in the donor agencies rallied their people at the country level around the idea that they're all working for the same client, the partner-country, and not just for the World Bank, or GTZ or DFID, for example. Cleaver's view is that the donor-agency directors of rural development and agriculture will have to get involved in countries personally and directly.

Aid effectiveness agenda

In 2004, in line with the recommendations on harmonization and alignment by the Development Advisory Committee (DAC) of the OECD [20], like-minded donor nations, development agencies and international finance institutions agreed to establish a strategic alliance to increase overall aid effectiveness in agriculture and rural development – the Global Donor Platform for Rural Development (GDPRD). On its website[21], the GDPRD insists on 'the central role of private actors as the main driving force for growth in the agricultural sector'. The Platform now unites 39 multilateral and bilateral donor agencies, development banks, international agencies, research institutions and networks, representing about 80 per cent of international ODA.

Mechanism

The basis of all GDPRD activities are the individual policies for agriculture and rural development, built upon the institutional structures of each member or associate organization. In June 2006, GDPRD members found consensus on ten Hot Topics. They

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[20] The OECD's Development Assistance Committee (DAC) drew up detailed recommendations for an improved harmonization and alignment of development assistance which were endorsed by donors and partner countries alike in the Rome Declaration on Harmonisation of February 2003, and the Paris Declaration on Aid Effectiveness of March 2005.

[21] Accessed on 9.08.2007.

furthermore agreed on commissioning joint studies and analyses on problems and bottlenecks in donor harmonization to find appropriate solutions (e.g. Global SWAp Analysis and Rural Focus of PRSPs).They produced joint statements on The Role of Agriculture and Rural Development in Achieving the MDGs or the Joint Donor Concept on Rural Development. The Platform's Mission Statement is standing on top of the Consensus Pyramid (Annex 23), reflecting their core values and agreed upon by all members. It's a very broad framework, not a blueprint for getting things done but a common global vision of how agriculture and rural development play into the livelihoods of people, what the broad objectives are and how they could be met.

GDPRD is major contributor to World Development Report 2008, 'Agriculture for Development', scheduled for publication in September 2007.

Processes of agricultural and rural development delivery

Members and associate members have discussed and debated during 2005 through 2006, in order to identify areas of consensus in rural development. The outcomes of these discussions are included in the document 'On Common Ground: A Joint Donor Concept on Rural Development'. It focuses on the processes related to the delivery of agricultural and rural development aid, and synthesizes the donor consensus on key drivers and principles of – and approaches to – rural development delivery.

Drivers of rural development

Platform members agree that there are certain drivers which hold up, or move, rural development processes. These drivers include: people-centred development; local governance; economic drivers; natural resources; rural infrastructure; rural service systems; and economic governance from global to local levels.

Guiding principles for delivery

Platform members suggest that there are key principles or values which should underscore rural development assistance delivery. These include the following: people-centred and pro-poor change; good governance, institutional aspects and financial management; demand-driven planning and implementation; partnership; equity and equal opportunity; and the sustainable use of natural resources.

Approaches to delivery

Approaches to delivery are the 'tangible' or 'practical' commitments that donors make in terms of delivering development. Platform members agree that approaches should recognize and build on current efforts to harmonize and align development assistance. They suggest that approaches to rural development delivery should be multi-sectoral, participatory, committed to the long term, and results-oriented.

This joint concept is a concrete example of donor harmonization, one of the things the Platform stands for. Here is a shared vision of what must be done, agreement on policy to inform our action. We have found common ground.

Content of agricultural and rural development delivery

While the Joint Donor Concept on Rural Development is focusing on the *processes* of agricultural and rural development delivery, another Platform document is elaborating on the *content* of agricultural and rural development delivery: Hot topics: Platform consensus on rural development issues of global significance in 2006. Platform members submitted their ideas for 'hot topics', which were then collated and prioritized accordingly.

Better donor understanding of these issues builds on the results of analyses carried out jointly by various donors and is to be based on a consensus with and a focus on partner country ownership. Enhanced development cooperation is required to achieve the Millennium Development Goals and in particular to improve the lives of the rural poor. Towards this objective, the Platform facilitates the formulation of Joint Policy Briefs for each of the ten Hot Topics. The Joint Policy Briefs inform Platform members and provide guidance on specific subject matters. They are short and concise and meant to be 'living documents', i.e. regularly updated. On 14 August 2007, seven of the ten Joint Briefs were still 'to be prepared' and the three others were 'in preparation' (Annex 26). The GDPRD offers more information for the three topics 'in preparation'.

Topic 2: The future of smallholder agriculture

The Joint Policy Brief is currently (August 2007) being drafted by IFPRI and ODI. Here is an extract from Topic 2 of Hot topics: Platform consensus on rural development issues of global significance in 2006.

'In the ever-more globalised world of industrialised agriculture, the future of smallholder agriculture is in question. However, smallholders remain the backbone of food security and economies in many rural households and communities across the globe. Platform members note that as the "mainstream economic sector" drives growth, an important concern is managing risk in smallholder agriculture (e.g. through addressing vulnerability, improving incomes and food security, and through using both public and private instruments). A twin issue of concern is social protection (including dependency, options for the landless poor, and a focus on subsistence farmers and wage labourers). This is particularly important in marginal or "lagging" areas (including neglected pastoral areas), and in localised production systems. Policy and investment options are needed that address the needs, priorities, and constraints of both marginal areas and marginal populations (e.g. the most vulnerable households, including the rising number of grandparent- and orphan-headed households). According to Platform members, the financing of "family" farms is an issue that has long been a challenge for development specialists, particularly those focusing on vulnerable households. A crucial area that also affects sustainable development is that of land tenure security (including titling, gender-related concerns, the economic effects of land-titling programmes, and land tenure within market-oriented development). Members suggested that there exists the need to identify best practices that can be applied to smallholder agriculture. A cross-regional perspective is essential when addressing this thematic area.'

Topic 3: Aid modalities

Extract from Topic 3 of Hot topics**:** Platform consensus on rural development issues of global significance in 2006.

'Platform members identified the ways that aid is delivered ("aid modalities") in agriculture and rural development as an area warranting attention. Many felt that it is important to better define the roles of public and private sectors as well as those of donors and partners. Members recognised the importance of staying up-to-date on donor and partner experiences of, as well as lessons learned on, programme-based approaches and sector-wide approaches (SWAps). Budget-support and multi-sectoral approaches, as well as alternatives to SWAps, are also being used more often. This is an important trend. As donors and partners promote decentralisation efforts and territorial development, it is critical to build on effective aid-delivery practices (including budget support). Finally, members felt it is important to learn about screening methods and decision trees related to aid modalities'.

Topic 8: Rural-urban development

Extract from Topic 8 of Hot topics: Platform consensus on rural development issues of global significance in 2006.

'Throughout the process of developing the JDRC paper, Platform members repeatedly revisited the question of "what does 'rural' actually mean?" Mirroring this concern during the identification of these "hot topics." Platform members prioritized rural–urban development linkages as a globally significant issue. They also identified the linked pattern of rural-to-urban migration and growing urban poverty as an issue that must be addressed. Increasingly, issues of global significance also include peri-urban agriculture, “rurbanisation” (the growing blurring of rural and urban lines), and urban/industrial sprawl and agriculture; members included these issues in the prioritisation exercise. Land use crosses all of these issues (and many of the other thematic areas considered as well). Finally, Platform members noted that rural–urban linkages need to be strengthened to benefit the poor’.

2. United Nations Family

Based on the General Assembly Resolution 59/250 adopted at the 2005 World Summit, The High-Level Panel on UN System-wide Coherence in the Areas of Development, Humanitarian Assistance and the Environment (HLP) provided a number of recommendations that seek to reduce fragmentation and harness the full capacity of the UN system in support of development. The former UN Secretary-General entrusted the Chair of the United Nations Development Group with the task of co-ordinating, with other UN system entities, implementation of eight pilot initiatives in which a One United Nations approach, characterized by One Program, One Budget, One Leader and One set of management systems, is being tested. The eight pilots are being undertaken at the request, and under the leadership, of the Governments of the following countries: Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay and Viet Nam.

2.1 The UN Millennium Project (2002-2007)

Shift in donor practices focusing aid on Africa's own priorities

The decision of the Millennium Challenge Corporation, in 2005, to back Madagascar's strategy reflected a broader trend among the world's largest donor countries. Many of them pledged not only to give significantly more aid to Africa in the coming years, but also to increasingly aim that assistance at the MDGs and other development goals identified by African countries themselves.

After nearly a decade of declining aid, Africa, has picked up considerable momentum in 2005. In January, the UN Millennium Project called for doubling aid to the world's poorest countries, to enable them to take stronger steps towards achieving the MDGs.

The UN Millennium Project Experts Group, comprised of senior representatives from each participating UN agency, was set up to oversee collaboration between the Millennium Project and UN agencies, and to help facilitate the agencies participation with the various Task Forces. In 2005, the independent advisory body headed by Professor Jeffrey Sachs, presented its final recommendations Investing in Development: A Practical Plan to Achieve the Millennium Development Goals. The secretariat team worked in an advisory capacity through to the end of 2006 to support the implementation of the Project's recommendations, with special focus on supporting developing countries' preparation of national development strategies MDG Reports (MDGRs) aligned with achieving the MDGs.

The Millennium Development Goals Network (MDGNet) is managed by UNDP on behalf of the UNDG. MDG Support, the successor of the UN Millennium Project, was established in 2006. By itself, the long-standing commitment by the developed world to contribute just 70 cents of every $100 earned to official development assistance would generate enough funding to implement national strategies capable of achieving the MDGs. European Union countries have now committed to reaching the 0.7 target by 2015 and the G8 countries have now pledged to double development assistance to Africa by 2010, bringing the figure to $50 billion. However, all donor countries urgently need to fulfil their commitment to existing pledges.

The Public–Private Partnership model is an integral part of the Millennium Project, and partnerships play a central role in the Project's Report *Investing in Development*. It devotes a full chapter to contributions from the private sector. It refers to the 2004 *Report* 'Unleashing Entrepreneurship' by UNDP Commission on the Private Sector and Development and the Monterrey Consensus of 2002. Any national strategy to achieve the MDGs, states the Millennium Project's report, 'needs to include a clear framework for private sector growth, because private companies contribute to poverty reduction through many channels. Such growth is unlikely without the direct participation of foreign companies or multinational corporations; be it manufacturing or financial enterprises, or others. ...A public–private partnership can combine the respective strength of the private and public sectors'. Likewise, the Hunger Task Force of the Millennium Project advocates the forging of global partnerships in order to reach the MDGs.

2.2 United Nations Economic Commission for Africa – UNECA or ECA

UNECA's work programme now focuses on achieving results in two related and mutually supportive areas:

(1) Promoting Regional Integration in support of the African Union vision and priorities. ECA's support for the implementation of AUC's regional integration agenda focuses on undertaking research and policy analysis on regional integration issues, strengthening capacity and providing technical assistance to institutions driving the regional integration agenda, including strengthening and supporting the Regional Economic Communities (RECs), and working on a range of trans-boundary initiatives and activities in sectors vital to the regional integration agenda.

(2) Meeting Africa's special needs and emerging global challenges. ECA recognizes the importance of focusing attention on Africa's special needs, particularly within the context of achieving the MDGs. In this regard, ECA places emphasis on supporting efforts to eradicate poverty, placing African countries on the path of growth and sustainable development, reversing the marginalization of Africa in the globalization process, and accelerating the empowerment of women. It aims to provide significant technical support to the African Peer Review Mechanism (APRM) and also to promote peer learning and knowledge sharing in a range of development areas.

Between these two pillars, the Commission focuses on the following five thematic areas:

- Regional Integration, Trade and Infrastructure

- Meeting the MDGs with a special emphasis on Poverty Reduction and Growth, Sustainable Development and Gender

- Promoting Good Governance and Popular Participation

- ICT, Science and Technology for Development

- Statistics and Statistical Development.

The choice of activities to be undertaken under each thematic cluster is based on the demand expressed by member states and the RECs in various forums as well as on the specific competencies of ECA. In that context, the focus of ECA service delivery is at the regional and sub-regional levels with the Commission's five Sub-Regional Offices (SROs) each taking the lead in their respective sub-regions. At the regional level, the thrust of ECA activities is predominantly focused in two areas. First, ECA aims to play a significant role in monitoring and reporting on the progress being made by the Continent on meeting global and continental commitment, thus supporting progress in mutual accountability. Second, ECA aims to continue its significant contribution in the area of advocacy and consensus building, including developing common positions to give the Continent a stronger voice in global forums. With regard to sub-regional activities, particular emphasis is now placed on advisory services and technical assistance aimed at building the capacity of the RECs to implement their agendas and, particularly, to promote regional integration.

ECA deploys several modalities and services to support its member states: policy analysis and advocacy; enhancing partnerships; technical assistance; communication and knowledge sharing; and supporting subregional activities.

Policy-relevant analytical work is central to the overall work of ECA. Drawing on this work, the Commission serves as a policy advocate on critical development issues, to encourage the initiatives and reforms necessary for economic and social advancement in Africa. Advocacy is focused on internal as well as external constituencies. An important part of ECA's advocacy work is fostering regional cooperation and integration, by helping member states strengthen intra-regional linkages and helping establish and strengthen sub-regional organizations and institutions. To deliver these services, ECA systematically draws upon the work of other sources of knowledge and expertise. National and regional African research institutions, African researchers, and development professionals are notable examples of this outreach.

The African Development Forum (ADF), created by ECA in 1999, is a key modality for establishing an African-driven development agenda that reflects consensus among major partners. The African Learning Group on the Poverty Reduction Strategy Papers (PRSP-LG) meets annually to facilitate systematic information sharing among African countries on their experiences with poverty reduction strategies. Another key consensus building forum is the ECA/OECD Ministerial Consultation known as 'The Big Table'. Started in 2000, a small group of African Ministers of Finance gather with their OECD counterparts from Development Cooperation Ministries for an informal, frank and open meeting.

Towards improving coherence and synergies in the UN, particularly around the system's response to NEPAD, ECA also convenes the Annual Regional Consultations of UN Agencies Working in Africa. To deepen its work on mutual accountability and policy coherence, ECA continues to work closely with the OECD on the operationalization of a mechanism for joint reviews to monitor development effectiveness, drawing on the conceptual framework already prepared by the two institutions and submitted to the NEPAD governing committee. These reviews are looking at trends in quality and quantity of official development assistance to Africa, the coherence of partner policies on aid, trade and debt.

The Regional Economic Communities (RECs) are ECA's main clients at the sub-regional level. As such, the Commission and its Sub-Regional Offices (SROs) work closely with the main RECs to harmonize membership, strengthen policy and build technical capacity to pursue regional integration. These RECs include the Arab Maghreb Union (AMU), the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA)[22], the East African Community (EAC), the Inter-governmental Authority on Development (IGAD), the Economic Community of West African States (ECOWAS), the Central African Economic and Monetary Community (CEMAC), the Economic Community of Central African States (ECCAS), and the West African Economic and Monetary (UEMOA).

The sub-programme prepared, in 2001, a report on the state of the environment in Africa, confirming that the situation continues to be influenced principally by rapid population growth, increasing poverty and inappropriate development practices, especially agriculture production methods. In 2003, ECA published The State of Transition in Population, Environment and Agriculture in Africa to assist in tracking progress in these inter-related areas.

On April 2007, the Director of Food Security and Sustainable Development at the Economic Commission for Africa, Josue Dione, welcomed about 20 experts to a three-day meeting on agriculture and rural transformation, in Addis Ababa. At this occasion, he said that the overall economy of most African countries and their potential for achieving the MDGs depend significantly on how seriously they take agriculture.

Economic Report on Africa 2007

As stated in its foreword, the analysis reported in 'ERA 2007: Accelerating Africa's Development through diversification' reviews the world economy and maps out prospects for development in Africa through the institution of structural reforms to diversify and modernize the economy, enhance competitiveness, promote trade, accelerate growth and reduce poverty. This is the first report of its kind, UNECA stresses.

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[22] Mwencha (2007). MBS COMESA Secretary General. Presentation at the Workshop on 'Strengthening and Widening Markets for African Agriculture and Overcoming Supply-side Constraints'. Organized by the International Food and Agricultural Trade Policy Council (IPC). June 3-5, Lusaka, Zambia.

It comes as a sequel to the work conducted jointly in 2005 and 2006 on Assessing Regional Integration in Africa (ARIA).

In its overview, UNECA warns that without concerted and co-ordinated efforts in industrialized economies and the developing world to achieve a smooth correction of the current macroeconomic imbalances, they may go out of hand. It is therefore critical, UNECA says, to accelerate growth in advanced economies as well as developing countries, which will require loosening of the policy stance to foster demand-led recovery.

UNECA argues that more than at any time before, it is now understood that the general one-size-fits-all growth policies embedded in macroeconomic stabilization and second-generation reform programmes will not help African countries. African countries need a new approach to growth policy, UNECA says. Besides sustaining macroeconomic stability, African countries need to tailor their fiscal and monetary policies to promoting domestic investment, employment generation, and growth.

The report presents the theme of diversification as a new paradigm for Africa's development. It argues that diversification is the prerequisite to achieving positive development in the continent. Africa's economic transformation can be achieved through vertical and horizontal diversification (Annex 63, 64 and 65). Such diversification, it argues, will help to build competitive economies that can productively be integrated in the global economy. But before developing its way forward, UNECA explains the main global development challenges that Africa has to face.

In Chapter 3, UNECA argues that although there is good news at the level of financing development with progress in debt relief initiatives, commitment to scale up aid and agreement to improve aid effectiveness**,** trade negotiations are far from realizing Africa's priorities. In particular, at the level of multilateral trade negotiations, there has been limited progress towards addressing the priorities of Africa in a way that would enable trade to realize its potential as a key pillar for economic development of the continent. In the same vein, UNECA adds, bilateral and regional negotiations, especially between Africa countries and developed country economies such as the EU, are raising major challenges given the centrality of reciprocity in these negotiations. UNECA argues, for instance, that the negative fiscal effects for African countries would be devastating under an EPA requiring them to fully open up, so that the EU would benefit much more from such scenario than Africa (UNECA, 2005).

UNECA details the few advances – either in the form of agreed principles or in bracketed text – 'achieved' on agricultural trade negotiations that are of special interest to African countries. UNECA says on p79-80:

'The main achievements of negotiations under agriculture included first and foremost the decision to abolish all export subsidies by 2013 and by the end of 2006 for cotton exporters. UNCTAD points out that as negotiations are still blocked the opportunity of the elimination of cotton export subsidies by the end 2006 has already been missed.

In terms of market access, the negotiations established a tiered formula with four bands resulting in steeper cuts for higher tariffs. There were also talks of tariff cappings. UNECA research has shown that African countries overall would reap larger benefits from a significant reduction in tariffs. The formula applies different sets of cuts to developed and developing countries, in line with the proportionality principle sought by African countries (African Union 2005). Moreover, LDCs were also exempted from reducing tariffs. This would have allowed most African countries to preserve substantial policy space in agriculture, another major objective of the Africa group.

The principles of sensitive products, alongside special products and special safeguard mechanisms, were also agreed despite wide disagreement on actual figures. Developing countries, including those from Africa, had strongly argued in favour of special products and special safeguard mechanisms that would be reserved for developing countries and allow special treatment for goods that have a role in rural development and the livelihoods of rural communities.

Advances were also achieved on domestic subsidies. The choice of a tiered formula had been retained for cutting domestic subsidies, both for the blue box and the Aggregate Measures of Support (AMS). This should translate into higher reduction of the subsidies in countries where they are higher. Further disciplines were proposed on de-minimis subsidies. A substantial reduction of domestic support measures, including subsidies in the North, was supposed to match the long-term interests of most African countries'.

UNECA makes a special case of the Special and Differential treatment (S&D). S&D, says UNECA, underpins the quest in the Doha Round for full operationalization of the principle of proportionalities in the modalities. By taking into account the existing tariff structure of the African countries, the treatment would help to strengthen the development dimension of the Doha Round. With respect to the industrial tariffs, the modalities aimed at reducing or eliminating tariff peaks, high tariffs, and tariff escalation and would allow autonomy to African countries to pursue industrial policy in line with their development strategies. It would also allow them, UNECA adds, to initiate and deepen diversification of their economies.

Finally, UNECA details The Way Forward: Policies for Achieving Diversification. UNECA argues that with the current economic structures, African countries will not be able to maximize gains from trade liberalization, and risk perpetuating the historical failure to secure benefits from global trade reforms. There is therefore, UNECA says, a strong case for a new diversification paradigm in order to help African countries secure benefits from preferential schemes such as AGOA, EBA, DFQF market access promised to LADCs in the Doha Round, and the subsequent trade liberalizations in agriculture, NAMA and services under the WTO and EPA agenda.

MDGs

Since the continent still lags far behind in achieving the MDGs, Africa's own endeavours need to be complemented by 'a bold international effort.' This point was emphasized at the annual meeting of African finance ministers in Abuja, Nigeria, in May 2005, devoted specifically to the MDGs. Mr KY Amoako, executive secretary of the UN Economic Commission for Africa, which organized the meeting, stated: 'We need to see significant progress from leading developed countries toward meeting their existing [aid] commitments, as well as helping to accelerate progress by concretely contributing to Africa's MDG financing needs.'

Green Revolution

On December 2004, UNECA Special Ad Hoc Expert Group Meeting laid down its Programmatic Strategy and Program of Work for the Biennium 2006-2007. UNECA re-emphasized its commitment to foster science and technology in Africa's development. Science and technology, it said, provide opportunities to address issues, such as raising agricultural productivity; improving competitiveness and opening up new opportunities for Africa in global markets; and combating droughts, malnutrition, and controllable diseases.

The African Green Revolution Initiative, the subject of a range of publications and meetings, was developed by ECA as a system for sustainable modernization of agriculture and rural transformation designed to have technological and socio-political inputs. The technology side includes more advanced applications of biotechnology and gene technology to produce improved varieties; improved crop management technologies; biophysical technologies varying from tools to simple irrigation; and post-harvest handling processes and marketing technologies. The socio-political perspective includes roles for the community and the government. More details on UNECA's stance on the new Green revolution for Africa can be found in a number of papers released in 2003 by UNECA (2003a, 2003b and 2003c). In all three, UNECA affirmed its support for a New Green Revolution for Africa. There is no reason to believe that Africa missed the Green Revolution, UNECA says, it was rather delayed. There is also evidence that Africa is now poised at the threshold of triggering a Green Revolution. The question to address therefore is how, not when, the African Green Revolution will be designed, triggered and sustained. UNECA also reflects on:

1. Focus on Africa: How can the international Green Revolution institutions (the CGIAR's centres) be configured to generate the necessary pipeline of Green revolution technologies for Africa?

2. Community and National Level Design of the Green Revolution: How can African governments take the first steps in promoting, over the next few years, a Double Green Revolution, one that combines the techno-scientific elements with a thoroughly participatory approach to development? How can they ensure that the requisite technology, infrastructure, institutions and policies (TIIP) are developed and put into effective use for triggering a sustainable modernization of agriculture and rural transformation (SMART) in Africa?

3. NEPAD: How can the CAADP adopted by NEPAD focus on a Green Revolution for Africa as an explicit goal, and achieve it within 5-10 years? How can NEPAD contribute to ensuring the market access that will be necessary to stimulate a Green Revolution in Africa?

4. Learning curve: How will the international community assist Africa to master the inter-sectoral, multidisciplinary, regional and socio-economic issues that accompany a Green Revolution, in order to learn from the experiences of others while avoiding their mistakes? How will Africa tackle issues of governance, conflict, peace and security, gender, environment, land policy, education, health and regional integration that could hinder or enhance the Green Revolution in Africa?

2.3 International Fund for Agricultural Development (IFAD)

IFAD's role is to reduce rural poverty and increase food production and food security in developing countries. IFAD is committed to providing appropriate and focused support for enhancing the productive potential of the poor so that they can help themselves to overcome poverty. What distinguishes this role from that of other organizations is the Fund's exclusive focus on rural poor people and their largely agriculture-based livelihoods? IFAD's special targeting efforts are based on the recognition that rural poverty reduction and food security with not happen simply as a result of macroeconomic or sectoral growth, although growth is necessary. Details of IFAD's Strategic Framework for 2007-2010: Enabling the rural poor to overcome poverty can be found below.

Policy

In January 2001, IFAD launched the Rural Poverty Report 2001, which addressed the challenge of global poverty reduction and highlighted the importance of rural poverty among the world's extremely poor people – drawing attention to the principal characteristics of extreme poverty and indicating essential steps towards reducing it in rural areas. To capture regional specificities, IFAD embarked on producing assessments of rural poverty for each of the five regions (three African) in which it operates – and strategies for action. Overview of IFAD Western and Central Africa Strategy can be found in Annex 36. IFAD's strategies[23] for rural poverty reduction in the three African regions build on a rural poverty assessments completed in 2001. They are also inspired by IFAD's strategic framework 2002-06 and the New Partnership for African Development. Points of particular interests for this research are developed below.

IFAD's Action Plan 2005-2008

IFAD is implementing an Action Plan to increase its development effectiveness, efficiency and relevance in helping its member countries reduce rural poverty.

Approved by IFAD's Executive Board in December 2005, the Action Plan embraces the recommendations of the 2005 Independent External Evaluation of IFAD, the views of the Executive Board on change priorities, and IFAD management's own recommendations on ways to improve the way IFAD does business. IFAD says that the Action Plan's comprehensive new directions are bringing real and substantive organizational changes over the period of IFAD's Seventh Replenishment (2007-2009).

The plan, which calls for 40 major deliverables, is on track, according to IFAD on its website accessed on 28 August 2007. By June 2007 IFAD has:

[23]Strategies can be found at: http://www.ifad.org/sf/strategy.htm

- Developed an outline for new Results-based country strategic opportunities programme (COSOPs) and guidelines for their preparation, which are changing the way IFAD develops, manages and monitors its country strategies;
- Developed and begun implementing its Strategic Framework 2007-2010, which defines IFAD's development goals and objectives, its key principles, and the thematic areas in which it will focus its work. It also explains how IFAD will be organized and managed to enhance its impact. As both IFAD's main policy document and a framework for its strategic management, the Strategic Framework is guiding the work of all IFAD staff members;
- Improved its project approval format, thereby facilitating Executive Board review of projects and reducing administrative costs;
- Developed a new targeting policy to ensure that IFAD operations focus on poor rural people, their problems and opportunities, and on improving their economic livelihoods;
- Developed a new supervision policy which, for the first time, gives IFAD executive responsibility for supervising the programmes and projects it finances, rather than contracting out this activity to a 'cooperating institution';
- Developed Learning Notes, an evolving set of briefings on key thematic areas, aimed at guiding IFAD staff members and consultants involved in programme and project development;
- Implemented version 1 of the Rural Poverty Portal, a web-based tool for learning and sharing knowledge about rural poverty eradication;
- Developed and begun to implement its first knowledge management strategy to enhance IFAD's ability to share the learning from its programmes and projects.

In 2006, Edward Heinemann[24], the Regional Chief Economist of IFAD, discussed 'African policies in support of small-scale agriculture' at a donors Round Table organized by the Swedish Ministry of Foreign Affairs. He suggested that government establish a quality control system for traditional export crops, which previously was the domain of parastatals. Likewise a payment system reflecting quality is needed, and there may be a role for government to ensure this either directly, or through facilitating this function's being carried out by the private sector. Donors may be involved in this sector in many different ways. In Tanzania, for instance, IFAD supports the Ministry of Agriculture and the Marketing ministry in developing a marketing policy and lowering transaction costs among small farmers. Heinemann insisted on the positive aspects of an emerging West African rural civil society as epitomized by *Le Réseau des organisations paysannes et de producteurs de l'Afrique de l'Ouest* (ROPPA).

Heinemann also stressed the 'highly crucial' issue of land access and security of land tenure, as yields are 30 per cent lower on land which has insecure tenure. Insecurity of tenure also has negative effects on management of natural resources, and the issues of community and social structure in the context of increasingly scarce natural resource availability are also important to take into consideration. On the role of the PRSPs, Heinemann suggested a role for donors in focusing on improving the consultative character of PRSPs, although this would also require the involvement of African governments. On the topic of markets, he pointed to the prevailing attitude in many countries towards producers seen as 'good' whereas the intermediaries (the market) are viewed as 'bad'. This attitude is problematic and needs to be rectified, suggested Heinemann. Lastly, he voiced a concern with the dichotomy between small farmers and the commercial sector often presented, and argued that small farmers are indeed part of the commercial sector.

Regarding policy towards institutions and the role of donors in building capacity at the institutional level, Heinemann called for tools to assess whether interventions at the management level of the value chain were beneficial to small farmer interests.

[24] As Regional Economist, Heinemann is responsible for managing IFAD's Regional Strategy for Eastern and Southern Africa and for ensuring that the perspective of the Region is fed into corporate strategies.

Strategic Framework for IFAD 2007-2010: Enabling the rural poor to overcome poverty

IFAD noted in its Strategic Framework for 2007-2010 that to achieve the MDG goal of halving the proportion of people living in hunger and extreme poverty by 2015, more resources and new aid instruments are required. But these are not enough, IFAD argues; targeting of resources, policies and actions is essential. This is especially the case, IFAD says, for the three-quarters of the world's extremely poor and food-insecure people who live in rural areas: most make their living from agriculture, principally as small-scale farmers and entrepreneurs, and as landless workers.

Unfortunately, official development assistance to agricultural development remains low, IFAD adds. Similarly, it says, national poverty reduction strategies, which now provide a common framework for all development partners, do not adequately address the role of agriculture and rural development. They neglect even more seriously the role of smallholder agriculture and the economies of poor rural people. These areas do not, as yet, feature strongly in either government or donor efforts to improve development effectiveness and assistance harmonization mechanisms. Therefore, says IFAD, the issue is not only how IFAD can influence national policy targets – but also how it can contribute to building national capacities and multi-stakeholder partnerships that underpin effective targeting within national development processes, first and foremost the poverty reduction strategy papers.

Increasingly, it says, IFAD will seek to enhance the effectiveness and direct impact of its activities by refining the targeting of its resources and country programmes. The present policy on targeting, IFAD points out, is a step in this direction and will be followed by operational guidelines.

IFAD's current Private-Sector Development and Partnership Strategy

During preparation of its Private-Sector Development and Partnership Strategy paper IFAD reviewed the private-sector development strategies of several similar bilateral and multilateral development organizations[25]. Within the development community, there are a number of organizations and international financial institutions (IFIs) that provide support directly to the private sector in developing countries (often with the endorsement of the government). These include the international Finance Corporation and the European Bank for Reconstruction and Development. These organizations usually provide loans, equity and quasi-equity financing for private-sector projects. They also help private-sector companies in developing countries to mobilize resources from international capital markets. In this context, IFAD says that it will take advantage of existing involvement of these IFIs with the private sector and try to establish partnership with them in support of the rural sector in areas such as the promotion of small and medium enterprises (SMEs) and microfinance and the establishment of an appropriate agribusiness environment. Similarly, it continues, public funds (e.g. the Canada Investment Fund for Africa) and the private funds of large corporations (e.g. the Bill and Melinda Gates Foundation, the Ford Foundation, the Deutsche Bank Microcredit Development Fund) also finance private-sector investments in developing countries. There are opportunities to link with these organizations as well, says IFAD, in order to attract additional resources to rural areas. IFAD finally mentions that this specific strategy follows the recommendations of the UNDP report Unleashing entrepreneurship: Making Business work for the Poor.

IFAD Report on the Impact of Trade Liberalization Agriculture in the Near East and North Africa (2007)

Recently, IFAD collaborated with The International Food Policy Research Institute to produce a study (2007) identifying the measures that could be employed either to mitigate the potential negative impacts of trade liberalization on small rural producers

[25] The following organizations were studied: the World Bank, Asian Development Bank, Inter American Development Bank, Islamic Development Bank, the Canadian International Development Agency, the Department for International Development (UK), the German Agency for Technical Cooperation, the Swedish International Development Cooperation agency, the United Nations Development Program and the United States Agency for International Development.

in the Near East and North Africa region (NENA) or to help these producers seize their domestic and international market opportunities. This report (IFAD/IFPRI, 2007) combines a comprehensive review of the literature on trade liberalization focusing on 13 countries and territories in the region[26] to examine the distributional impact in more depth. They use household survey data and computable general equilibrium (CGE) models to simulate the impact of trade liberalization on small farmers and the poor in four NENA countries (Egypt, Tunisia, Syria and Morocco). The study concludes that trade policy by itself is an imprecise and costly instrument for addressing the problem of rural poverty. There is a need, however, for complementary policies to enhance the positive effects of trade liberalization (or reduce the negative impact); these include flexible factor markets (especially for labour), trade facilitation measures, support for public goods, and direct income support for farmers, and safety net programmes.

The report (p15) supports flexible factor markets that allow land, labour and capital to be reallocated from formerly protected sectors to newly profitable sectors. Regulations that constrain the response of these factor markets reduce the positive impact of liberalization. In agriculture, flexibility is likely to be enhanced by effective agricultural services such as extension and market information systems that can provide farmers with useful information about the agronomic and economic aspects of shifting into new commodities. Under World Trade Organization rules, says the report, the agricultural sector can be directly supported through a variety of ‘green box’ programmes, such as agricultural research and extension, pest and disease control, inspection services, marketing infrastructure, market information services, environmental protection programmes and regional assistance programmes.

If the objective is to assist the poor and vulnerable households regardless of their occupation, the report continues, safety-net programmes should be considered. It names some of them: food subsidies targeted to shops located in poor neighborhoods, ration card that entitles the bearers to purchase at subsidized prices, infrastructure development programmes (e.g. road building), hiring policies and conditional cash transfer programmes to maximize the pro-poor impacts.

IFAD's activities are guided by the Strategic Framework for IFAD 2007-2010: Enabling the rural poor to overcome poverty. The main components of this strategy are the following. IFAD's goal is to empower poor rural women and men in developing countries to achieve higher incomes and improved food security. IFAD will ensure that poor rural people have better access to, and the skills and organization they need to take advantage of:

- Natural resources, especially secure access to land and water, and improved natural resource management and conservation practices;
- Improved agricultural technologies and effective production services;
- A broad range of financial services;
- Transparent and competitive markets for agricultural inputs and produce;
- Opportunities for rural off-farm employment and enterprise development; and
- Local and national policy and programming processes.

All of IFAD's decisions – on regional, country and thematic strategies, poverty reduction strategies, policy dialogue and development partners – are made with these principles and objectives in mind. As reflected in the strategic framework, IFAD is committed to achieving the Millennium Development Goals, in particular the target to halve the proportion of hungry and extremely poor people by 2015.

Through low-interest loans and grants, IFAD works with governments to develop and finance programmes and projects that enable rural poor people to overcome poverty themselves. Since starting operations in 1978, IFAD has invested more than US$9.6 billion in 738 projects and programmes that have reached more than 300 million poor rural

[26] The NENA 13 countries: Algeria, Djibouti, Egypt, Jordan, Lebanon, Morocco, Somalia, the Sudan, Syria, Tunisia, Turley, the West Bank and Gaza, and Yemen.

people. But this represents only part of the total investment in IFAD projects and programmes. In the past 29 years, a further US$16.2 billion in co-financing was contributed by partners. Governments and other financing sources in recipient countries, including project participants, contributed US$9.1 billion, and multilateral, bilateral and other donors provided another US$7.1 billion in co-financing. This represents a total investment of about US$25.8 billion, and means that for every dollar IFAD invested, it was able to mobilize almost two dollars in additional resources.

IFAD tackles poverty not only as a lender, but also as an advocate for rural poor people. Its multilateral base provides a natural global platform to discuss important policy issues that influence the lives of rural poor people, as well as to draw attention to the centrality of rural development to meeting the Millennium Development Goals.

2.4 Food and Agriculture Organization (FAO)

FAO has been challenged over the past six decades to respond to ever-increasing changes in the context within which it works and to an array of new demands. FAO's original purpose was defined in simple and straightforward terms. It was essentially to work with governments to increase global food production. The purposes and mandate of FAO have been summarized in Table 47. These define a global knowledge-based organization tasked to 'promote the common welfare' through food and agriculture. The principal components of the mandate require that FAO work to ensure essential knowledge of food and agriculture is available to those who need it, when they need it and in a form which they can access and use. This places FAO, through its technical work, in multi-faceted roles as a facilitator, compiler and producer of knowledge as well as that of disseminator and communicator.

In its Strategic Framework 2000-2015 (1999), FAO reaffirmed that 'the purpose of FAO remains relevant, vital and valid (through) three interrelated global goals that the Organization is specifically dedicated to helping Members achieve':

1. Access of all people at all times to sufficient nutritionally adequate and safe food, ensuring that the number of chronically undernourished people is reduced by half by no later than 2015. (= overcoming hunger and malnutrition)

2. The continued contribution of sustainable agriculture and rural development, including fisheries and forestry, to economic and social progress and the well-being of all. (= sustainable management of natural resource base for food and agriculture)

3. The conservation, improvement and sustainable use of natural resources, including land, water, forest, fisheries and genetic resources for food and agriculture. (= agriculture as a contributor to economic and social development)

FAO addresses these goals through its technical work

While FAO members agree on FAO's purposes and broad goals, they have been far less successful, argues the 2007 Independent External Evaluation of FAO, in translating these into consensus priorities, choices and decisions on what FAO can be expected to do – and not to do – with the resources at its disposal (Annex 50).

FAO Reform 2005

Member Governments at FAO's Conference in November 2005 devoted an important part of their time to reviewing and discussing the Director-General's reform proposal (Annex 48 and 49). The Conference concluded by giving its support to several key elements of the plan:

- Streamlining administrative and financial processes, including the establishment of a 'Shared Services Centre' serving Headquarters and the regions;
- Initial steps towards organizational restructuring at Headquarters; and
- Using one geographic region as a pilot case for implementing proposals for greater decentralization, and establishing one new sub-regional office in another region.

Many of the changes authorized for Headquarters were already taking effect by 1 January 2006. For the **piloting of improved decentralization, Africa** with its sub-regions was selected. The countries of Central Asia were identified for coverage by a new sub-regional office. FAO offices in ALL regions of the world will benefit from streamlined administrative processes, increased decision-making authority and other improvements.

FAO works within the areas of its mandate, with the concerned UN partners to help to realize the One United Nations initiative by The High-Level Panel on UN System-wide Coherence in the Areas of Development, Humanitarian Assistance and the Environment (HLP). It works to improve the performance of the United Nation's operational activities at country level and to reduce the cost of the UN's work at country level. FAO is participating in the One-UN Pilot initiative as member of the UN country teams concerned.

FAO's reform process anticipated the need for a strengthened and dynamic role of the Organization at the country level which included greater decentralization of authority to the country and sub-regional levels. Thus FAO involvement in the One United Nations includes not only the full or partial involvement of FAO Representative offices in the pilot countries as well as the sub-regional and regional offices but also input from relevant units at FAO headquarters towards an overall co-ordination of efforts and sharing of information.

IEE 2007

In July 2007, the Council Committee for the Independent External Evaluation (CC IEE) of FAO released a working draft paper on The Challenge of Renewal for FAO. This comprehensive review shed some lights on FAO's current position on Agricultural Development. Here are the relevant points for our investigation.

Budget

IEE summarizes the trends in resources allocation for FAO's technical work (p100). It states that as with the resources for the Organization as a whole, the total Regular programme budget resources for the technical work of FAO declined substantially in real terms, some 15 per cent between 1994-95 and 2004-05. The decline in extra-budgetary resources over the same period was more marked at 22 per cent, giving an overall decline of 19 per cent (Annex 39).

Annex 40 shows that between 1994-95 and 2006-07 the share of the regular technical programme budget increased in nine programme areas and declined in eleven. Over the 14-year period the largest change was doubling of the percentage of resources for migratory plant pests (including locusts) and at the other extreme a reduction of some 40 per cent in the production of resources for livestock production and policy work excluding animal health.

In Annex 41. IEE examines the overall distribution of resources to different areas of work from a sectoral perspective. It shows that the balance in FAO expenditure is roughly in line with the importance of the sectors for dependent populations except in the case of livestock.

IEE notes that the current financial situation of FAO is dire. This is largely due to the growth of arrears on payment of assessed contributions by Member Nations. The payments by the fifteen largest contributors to FAO's Regular Budget account for 85 per cent of the total. Annex 42 shows that in the last five years, the weighted index (obtained by multiplying the 'country's indexes' 307 by their share of assessed contributions to FAO) as increased by 31 per cent. The weighted index of the four main contributors (which together fund around 57 per cent of the budget) has increased even more (41 per cent).

Annex 43 shows that, for 2004-05, 62 per cent of FAO technical cooperation was with low income countries. There was, however, no significant difference in per capita expenditures on the rural population for different income groups.

Although FAO is now attempting to address the issue of programme coherence, notes IEE, and focus through national medium-term priority frameworks, country or regional strategies have largely been absent from FAO's work. The absence of core funding for technical cooperation is a serious constraint to FAO providing strategy-based responses to countries' needs. The TCP is the only technical cooperation fund that FAO has at its disposal. It amounts to US$103.55 million for 2006-07 biennium (Annex 44). It is often also used in a fragmented way. Interventions tend to be more strategic where the Organization has larger programmes. TPC is currently the only source of funding with which the FAO is in a position to act quickly and decisively. However, IEE says, this flexibility has frequently been constrained by lengthy delays in approval. When comparing TPC allocations between countries, IEE found that the rationale for distribution was not clear. It therefore recommends more transparency.

IEE also notes that evidences to date indicates a tendency to produce shopping lists of projects rather than identifying those areas where for the medium term FAO's comparative strengths and the needs of the country converge. But IEE says that the introduction in 2005 of the National Medium-Term Priority Framework, in line with the recommendations of the Decentralization Evaluation and the TPC Review, may prove to be a major step forward. The development of realistic frameworks cannot, IEE insists, result from a quick mission but requires a sustained dialogue with multiple national partners and not only the ministry of agriculture.

FAO's main support for investment in agriculture comes through the Investment Centre (TCI). TCI was established in 1964 to support member country governments in the preparation of agricultural investment projects for funding by external funding institutions, principally at that time by the World Bank. It was intended that: (a) member countries would have increased access to agricultural development funding; (b) the international funding agencies would have access to quality expertise, and thus be represented by its clients with sound investment proposals; and (c) FAO would be able, through TCI, to scale up its knowledge and experience.

Since its formation, TCI has been funded partly through the FAO Regular Program and partly through the payment for its services. In the case of the World Bank these services are paid for with a guaranteed annual fee for an agreed number of weeks of service[27]. In the case of other International Finance Institutions (IFIs), each service is paid for at agreed rates[28].The overall income of TCI has steadily declined in real terms. In 2006, of the total resources of some US$24m, 47 per cent came from the World Bank, 40 per cent from the FAO Regular Program and the remaining 13 per cent from other IFIs of which IFAD was the most important (Annex 45).

With the decline in official development assistance to agriculture from US$6.6 billion in 1995 to US $2.3 billion in 2002, IEE states, there was an evident decline in demand for investment support services. There has now been, it says, a turnaround with World Bank assistance has nearly doubled since 2002. Some of this has been in the form of budget support and Sector Wide Approach (SWAp). But, according to IEE, this shift should not be exaggerated and 75 per cent of World Bank lending is still in the form of traditional projects.

Policy

The main recommendation of the IEE is that FAO requires a new strategic framework, because for all practical purposes, it does not currently have one and the question 'Where is FAO going?' lacks a clear answer. A mid-term review of the strategic framework was postponed by the governing bodies, pending the outcome of the IEE, as was the preparation of the Medium-Term Plan 2006-13. The 'Strategic Framework for FAO, 2000-2015' has been overtaken by events, IEE notes. Moreover, it says, the key elements of ensuring means-to-ends linkage and determination of clear priorities never emerged from the process.

[27] 75 per cent of costs covered by the World Bank.

[28] Approximating generally to 66 per cent of costs covered by the IFI.

IEE underscores, however, that FAO has provided a point of stability in development priorities, while development paradigms on the importance of national food production, the role of agriculture and the rural sector have swung from one quick fix solution to the next. IEE insists that FAO has exerted intellectual leadership in several areas such as Integrated Pest Management (IPM), sustainable fisheries, sustainable genetic resources management and it has continuously emphasized the small farmer as the decision-maker which is an integral to the Farmers' Field School concept.

According to IEE, FAO has got some big priorities basically right, pushing against the prevailing tide of development thinking – but it often then got the implementation modalities wrong. Examples of this extend from the importance of water and its sustainable management for increased productivity in Africa to income diversification for the rural poor. IEE explained that underlying many of these failures of modality have been an excessive emphasis on the role of the state as an executor of development, on forming groups and community-based organizations of producers and, at best, an ambivalent attitude to the role of private entrepreneurs. IEE argues that a culture shift is now required in the prevailing FAO paradigm for fighting hunger and for economic development, with far more strategic focus and attention on the international political economy.

According to IEE, FAO's dominant development paradigm in food production and food production systems requires fundamental re-appraisal. The Organization needs to shift its attention to income generation and food access. This, it says, will often be through small farms and income initiatives, but more and more it will also be in enterprise and small and medium entrepreneurs where investment in agriculture can be brought together with managerial skills for higher value products and value added in the supply chain. Such a shift will also facilitate agriculture making a greater contribution to overall economic development. This implies, says IEE, a major shift in focus in the work of the Organization in agricultural and rural development with respect to policy, trade, institution and production. In this context, the IEE says that it is encouraged to note that rural income generation is an area of FAO policy analysis and that agri-business is receiving more emphasis. The IEE further recommends the development of genuine joint agro-business development programme with IFAD, ILO, UNIDO and ITC.

The IEE says that FAO has generally weak linkages with the private sector. The short story, IEE continues, is that FAO does not well understand the role of private enterprise. To the degree it has had contact with this sector it has mostly been with large multinationals concerned with FAO's normative work, not with SMEs. There is no visible corporate approach to the private sector, and currently no strategy – formal or informal – to change this. The Private Sector Partnership Advisory Committee is largely reactive, operating mostly as a control mechanism. The negotiation and review process is long and complex, even with partners strongly committed to working with FAO and offering substantial levels of funding. IEE insists that this virtually complete divorce of FAO from the private sector was not always the case. In the 1960s and 1970s, there was an active Industry Cooperative Program (ICP), funded totally through private sector contributions, with around 100 industries. The ICP terminated in 1978 (FAO, 2006). Since that time there have been at least two sets of policy guidelines issued on working with the private sector (1994, 2000), but these led, deplores IEE, to little improvement in the overall situation.

IEE further notes that further development in the UN holds some promise for future cooperation with the private sector. The recent Geneva meeting (July 2007) of the Second Global Compact Leaders Summit found, IEE says, that around 3,100 private companies have now signed up for membership in the UN Global Compact.

Technical areas of FAO's work

As a proportion of FAO's total resources, there has been a shift from crop production (228 projects in 1989 to only 30 non-emergency projects in 2006) to the areas supporting the development of global instruments in plant protection, pesticides, food safety and plant genetic resources. In addition, FAO's remaining work in crop production has moved towards a systems (rather than single crop) approach, except in the area of horticultural crops and rice which continued to be handled largely separately. The systems themes include: urban and peri-urban agriculture; integration of crop-pasture-livestock systems; production and biodiversity in crop and grassland systems; good agricultural practices (GAP) and organic agriculture; conservation agriculture (no tillage); alternative crops; and plant nutrition. This also involves emphasis on support to various global and regional networks including horticulture, pastures in different agro-ecological zones, a biotechnology network for Latin America and Caribbean, and plant breeding and biotechnology in Africa. IEE notes that crop production is the area of FAO's work where there is probably most supply from other sources of assistance and where developing countries themselves have now developed greatest national capacity.

Biotechnology[29]

The Joint FAO/IAEA Division assists FAO/IAEA members in the 'safe and appropriate' use of nuclear techniques (isotopes and radiation) and related biotechnologies in food and agriculture. Support and guidance is given to national agricultural research and academic institutions through international and regional research networks and through co-ordinated research projects, technical cooperation projects and training courses. Participating institutes in co-ordinated research projects receive US$8,000-10,000 per year over five years. Examples of work supported, IEE says, include integrated soil–plant nutrient management practices, transferring agronomically important genes for developing new varieties and with improved quality, resistance to pest and diseases or tolerance of stress. The IEE further observed that much of FAO/IAEA's work is mutation breeding which, it says, is not now in the mainstream of the progress being made through biotechnology.

Advocacy at the global and national levels for policy issues, norms and standards has always been an integral part of FAO's work, argues IEE. Although the great majority of FAO members support its role in advocacy, and this was clearly endorsed in the Strategic Framework (1999), certain components and examples of advocacy, such as the application of biotechnology to agriculture, are more controversial than most other aspect of FAO's work.

FAO's flagship 'State of Food and Agriculture' (SOFA) reports are used to support global knowledge and opinion synthesis, but they also serve to present overall arguments for conclusions which may be controversial. These publications as well as the other 'State of' reports[30] are generally viewed as rigorous analysis. The State of Food and Agriculture on 'Agricultural Biotechnology: Meeting the Needs of the poor (FAO, 2004)' contributed to such a debate, as did that on 'Agricultural Trade and Poverty: Can Trade Work for the Poor (2005)'. Some NGOs, in particular, have protested the overall conclusions of the SOFA on Biotechnology, and as a result there is now a place in SOFA for NGO comment. The IEE complains, however, that a similar forum has not been provided to the private sector. This, IEE says, could be viewed as a lack of balance.

2004 SOFA

In Chapter 7, 'Making Biotechnology working for the poor', FAO argues that the available empirical evidence on the impact of transgenic crop research in developing countries shows that resource-poor farmers can benefit from GM crops if the crops address their needs and if they have access. FAO suggests policies that would provide more technology to the poor.

First, policies are needed to encourage private investment in research and marketing biotechnology applications that meet the needs of the poor. These include commercial incentives such as more efficient biosafety regulations and stronger IPRs,

[29] FAO Policy on Biotech from 1997-2007, documents available from: http://www.fao.org/biotech/doc.asp

[30] State of Food Insecurity in the World (SOFI); State of World Fisheries and Aquaculture (SOFIA); State of the World's Forest (SOFO); State of Agricultural Commodity Markets (SOCO).

government incentives for research for the poor and financial prizes for research and technology for the poor.

Second, more public research is needed on the problems of the poor. Sustainable public biotechnology research for the poor requires the development of groups that will lobby for the poor. Annex 56 details the role of a participatory approach to agricultural research. With leadership from local antipoverty groups and donors who are committed to reducing poverty, effective local support for public research to reduce poverty might be built. International support for the IARC biotechnology research programmes is also essential and we hope can be strengthened when the IARC biotechnology programmes start to prove their usefulness through the development of new technology for farmers.

Third, public–private joint ventures are needed to make efficient use of the propriety technology developed by the private and public sectors in industrialized countries. Governments can take a number of actions to facilitate such joint ventures.

Fourth, investments have to be stimulated first in strengthening national capacity to develop varieties (plant breeding) and seed systems; only then will investments in biotechnologies produce the expected results for poor farmers.

These steps could be helpful, but they are no guarantee that the resulting technologies would ever reach the poor. Given that conventional technologies available today have not yet reached the poorest farmers' fields, the new biotechnologies may not fare any better. Are there any policy interventions that will improve the situation? Identifying factors that impede small farmers' access to and use of technology continues to be an issue that the development community must deal with. Investments in biotechnology research capacity for the public sector will be worthwhile only if the current difficulties in delivering conventional technologies to subsistence farmers can be reversed.

In Chapter 9 'Meeting the needs of the poor', FAO details the six main lessons for ensuring that the potential benefits of agricultural biotechnology reach the poor areas are as follows:

1. Biotechnology – including genetic engineering – can benefit the poor when appropriate innovations are developed and when poor farmers in poor countries have access to them on profitable terms. So far these conditions are being met only in a handful of developing countries.
2. Biotechnology should be part of an integrated and comprehensive agricultural research and development programme that gives priority to the problems of the poor. Biotechnology is not a substitute for research in other areas such as plant breeding, integrated pest and nutrient management, and livestock breeding, feeding and management systems.
3. The public sector in developing and developed countries, donors and the international research centres should direct more resources to agricultural research, including biotechnology. Public-sector research is necessary to address the public goods that the private sector would naturally overlook.
4. Governments should provide incentives and an enabling environment for private-sector agricultural biotechnology research, development and deployment. Public–private partnerships and other innovative strategies to mobilize research efforts so that FAO's position on biotechnology is determined by its competent statutory bodies under the guidance of the FAO Conference and of Summits of Heads of State and Government. For the poor should be encouraged. Annex 55 shows the Values and assets of public and private sectors in agri-biotechnology research.
5. Regulatory procedures should be strengthened and rationalized to ensure that the environment and public health are protected and that the process is transparent, predictable and science-based. Appropriate regulation is essential to command the trust of both consumers and producers, but duplicative or obstructionist regulation is costly and should be avoided.
6. Capacity building for agricultural research and regulatory issues related to biotechnology should be a priority for the international community. FAO has proposed a major new programme to ensure that developing countries have the

knowledge and skills necessary to make their own decisions regarding the use of biotechnology (Annex 56).

In response to the open letter from NGOs criticizing the 2004 SOFA, FAO Director-General Dr Jacques Diouf outlined his views on the use of biotechnology on 16 June 2004. Here are the key points.

- The FAO/WHO Codex Alimentarius has agreed on the principles and guidelines for assessing health risks related to foods derived from modern biotechnology. Foods derived from the GM crops currently being grown have been evaluated according to existing procedures for risk assessment and have been deemed to be safe to eat. However, the absence of evidence of harm to human health from the consumption of foods derived from GMOs is not a guarantee that they are completely safe; therefore FAO recommends continued monitoring and refinement of risk assessment procedures.
- The FAO/WHO Codex Alimentarius Ad Hoc Intergovernmental Task Force on Foods Derived from Biotechnology, open to all Member Nations, is the body responsible at international level to elaborate standards, guidelines or other principles, as appropriate, for foods derived from biotechnology.
- The FAO International Plant Protection Convention for pest-risk analysis for living modified organisms, which contains guidelines adopted by the 130 Members can help harmonize regulatory procedures globally.

As far as food sovereignty is concerned, FAO negotiated for seven years to arrive at the International Treaty on Plant Genetic Resources which became operational in 2004. This treaty recognizes, for the first time at the international level, farmers' rights and the rights of countries originating genetic resources. Further, under FAO's umbrella, genetic resources for food and agriculture are conserved at the international level by the international agricultural research centres of the CGIAR. FAO also assists developing countries to conserve their national genetic resources in situ and in vitro.

Diouf also mentioned that, in the Declaration adopted at the World Food Summit in June 2002, the Heads of State and Government reaffirmed 'the right of everyone to have access to safe and nutritious food'. Under the initiative of the FAO Council, an Intergovernmental Working Group has been established to develop a set of voluntary guidelines to support effective policies and measures for the right to adequate food.

Regarding the fight against hunger, Diouf said that the 1996 World Food Summit committed FAO Members to reducing by half the number of hungry persons in the world by 2015. He insisted that implementation of concrete projects in poor communities in rural and peri-urban areas are the priority for ensuring food production, employment and income, and thus achieving sustainable food security. He further detailed what these projects should emphasize:

- Small water harvesting, irrigation and drainage works (wells, canals, impoundments, treadle pumps, etc.). The other FAO annual report, The State of Food Insecurity 2003, indicated that 80 per cent of food crises are related in some way to water, especially to drought. Yet Africa, for example, uses only 1.6 per cent of its available water resources for irrigation;
- Use of improved seeds and seedlings, particularly those issued from the Green Revolution and conventional plant breeding and tissue culture; the combination of organic and chemical fertilizer in soils that are no longer left fallow and are now depleted due to population pressure and clearly deficient in plant-available phosphorus; the integrated biological control of pests, insects and plant diseases without making excessive use of pesticides and complying with the PIC Agreement negotiated under the auspices of UNEP and FAO; and simple post-harvest technologies;
- Diversification of village and household farming systems, with the introduction of short-cycle animal production (poultry, sheep, goats, pigs) and the provision of feed, vaccine and shelter; artisanal fisheries and small-scale aquaculture;
- Construction of rural roads, local markets and storage and packing facilities, meeting quality and sanitary standards; and
- Negotiation of more equitable terms for international agricultural trade.

He argued to have always maintained that GMOs are not needed to achieve the World Food Summit objective: improved seeds and plant material generated by international agricultural research centres, particularly within the framework of the Green Revolution and by national research systems, including hybrids and varieties from inter-specific breeding, are barely used by the smallholders of the Third World.

In the meantime, he added, attention needed to be drawn to the need to feed a world population that will increase from a current six billion people to nine billion in 2050. This will require, he said, intensified cultivation, higher yields and greater productivity. Therefore, he continued, we will have to use the scientific tools of molecular biology, in particular the identification of molecular markers, genetic mapping and gene transfer for more effective plant enhancement, going beyond the phenotype-based methods. But he insisted on the fact that decisions on the rules and use of these techniques must be taken at the international level by competent bodies such as the Codex Alimentarius.

He also noted that the developing countries should not only take part in the decision-making, but should also develop their scientific capacity and master the necessary expertise and techniques so that they can understand the implications and make independent choices in order to reach an international consensus on issues that concern all of humanity. He said that FAO provides support to the countries of the Third World to this end and will continue to do so.

Finally, he insisted on the private-sector-driven nature of the Gene Revolution compared to the Green Revolution. He said:

'In contrast to the Green Revolution which was generated by international public research and provided national research systems with improved genetic material, at no expense, biotechnology research is essentially driven by the world's top ten transnational corporations, which are spending annually US$3 billion. By comparison, the CGIAR system, the largest international public sector supplier of agricultural technologies for developing countries has a total annual budget of less than US$300 million. The private sector protects its results with patents in order to earn from its investment and it concentrates on products that have no relevance to food in developing countries'.

He concluded the open letter by saying that: 'FAO, in accordance with its mandate, will continue to provide a framework for ensuring a dialogue on these issues at the international level. Such a dialogue should be based on sound scientific principles allowing the analysis of socio-economic implications as well as sanitary and environmental issues'.

Green revolution in Africa

In 2005 FAO produced a report, 'Green revolution in Africa – A way forward for the African agricultural development?', which served as background document for the 31st Session of the Committee on World Food Security. FAO argues that the need 'to generate a uniquely African Green Revolution is long overdue'. The conclusion is that 'Africa needs a continued green revolution encompassing all the agricultural subsectors with a long-term horizon and sustained support, mobilization of regional and international scientific community and an extensive platform of partners to address successfully the enormous challenges ahead.'

The report analyses the main trends foreseen for developments in African agriculture, food and nutrition, inputs and natural resource use, and also the challenges emanating from the trends. It discusses the role of research and technology dissemination and adoption as key element that need to be incorporated into a long-term, sustainable strategy for agricultural development in Africa. The report outlines some challenges and the way forward for African agricultural development to avert food insecurity in Africa. These include:

1. Attention to agriculture has been inadequate.

2. If effectively implemented the NEPAD Comprehensive Africa Agriculture Development Programme (CAADP) could reverse the agriculture-related problems in Africa. A renewed central role for agriculture in development may be possible since the African Union Heads of State and Governments agreed at the 2003 Maputo Summit to allocate 10 per cent of their budgets to agriculture.

3. While agricultural research and technology adoption is essential for a successful revitalization of the African agriculture, the report stresses the importance of also incorporating the other pillars introduced in the package of measures by the CAADP:

    - extending the area under sustainable land use management and reliable water control;
    - improving rural infrastructure and trade-related capacities for market access;
    - increasing food supply and reduce hunger; and
    - agriculture research, technology dissemination and adoption.

4. Technologies for the improvement of soil fertility, small scale irrigation, water harvesting, reduction of post-harvest losses, processing of produce and many other simple technologies which are relevant to achieving food security are also essential.

5. A draft 'Companion Document' has been prepared to integrate livestock, forestry and fisheries to the CAADP. Emphasis will be on strengthening research and extension for addressing issues related to feed supply, animal health and genetic improvement; fisheries policy and institutional frameworks; fishery equipment and infrastructure improvements; and development of a vibrant commercial aquaculture.

Seeds

FAO was prominent in public sector seed industry development in the 1970s and 1980s. Almost all high-value seed production, however, is now in the private sector, says IEE. Most recent work has focused on emergencies (e.g. supporting seed distribution and reconstruction of national capacities). IEE notes activities for aligning standards and that enlarging cross-border seed markets through the harmonization of seed rules and regulations have resulted in agreement by the member countries of *Union Economique et Monétaire Ouest-Africaine* (UEMOA) and work is being pursued in other countries.

On agricultural processing, mechanization and post-harvest storage and handling, IEE observed that FAO's work in this area was accorded a low priority as there are many competitors and little FAO comparative advantage. These areas of work are handled by the Rural Infrastructure and Agro-Industries Division and they have not been evaluated since 1999. At that time they were found to be ineffective and since then work in mechanization has been virtually discontinued. Agricultural processing, IEE notes, is now primarily in the private sector and the technology is very diverse and specialized. On-farm storage for small farmers has many competitors, including NGOs involved in field development and extension work.

The 2005 evaluation of livestock policy and production work found that TCP had been used largely for production projects[31] which, according to IEE, were lacking in sustainability and not reaching the poor.

The work of FAO on animal genetic resource diversity has been marked by repeated changes of direction, states the IEE. The importance of focusing more specifically on utilization aspects and global strategy in addition to cataloguing and conservation has been repeatedly stressed by the inter-governmental technical working group on animal genetic resources , but this has not happened, says IEE.

[31] Of 59 TPC projects 20 were for small-scale dairy, nine for meat processing and inspection, and seven for the SPFS diversification component; only three were on policy.

On the animal health issue, says IEE, FAO's concentration has been on strengthening the delivery of clinical veterinary services. FAO showed strong leadership in the campaign to eradicate Rinderpest. But there has been less progress with other major diseases, particularly those of major importance for the LDCs[32] with the exception of trypanosomiasis in cattle in Africa (see p141 partnership with the World Bank, the International Atomic Agency, the African Union, the EC, the African Development Bank and IFAD). FAO launched its campaign on the Avian Influenza crisis in January 2004, notes the IEE. But substantial donor funding did not start until September 2005, reaching US$122 m by May 2007. These resources enabled FAO to embark on a measured response with some attention to the socio-economics of the disease. At the same time, notes IEE, FAO work on other livestock diseases of importance for poor countries has been cut back radically.

The IEE concludes on this issue that the biggest failure in FAO's animal health work has been in not integrating a veterinary perspective and analysis with analysis from policy and management perspective. This is important, IEE insists, for effective management of diseases and vital if their socio-economic implications for national economies and for the poor are going to be taken into account. There are indications, IEE notes, that this is now starting to happen and FAO has taken an important lead in seeking to consider economic and social aspects, but greater priority is required. Unfortunately, IEE argues, such work does not seem to receive much impetus from many of the international donors or the veterinary community which have a single-minded focus on veterinary regulatory approaches to disease management.

The FAO houses and supports the secretariat of the Livestock, Environment and Development initiative (LEAD)[33], a multi-donor programme that has started field testing of innovative concepts of the management of the negative impacts of livestock. This is being scaled through support of the Global Environment Facility, the World Bank and national government. The 2005 TCP evaluation found the work carried out by the pro-poor livestock policy initiative very impressive, although it also questioned whether it might be too sophisticated for policy application in poorer countries. It has, however, begun to have an impact at country level, including input with the World Bank into poverty reduction strategy papers (PRPs) in Africa.

Work on land and soils has been one of the largest drops in the proportion of FAO's Regular Program resources (27 per cent since 1994-05), notes IEE. With the 2007 restructuring, there are now only four headquarters-based professional staff positions on soils and land resources. Work in FAO is now concerned with: maintenance of a wide range of databases for land resources and land use; support to capacity building of national land and water information systems, including web-based Agro-Ecological Zoning (AEZ); and development of methodologies, tools and methods.

On water resources management, IEE argues that FAO shifted emphasis from irrigation scheme design and engineering to small-scale irrigation (especially in the Special Program for Food Security, SPFS), irrigation scheme management including the role of farmers and the compilation of water resource data. In recent years, notes IEE, some work has been done on water policy, including at country level in Africa (e.g. for Zanzibar where the IEE found that the policy received official government approval). The auto-evaluations found that FAO's normative work was not necessarily reflected in its project approaches, including for the SPFS. IEE finally notes that within the UN-Water FAO has the lead on water scarcity.

On institutional support to agricultural development (higher education, research, farmer learning and rural finance, marketing and agribusiness), IEE says that it could not substantiate the recent effectiveness of FAO's programmes. With the launch of the 'training and visit' system by the World Bank, much of the intellectual leadership on farmer learning was lost by FAO. The Farmer's Field School approach was developed

[32] Including Contagious Bovine Pleuro-Pneumonia, Rift Valley Fever (in Africa), Classical and African Swine Fever, Foot and Mouth Disease and Newcastle Disease.

[33] See Livestock's Long Shadow, published in 2006. FAO-LEAD Initiative Virtual Research and Development Centre. http://www.virtualcentre.org/selector.htm

by the Integrated Pest Management Program and is being further developed by the SPFS Support Unit. FAO did author jointly with the World Bank a conceptual approach for Agricultural Knowledge and Information Systems for Rural Development (AKIS), but its publication on reforming agricultural extension systems tends towards a defence of the status quo.

Work in research and extension was taken up by the CGIAR through the Institute for National Agricultural Research (ISNAR) which was founded in 1980. However, it ceased to be an effective programme in 2004, when it was combined with the IFPRI. FAO's capacity had by that time dropped to a level where it was in no position to occupy the space vacated. The Global Forum on Agricultural Research (GFAR) groups national agricultural research organizations and other stakeholders in a network but at the moment, IEE argues, the priorities and focus of the network remain unclear. The general impression that emerges from IEE's examination is that these areas of FAO work are toopoorly positioned and under-resourced to contribute significantly to new challenges for development.

Cross-cutting areas of FAO's work

As defined in the Strategy Framework (1999), one of the three goals of member countries which the Organization is dedicated to helping them to achieve is the conservation, improvement and sustainable utilization of natural resources, including land, water, forest, fisheries and genetic resources for food and agriculture. This corresponds to Millennium Development Goal 7. The creation of the Sustainable Development Departmentin 1994 and the Natural Resources and Environment Department (NRED) in 2007 was a recognition of the importance attached to this cross-cutting area.

Technology transfer and piloting: The Special Program for Food Security (SPFS) was evaluated in 2002 and it was found that its emphasis on demonstrating subsidized inputs for production in general brought little new to farmers. Since the evaluation, says IEE, many changes have been introduced. The Farmers' Field School approach developed by the FAO Integrated Pest Management Program has gained wider acceptance by national governments and development agencies, such as IFAD and GTZ, as an institutional approach to learning and knowledge transfer. IEE notes, however, that only in Nigeria has the SPFS been elevated to the level of a full national programme. The emphasis of the SPFS remains on production and there has been little uptake of the many pilots, although there are exceptions (Annex 46). During IEE's interview, one African Minister of Agriculture described FAO as resembling an NGO with its relatively small production interventions and lack of attention to major policy and institutional issues facing his country. The 2007 evaluation of the Sustainable Fisheries Livelihoods Development Program in West Africa found that there had been more concern with getting small community pilots under way than with their results. Finally, IEE says that national expertise in most production technologies suited to specific agro-ecological and social context greatly exceed that of FAO in the great majority of countries, including many of the poorest. IEE also notes that this is an area in which the CGIAR is active with considerably more professionals working on aspects of production technology than FAO.

Support for the development of policy and strategy: The recent external review of IFPRI stated that several professional peers and donors interviewed expressed the view that IFPRI is the pre-eminent institution in the economics of global and agricultural development. According to IEE, FAO clearly does not have this status among academics. But the question for IEE was whether FAO was more effective in supporting positive policy change. The Evaluation of FAO's policy assistance (2001) found that 85 per cent of interventions had identifiable results and in 21 per cent of cases the impact was high. Inputs to policy at the sector-macro interface were found to have been significant in Sierra Leone where the FAO food and agriculture sector review was important in the PRSP and the Government's commitment to overcoming hunger. However, says IEE, FAO has not demonstrated a strong capacity to contribute at this level.

Capacity building was a by-product of significance in several projects argues the IEE. FAO has, for instance, contributed to the integration of food security in the revised poverty reduction strategy document (PARPAII) in Mozambique. Another example of capacity building given by the IEE is FAO's continued support through an officer stationed in Geneva to the developing countries' delegations to WTO, especially in the LDCs. Policy inputs were also made to the follow-up to the Maputo Declaration of African Presidents with the NEPAD Comprehensive Africa Agriculture Development Program. However, the IEE did find that inadequacies in the strategy itself and a lack of national government and donor buy-in were limiting the results of this initiative.

Partnership with UNEP, World Bank, IFAD and CGIAR

According to IEE, UNEP is one of FAO's most active partners. Collaboration increased considerably in the last decade as part of a broader effort to integrate environmental and socio-economic development issues. The two organizations are members of several partnerships concerning forests and land degradation[34], and have formed an alliance linked to pesticides as persistent organic pollutants[35].

IEE notes that after having largely abandoned the agricultural sector in the 1990s, the World Bank has recently rediscovered it. This makes it important for FAO, it notes, to connect as systematically as possible with the Bank's new work. IEE gives also examples of partnership tensions with the Bank. This, it argues, has perhaps been most evident in the decline in the role and influence of FAO in governance and programme direction of the CGIAR. Issues of power asymmetries also rose in the Africa Stockpiles Program, where unbalanced participation in decision-making processes and a lack of clarity on the legal mechanisms for implementation proved damaging to the partnership.

In the field, IEE says, FAO cooperates with the Bank in various technical areas of work financed under World Bank loans and credits. These include activities in land administration, in fisheries and aquaculture, and partnering in regional strategy development in both Africa and Latin America. Most Bank country directors contacted during the IEE investigation consider that complicated administrative procedures and perceived declining quality of FAO expertise does not justify its extensive use.

There is some limited evidence, IEE argues, of FAO experience and knowledge having being scaled up through the IFIs. Staff from TCI and other divisions worked on the World Bank's Rural Development Strategy, 'Reaching the Poor', and FAO is working on the lead chapter for the 2008 World Bank World Development Report and toolkit for transforming African grain markets. IFAD in particular has pursued Farmers' Field Schools. At the policy level, in the World Bank at least, IEE says, the work on the rural development strategy and the World Development Report can be expected to have some influence on the investment agenda. In the Bank's 2006 'Renewed Strategy for Rural Development ', FAO is named, along with IFAD, as the 'key UN agency' with which the World Bank works in partnership to deepen its knowledge and experience in rural development generally and, more specifically, to deal with rural poverty beyond agriculture, including land reform and nutrition. The Bank also refers to partnership with FAO statistics. The entrée which TCI provides to the World Bank may also have assisted FAO to influence policies, IEE notes, such as that of the World Bank on pesticides.

According to IEE, international concerns that the best of agricultural science was not being applied adequately to research into food and agriculture needs of developing countries led, in 1971, to the creation of the CGIAR. While FAO, concerned about competition, initially did not support the creation of the CGIAR, it was later drawn in as co-sponsor, despite not being a donor, and as Secretariat for the Technical Advisory Committee (TAC). Over the coming years the relationship between FAO and the CGIAR, particularly at the corporate lev el, would periodically be buffeted by serious

[34] Including, for example, the Collaborative Partnership on forests, the Mountain Partnership, the Global Land Network, the Global Terrestrial Ecosystem Observation, and the Land Degradation Assessment in the Drylands (LADA) project.

[35] Under Stockholm Convention on Persistent Organic Pollutants.

disagreements. IEE notes that FAO's role in the decision-making process of CGIAR is very limited, while conversely the CGIAR and its centres take part in FAO intergovernmental meetings and committees. It mentions that relationships appear to be limited and declining in the traditional core areas of food crops, plant improvement, research and extension, plant protection and country policy assistance.

In 2006, Alexander Sarris, Director of the FAO's Commodities and Trade Division, discussed 'The role of agriculture in pro-poor growth in sub-Saharan Africa' at a workshop organized by the Swedish Ministry of Foreign Affairs.

The focus of Sarris's discussion was the dynamics of economic growth and their connections with poverty reduction from an agricultural vantage point. Earlier emphasis on production linkages of economic growth in general, argued Sarris, has of late been replaced by a focus on consumption linkages which provide a very clear role for agriculture since consumption linkages if directed towards areas of domestic, labour-intensive production can engender economic growth.

For agriculture to provide this type of growth-enhancing and poverty-reducing role, Sarris argued, certain conditions need to apply: the agricultural sector needs to constitute a large share of the domestic economy, equitable land distribution needs to characterize access to land resources, marginal expenditure shares must be large for labour-intensive non-tradable, excess (under-used) supply of local labour resources must exist, complementary improvements of local components of human capital must be undertaken simultaneously (for instance education and health), and market and infrastructure conditions must be improved, while there needs to be an increased demand for food.

Although these conditions currently hold for African agriculture in general, Sarris cautioned that:

- Whereas yields and productivity for the main agricultural products (historically) have increased in the developed countries, they have increased more slowly in the least developed countries, and have stagnated in Africa. This means that global price declines on these products affect countries that have not improved their productivity, which in turn leads to a marginalization of African agriculture within the world economy.

- The role of technology needs to be qualified. Based on micro-data from Tanzania, Sarris noted a simultaneous over-use of labour within agricultural production systems coupled with large inefficiencies in the use of technological farm-inputs, which in turn offer a rather 'easy' way of increasing productivity (if used efficiently). In this context, inefficiencies are connected with the key constraint constituted by the unavailability of finance. Hence, although important, technology in itself is not enough to enhance growth within the food sector.

- Sarris also pointed to constraints within the input-market for food crops in the post structural adjustment era and the necessity of recreating linkages between output and input markets to engender growth within the food crop sector. Historically such linkages were the basis of colonial marketing boards and cooperatives. The inefficient use of these structures after independence in many African countries has in effect discredited mechanisms for interlinking output and input markets, especially in the structural adjustment era. Sarris identified the emergence of indigenous producer organizations[36] within food crop production as a promising development for enhancing these linkages and suggested that this is an important area for support. Shepherd (2007)[ii] produced a review of experiences to date on approaches to linking producers to markets, especially examples promoted by organizations such as NGOs. Annex 51 summarizes the advantages and disadvantages per types of farmer–market linkage as perceived by FAO.

Sarris commented on the presumed impact of trade liberalization and argued that the analysis is focused on global models, which in turn are heavily dependent on closure

[36] Cooperatives' Role in Food Security, FAO's Perspective- http://www.copac.coop/idc/faoidc98.htm

rules (macro conditions) based on assumptions of full employment and fixed external foreign exchange rates. According to analyses by the FAO, such models imply larger benefits from trade liberalization as compared with the situation where these conditions are not fulfilled. Sarris therefore argued that the benefits from trade liberalization are much smaller to the least developed countries than is often assumed by the lay public.

On qualifications regarding the functioning of markets in general and the role of government intervention, Sarris advanced the argument that there is a lesser role for government intervention with regard to non-traditional exports than for food crops, and that the latter should be prioritized. Although there is scope for certain government interventions, it has to rely on markets that have self-enforcing and regulatory mechanisms, argued Sarris. The key issue in this context is how such markets evolve.

On the relationship between trade and aid, Sarris argued that the aid policies of the international financial institutions such as the World Bank have tended to promote trade (especially the export sector). This has resulted in a situation where a very large share of the product value accrues to international companies rather than the farmer. He also suggested that aid to enable trade should be centered on the demands of the African countries, rather than those of the international financial institutions.

On the issue of standards in general and standards as a trade barrier, Sarris said that less demanding quality controls on third country producers of agricultural products would be counterproductive, as this would suggest to consumers that goods from these countries are of inferior quality. Sarris pointed to the difference between the private and public sector as determinants of standards and argued that private standards are the prerogative of the private sector in the sense that retailers are free to adopt whatever standards they wish to. Sarris mentioned the negative role of standards as a possible trade barrier to imports of agricultural goods from Africa to the OECD countries. On the basis of US pistachio producers he identified a potential danger of the public sector adopting unnecessarily strict standards in response to lobbying from domestic producers interested predominantly in protecting their markets from foreign competition. Also pointing to the European policy of zero-tolerance for certain additives for instance he suggested that the austerity of such standards may be gradually increased as methods of measuring additives improve and called for the consequences and implications of harsher standards to be addressed. Technical assistance to third countries to fulfil the requirements of the health and food standards of the EU for instance were advanced by Sarris as the way forward in relation to standard setting.

On issues of policy space and governance, Sarris pointed to the limited policy space of African governments in relation to determining their tariff levels and argued that this was a consequence of pressure for reducing tariffs from multilateral institutions and donors. This has prohibited countries from raising their applied tariffs, despite a formal right to do so. This position, he was told, was in direct contradiction of the WTO principle of equal trading opportunities which the concept of policy space violates. Within the framework of the WTO however policy space is implemented through Special Preferential Treatment.

Over the years, a considerable corpus of literature has been developed both within FAO and elsewhere, on analytical approaches and tools that can be used for setting the ground for formulating agriculture, rural development and food security policies. Knowledge has also been accumulated on good policy practices. For example, the three Rome-based agencies, FAO, IFAD and WFP and their membership have agreed on the need to adopt the twin-track approach with a simultaneous promotion of broad-based sustainable agricultural growth and rural development, and targeted programmes to ensure that hungry people who have neither the capacity to produce their own food nor the means to buy it can have access to adequate supplies. Based on the fact that the available literature does not provide appropriate guidance to those whose work it is to help countries in shaping their policies and ensure that the advice they provide has a good chance of being adopted by governments, FAO embarked in 2006 on a lesson learning exercise in policy assistance aiming at capitalizing on international experience in the provision of policy assistance in order to identify good (and bad) practices for policy assistance.

This endeavour has had three main lines of activities: (1) Literature review; (2) A survey of institutions delivering country level policy assistance to developing countries and countries in transition; and (3) Case studies of selected country level policy assistance projects undertaken by FAO in the recent past. As a result of this, a synthesis is being prepared that presents lessons of a broad applicability indicating good and bad practices for the provision of policy assistance, and formulates recommendations addressed at policy advisors, the FAO and its partners[37].

2.5 World Food Program (WFP)

The WFP mission statement

In December 1994, WFP's governing body adopted the WFP Mission Statement, the first for a United Nations organization. The Mission Statement was based on a fundamental review of WFP's policies, objectives and strategies that involved member states of WFP, non-governmental organizations, United Nations and other agencies, academics and staff members. The WFP Mission Statement is to be considered as a living document that will be reviewed periodically. WFP is the food aid arm of the United Nations system. Food aid is one of the many instruments that can help to promote food security, which is defined as access of all people at all times to the food needed for an active and healthy life. [1] The policies governing the use of World Food Program food aid must be oriented towards the objective of eradicating hunger and poverty. The ultimate objective of food aid should be the elimination of the need for food aid.

Targeted interventions are needed to help to improve the lives of the poorest people – people who, either permanently or during crisis periods, are unable to produce enough food or do not have the resources to otherwise obtain the food that they and their households require for active and healthy lives.

WFP dominant agency on Food Security

IEE/FAO (2007) says that among the three Rome-based institutions, there is some confusion over not only what food security means but which agency should assume the responsibility for it. Given its humanitarian assistance orientation, which has resulted in a stronger funding base, WFP has increasingly emerged has the dominant player. It has developed an increasingly strong field presence and logistic capacity, and has attracted significantly large amounts of financing. In addition, as an agency structured specifically for humanitarian goals, it has been accorded much more flexibility than FAO to respond to unexpected situations. The result is an increasing food aid orientation on food security issues for the UN system overall. Given the somewhat natural tendency of organizations to do things in-house, particularly if others are seen to have a limited capacity to respond to emerging needs, this has led to some duplication of functions. As one example, WFP has recently established a unit for the analysis of the economics of food aid, a function for which it might conceivably have relied on FAO.

The World Food Program (WFP) primary objective is to address the food need of its beneficiaries in emergency situations. WFP was historically based on the concept of using food commodities to pursue both developmental and humanitarian goals, but its development activities now represent less than 10 per cent. However, a number of policies developed within the Strategic Plan 2004-2007 seem to indicate that the questions of cash transfer, monetization and the role of food aid in promoting social and economic development (e.g. in the form of market support) are currently under debate.

1. Social and economic development is WFP implicit objective

In 2002, WFP adopted its Consolidated Framework of Policies. Linking Relief and Development appeared as one of WFP Mission Statements. It says that '…WFP will

[37] 19-20 April 2007. International workshop discussed the results of a global lesson-learning exercise in policy assistance.

ensure that food aid is an appropriate resource to facilitate recovery. Types of recovery activities meriting from food aid support may include targeted or supplemental feeding, maximizing the use of mother-and-child health (MCH) structures as a safety net, agriculture and livestock interventions, including livestock feeding when animal production constitutes the main source of income for an affected population, school feeding or skills training, community-level asset creation, risk reduction and disaster prevention and market support, for example through local purchase or food aid.'

Building country and regional capacities (2004)

The Strategic Plan 2004-2007 highlights the need for WFP to move from an ad hoc approach based on technical support to a systematic approach based on building capacities. In 2004, WFP approved a policy framework for 'Building country and regional capacities'[38] which stipulates that: '…as much as possible, WFP should mainstream capacity interventions in all its food aid operations.' It further states that '…capacity-building interventions should begin at the strategic level so that all activities support a broader framework to implement and sustain hunger reduction activities. Where country capacities are too weak to support national programmes, WFP can nevertheless begin building selective capacities to facilitate greater leadership and learning by government ministries, local administrations and communities in using food assistance to address hunger needs. Wherever possible, WFP should aim to facilitate and participate in South-South collaboration on capacity development so that countries and regions can learn from each other.' In development situations, WFP says that it works within harmonized efforts of the UN system to support the national poverty-reduction strategy. Within its mandate to ensure such strategies directly address hunger and malnutrition issues, WFP should participate in a capacity assessment and with partners identify capacities that it can help to develop within its comparative advantage.

Procurement trends

Food procurement from developing countries was first promoted at the World Food Conference in 1974, which called for 'improved policy for food aid' and urged donor countries to provide cash resources for commodity purchases in developing countries. In 1979, the Committee on Food Aid Policies and Programs (CFA) adopted Guidelines and Criteria for Food Aid Programs, which recommended triangular purchases with a view to diversifying food aid to suit beneficiary consumption habits. The Food Aid Convention also encourages the provision of cash resources for local and triangular purchases.

Food procurement as a means of supplying food aid remained relatively low until recent years. Currently, food procured in developing countries accounts for approximately 20 per cent of global food aid. WFP has historically been the largest single procurer of food aid on a global scale. From 2001 to 2004, WFP bought an average of 1.25 million mt of food per annum (US$263 million) in developing countries (Annex 67). WFP's local purchases have also risen significantly, although they still account for only a third of its total food procurement and usually less than half of its procurement from developing countries.

During its Annual Session in May 1998, The Executive Board discussed a document on 'Local Purchases of Food and Non-Food Items' (WFP/EB.A/98/8-B). That document highlighted the increased importance of local procurement of food aid and non-food items in WFP's activities. The Board requested further information on how WFP's food procurement avoided causing negative consequences on local markets; a follow-up review was presented the Board in October 1999. But since then, local and triangular procurement have not been widely researched.

[38] This policy framework (WFP/EB.3/2004/4.B) was followed by a 'Financial Framework for Strategic Priority 5 Implementation' in 2005 (WFP/EB.1/2005/5-A).

The findings of previous studies[39] conducted have addressed only limited aspects of their impact on local economies. Given the limited evidence based, WFP's Board commissioned six case studies[40] on its local and regional procurement activities to determine the extent to which these activities can have positive or negative impacts on development[41].

Impacts of procurements on developing countries

The various case studies provide evidence that WFP's local and triangular food procurement can and often does have a positive impact on markets, food processing industries and, in a few countries, local agricultural production. The development impact of WFP's local and regional procurement activities is generally greatest where markets are not well-developed and where WFP can regularly procure significant amounts.

Food procurement in developing countries has the implicit objective of supporting the agriculture sector and economy of a country. Supporting market development through local and regional purchases complements direct efforts to improve food security through food aid programmes. The studies show that under its normal procurement procedures WFP meets this objective, while ensuring its primary objective of meeting beneficiary food needs in a timely, cost-efficient and appropriate manner.

Nonetheless, WFP notes that: 'the positive potential of food aid procurement should not be over-estimated. Total production of cereals in developing countries currently amounts to 1.25 billion mt – about 58 per cent of global cereal production. Typically 14 per cent of global production is traded. Developing countries export 68 million mt; while they import 167 million mt[42].WFP's total annual food aid needs are anticipated to be approximately 5 million mt. Thus, national agricultural and trade policies and investments remain the most significant factors in promoting agriculture and market development.'

Grain market development

All reviews of food procurement agree that when the cash is in hand and can be used flexibly and without restriction, local and regional purchases are more cost-efficient and more timely than other sources of food aid. WFP's presence as a competitive buyer in food markets has had important impacts on market development in many countries, promoting competitive behaviour, raising business standards and improving the quality of food supplied by traders. When procuring in markets that are not well developed, however, the administrative costs and risks increase. As an uncertain and often unpredictable buyer, WFP has a responsibility to intervene in markets without creating false expectations.

Assistance to small traders and farmers' groups

In some countries, WFP procurement officers have – on their own initiative – worked with small traders and farmers' groups to help these to participate in competitive tenders, Measures to encourage such participation include relaxing some of the tender

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[39]Wandschneider, T. and Hodges R. (2005). Local food procurement in Uganda: A case study report for EC PREP (DFID), London, NRI and University of Greenwich; Walker, D. and Wandschneider (2005) Local food procurement in Ethiopia: A case study report for EC PREP (DFID), London, NRI and University of Greenwich; Walker, D. and Boxall, R. (2004). Contributions to rural development by local and regional procurement of food aid, paper on behalf of Euronaid, London, NRI and University of Greenwich; German Federal Ministry for Economic Cooperation and Development (BMZ) (2005). Joint Evaluation of Effectiveness and Impact of the Enabling Development Policy of WFP, May, Bonn.

[40] in Bolivia, Burkina Faso, Ethiopia, Nepal, South Africa and Uganda

[41] This WFP policy paper focuses on four types of food procurement activities: world market transactions, triangular transactions, regional purchases, and local purchases. See detailed definitions on WFP/EB.1/2006/5-C, p.8

[42] FAOSTAT, 2005.

requirements such as bid bonds that do not sacrifice cost-efficiency, quality or timeliness, and purchasing on terms in which WFP manages transport from the supplier's warehouse. The amounts procured are limited so that WFP's food pipeline is not exposed to the risk that these groups fail to fulfil contacts.

In a few countries where a WFP partner with expertise in agricultural development has supported the formation and management of farmers' groups, WFP has invested the administrative costs required to help such groups to participate in WFP's procurement process. However, this is usually done outside of emergency situations, when food is not urgently needed. The extent to which WFP can help depends on the usually limited time that procurement staff has to provide such assistance.

Direct contracting with farmers and farmers' groups

In some cases, WFP has been urged to support small farmers by contracting directly with farmers and farmers' groups outside the competitive tendering process in order to support agricultural development programmes. In its procurement procedures, however, WFP normally undertakes direct contracting only when there are fewer than three suppliers for a commodity, or in sudden-onset emergencies, when a very small amount can be procured to meet immediate needs. These limits help prevent uncompetitive behaviour and reduce the risk that WFP cannot meet beneficiary needs effectively.

The case studies on Burkina Faso and Uganda and the NRI study on Uganda found that WFP's experience of supporting farmers' groups has had mixed results. Farmers participating in groups have benefited from higher incomes, which many have invested in improving agricultural production. In addition, some of the groups were able to invest in storage and cleaning equipment, improving their food quality and thus the returns from traders. For WFP, however, the experience has generally been negative, resulting in higher prices paid, higher administrative costs because of having more contracts to monitor, and greater risks of default. As a result of higher prices paid, direct contracting has usually led to a transfer from WFP's beneficiaries to farmers supplying WFP, who are normally better off than WFP's beneficiaries.

WFP noted that as it procures on the basis of food aid needs and in consideration of the level of cash contributions it receives, it is not a reliable buyer on a market. Artificial support to farmers' groups could therefore lead to investments by these groups that they cannot maintain when WFP stops buying. So, although WFP can have an impact on developing the capacity of these groups and linking them with the formal trading sector, it is equally clear that direct contracting and preferential terms that do not fit the market realities can lead to inefficient use of resources.

Purchasing premiums

A few donors have requested WFP to undertake local purchases from specific groups even when the cost of such purchases exceeded the cost of food available elsewhere. Where donors have wished to support purchases from farmers' associations, for example, they have often been willing to pay a premium on market prices as a means of supporting the farmer households belonging to these associations and promoting their marketing of food. In other cases, donors have asked WFP to purchase food locally, despite it being available regionally or internationally at lower cost.

A higher price offered by WFP to farmers' groups for one or two seasons can provide an incentive to increase production, but this is unsustainable. Without any further investment in post-harvest storage and marketing linkages, the income gain results in windfall profit to some farmers, without any market development. Once WFP stops procuring, or returns to competitive pricing, the farmers and farmers' groups are no longer able to compete, unless they have used the income gained to invest in storage and quality control capacity. Moreover, although WFP can provide a limited incentive through the procurement activity, it faces increased administrative costs and increased risk of default in doing so.

Stimulating regional trade

In many cases, WFP already has a significant impact in stimulating regional trade. The NEPAD study encouraged WFP's use of regional procurement to stimulate regional trade. However, the studies that considered regional purchases[43] noted that WFP procurement has stimulated trading activity where the infrastructure and security situation facilitate trade. WFP reckons that it needs to take informal trade flows into consideration. Procurement can increase formal sector regional trade, but it may also disrupt informal sector flows as more food is absorbed within the country. Thus, for both local and triangular purchases, WFP must maintain a regional perspective in its procurement.

Risk of overdependence on WFP

The Uganda studies highlight the importance of WFP being a responsible buyer in a local food market. WFP is one of the largest institutional buyers in Uganda, and currently dominates the Ugandan commercial maize export market. As food aid needs in Uganda decrease, WFP must exit this market in a responsible manner. The sudden withdrawal of WFP from such a market would have severe adverse effects on larger traders, and could collapse commercial maize exports. There are export markets for Ugandan traders, but these have not been fully developed because WFP absorbs most of the export surplus. As an influential actor on the Ugandan maize market, WFP will need to consider how best to exit from the market over time.

WFP studies' conclusions

WFP aims to achieve a balance between its procurement objectives of timely, cost-efficient and appropriate food and its programmatic objective of promoting developing country food markets and the food security of food aid recipient countries. The following summarizes the conclusions that WFP (2006)[iii] has drawn from the analysis of the impacts of its own procurements in six developing countries. The analysis considers the positive and negative impact on developing country markets and industries.

- *Market development as an implicit objective.* WFP seeks to strengthen developing country markets, wherever this can be done consistently with purchasing efficiency and the optimal use of scarce cash resources. WFP's primary objective is to address the food needs of its beneficiaries.
- *Flexible and timely cash contributions.* The provision of untied donor resources would allow WFP to procure at the local, regional or international level, promoting market competitiveness and ensuring the cash is used to provide food in the most timely and efficient manner.
- *Encouraging small traders and farmers' groups.* When food needs are not urgent, WFP can do more to encourage small traders and farmers' groups that can trade competitively in the formal sector. However, increasing such support would require more field-level procurement officers.
- *Preferential treatment for farmers and farmers' groups.* WFP is not well-placed to use procurement to support farmers and farmers' groups entering the market place. There may be limited opportunities for support as part of a broader partner-led strategy.
- *Developing food processing capacity.* WFP should continue to support the creation of processing capacity to produce fortified blended foods and high-energy biscuits in countries where local processors have the potential to become market competitive.
- *Procurement office capacities at the country and regional levels.* To promote local and regional purchases further, particularly in countries where markets are not well developed, WFP should consider expanding its specialist food procurement staff capacity in view of the potential supply capacity of the market, the cost-savings that local and regional procurement can bring, and its overall needs.

[43] Burkina Faso, South Africa and Uganda case studies, NRI study.

2. Safety Nets: Cash or food?

At its annual session in 2002, the WFP Board welcomed the Consolidated WFP Policies. The Secretariat was asked to submit the latest version of the policy framework each year. In its 2005 update, the Consolidated WFP Policies paper contains newly endorsed policies including 'supporting WFP's use of food-based safety nets'. On this subject, WFP says that it will develop guidelines on the design and implementation of safety nets. It argues that particular attention should be paid to: (1) the most effective safety-net modalities for local circumstances, (2) the optimal combination of food and cash transfers, (3) the potential for safety nets to act as a bridge between emergencies, recovery and development and (4) the design of safety-net activities.

In 2004, WFP explained its policy on Safety Nets. The policy paper says that:

'…although not all interventions are suited for implementation under safety nets, WFP's involvement can be an important complement to existing policies such as Enabling Development and help to ensure that national and international effort mutually reinforce each other to benefit the livelihoods of poor people.' The paper continues, '… safety nets are not confined to a limited set of instruments; development practitioners are continuously creating new designs. A set of instruments, however, has been developed by the World Bank and others. (WFP/EB.3/2004/4-A, p6)'

WFP also explains that any of those safety nets can be provided either in cash or in kind. Both cash and food-based programmes provide a transfer of income to increase recipients' purchasing power, but food-based programmes also have other objectives, such as increasing household food consumption in order to address hunger and malnutrition or micronutrient deficiencies.

WFP then says that when an intervention is designed, the comparative advantages of cash and food should be carefully analysed on the basis of local conditions. Factors to consider include the following[44]:

- Level of market integration and food supply;
- Level of financial infrastructure and administrative capacity;
- Inflation effects;
- Food consumption;
- Micronutrient deficiencies; and
- Targeting.

Often, WFP says, it will not be a question of food or cash, but how best to combine the two resources to achieve optimum results. This may be done by combining a food-based safety-net activity (activities for pregnant and lactating women) for one vulnerable group, with a cash-based programme (e.g. cash for work for the unemployed) directed at another. Another option is to combine cash and food in the same transfer. WFP adds that the transition from food transfer to cash is most effective when other crucial structural interventions are also implemented to address the underlying constraints that characterize the risky and harsh environments where WFP often operates. When such improvements take place; the comparative advantages of food decrease. The status of food supply, its marketing infrastructure and the financial infrastructure could function as key indicators in deciding when the transition from a predominantly food-based approach towards a cash-based system is most appropriate.

3. Monetization or sales of food aid commodities

Policies governing the monetization of food commodities were considered most recently by the WFP Board in its 2005 Consolidated Framework of Policies and before that in 1997. In 2005, WFP declared that: '… [it] will take a restricted approach to

[44] For details see WFP/EB.3/2004/4-A, p7-8.

monetization, resorting to open-market monetization only in exceptional situations where the Board has agreed that it is the best course. Possible exceptions include:

- When a strong case for monetization has been made in CSO and the Board has agreed to it;
- Occasionally in emerging situations where it has clearly demonstrable benefits over and above the transfer of income to beneficiaries and where the generation of funds is not the primary objective of the community sales; and
- When a non-traditional donor making a commodity contribution may not otherwise be able to provide sufficient or timely cash in accordance with the new resource and long-term financing (R&LTF) policies.

WFP says that it may continue to use closed-market monetization[45] where it is considered the most appropriate modality, in line with past practice. In such circumstances, and in exceptional cases involving open-market monetization, WFP will ensure that the monetization programme is cost-effective and that the sale of commodities does not disrupt markets and local production, or run the risk of creating lasting dependency among beneficiaries in the recipient country.

WFP notes that the sale of food on the open market to generate funds for purchase of locally produced commodities constitute commodity exchange, not monetization, and are allowable when managed in the same way as open-market sales for other purposes and when they are cost-effective and not disruptive to normal recipient country market. Finally, WFP says that as a bilateral service, it may monetize on behalf of donors as long as the intervention is consistent with WFP's mandate and does not distort local markets, displace food imports, or infringe on the Principles on Surplus Disposal of FAO.

2.6 IFAD/FAO/WFP relationship

The recently released Independent Evaluation of FAO explains the current collaboration between the Rome-based agencies. (IEE/FAO 2007, p232-233) The three agencies resident in Rome represent three different organizational types of UN structure: FAO is a specialized agency; WFP is a programme, while IFAD is a fund. 'Together, the three manage a twin-track approach to issues of food security – balancing immediate assistance for the poor and hungry with longer-term development programmes that boost productivity, create employment and increase the value of people's assets.'[46] IEE/FAO argues that what some see as a current imbalance between support for humanitarian activities and development perhaps represents the unsettling reality that is easier to mobilize resources to deal with symptoms than with their root causes.

According to the Belgium delegation to OECD (2005)[47], because they are located in Rome and are all connected in different ways to the issue of food, the need for three quite separate UN agencies has frequently been called into question by those concerned with what they see as the fragmentation of the UN System. IEE/FAO (2007) argues that such argumentation is weakened by the fundamental fact that they do quite different things and they have different ownership and governance structures. The November 2006 High-Level Report on UN System-Wide Coherence recommend that 'to build long-term food security and break the cycle of recurring famines, especially in sub-Saharan Africa, WFP, FAO and IFAD should review their respective approaches and enhance interagency coordination'. rather than pursue integration.

[45] Closed market monetization refers to the sale of WFP commodities, usually at subsidized prices, to closed groups of designated beneficiaries outside normal commercial markets.

[46] FAO/IFAD/WFP (2002). Reducing Poverty and Hunger: The Critical Role of Financing for Food, Agriculture and Rural Development. Paper prepared for the International Conference on Financing for Development, February.

[47] Delegation of Belgium to OECD/DAC (2005). Towards a Re-design of the UN Development Architecture. Room Document 6. Senior Level Meeting, December.

This practical approach has considerable support among those interviewed by the IEE/FAO (2007).

IEE/FAO (2007) says that a large part of the professional interactions among the staff of these three agencies relates to emergency and rehabilitation activities. The joint effort at the Monterrey Conference and in recent agreements to establish country-level food security working groups are examples of this type of broader cooperation.

On more operational issues, IEE/FAO (2007) finds some overlap in the area of needs assessment. Both FAO and IFAD believe that better use in FAO in some of their own functions is limited by FAO's strained human resource and financial situation and by FAO's slow response times and heavy administrative processes. In theory, IEE/FAO says, the synergies between IFAD and FAO should be strong. IFAD has resources for rural development projects and FAO has technical know-how and a field presence which IFAD does not have. IEE/FAO's discussions with IFAD, however, reveal hesitancies about closer technical collaboration with FAO. The issues that seem to concern IFAD do not appear to be programmatic but rather ones mainly of administrative inefficiency, heavy bureaucracy and high transactions costs.

All three organizations evince at least some interest in making progress in working together on common services – but this interest is tempered by the caveat that 'it is not as easy as it sounds', says IEE/FAO. One obstacle appears to be the attitude of member countries as reflected in the different governing boards. A common perception in all three organizations is that narrow national interest or rigid positions frequently arise in governing bodies that make officials very cautious in proposing creative and innovative solutions.

2.7 United Nations Development Program (UNDP)

UNDP helps developing countries attract and use aid effectively. The annual Human Development Report, commissioned by UNDP, focuses the global debate on key development issues, providing new measurement tools, innovative analysis and often controversial policy proposals. The global Report's analytical framework and inclusive approach carry over into regional, national and local Human Development Reports, also supported by UNDP. In each country office, the UNDP Resident Representative normally also serves as the Resident Coordinator of development activities for the United Nations system as a whole. Through such co-ordination, UNDP seeks to ensure the most effective use of UN and international aid resources.

UNDP's work on the strategies and policies for poverty reduction is anchored in three basic principles: the multi-dimensionality of poverty, the centrality of gender equality and the critical importance of a cross-cutting approach. UNDP believes that economic growth is necessary for sustained poverty reduction, but it is not sufficient. Poor people should not only benefit equitably from economic growth, they should have the opportunity to actively contribute to its generation. Equity is a major dimension of the economic growth-poverty reduction nexus.

As a result, strategies and policies for poverty reduction must cover many areas. Key areas of UNDP support include: Macroeconomic and structural policies – formulating the overall policy framework for growth for poverty reduction; Employment for poverty reduction – strategies for the employment- economic growth-poverty reduction nexus; Public resource management – focusing on fiscal issues, in terms of policies and management, to make sure they complement poverty reduction initiatives; Information and Communication Technology for Development (ICTD) – making ICT work for poverty reduction through policy interventions ; Civil society and MDGs – developing strategies for partnering with civil society in overcoming poverty.

UNDP works to provide policy options and promote policy dialogue on Macroeconomic Policies and Adjustment Policies in order to promote the reduction of poverty and the attainment of the Millennium Development Goals (MDGs). UNDP has led policy-oriented research across all regions, focusing predominantly on two areas: (1) Economic Policies and Poverty Reduction – Past work has focused on the link between economic policies and poverty reduction, covering fiscal, monetary and exchange-rate policies, financial policies and the privatization and commercialization of public services; and (2) Economic Policies and the MDGs – More recent research has focused on the link between economic policies and the MDGs and, specifically, on the macroeconomic consequences of a dramatic scaling up of Official Development Assistance to help developing countries reach the MDGs. This has involved broadening the focus of research to include Economic Policies for Growth and Employment as well as for Poverty Reduction. It has also involved focusing on the macroeconomics of scaling up HIV/AIDS financing.

Key initiatives in UNDP work on macro and structural policies

(1) Privatization and Poverty Reduction – A global programme on Privatization and Poverty Reduction has produced an upcoming book on Africa, papers on transition economies such as Armenia and China and a UNDP International Poverty Centre working paper on the consequences for the MDGs of privatizing and commercializing public services.

(2) Global Imbalances and Policy Responses – Another major area of global research involves using a world trade and income model to examine and evaluate global imbalances and suggest a development-oriented policy agenda that would redirect capital flows to developing countries and help them achieve the MDGs.

(3) Global Training Initiative – The Bureau for Development Policy and the Regional Bureau for Africa have developed training modules in sub-Saharan Africa on Pro-Poor Growth, Employment and Fiscal and Monetary Policies. This has led to the development by the International Poverty Centre of global training modules on fiscal, monetary and financial policies.

Most recently, UNDP work on Macro and Structural Policies has focused on sub-Saharan Africa, and been linked to the work of the Regional Bureau for Africa and the Bureau for Development Policy on 'Economic Policies in Support of MDGs and Poverty Reduction'. National reports in Ghana, South Africa and Zambia and summary reports have been produced. In addition, the International Poverty Centre has published several Country Studies based on these national reports.

Following the September 2005 UN World Summit in New York which called on all developing countries to prepare action plans that align the goals to national development priorities by the end of 2006, UNDP's Regional Bureau for Africa stepped up its support to help countries in the region achieve the MDGs. UNDP is offering an integrated package of services to help African countries prepare and implement credible MDG-based poverty reduction strategies. The package focuses on MDG-based investment and policy planning; widening economic and governance policy options; and capacity development, including investing in national ownership and implementation.

So far, 40 of the 45 countries covered by UNDP's Regional Bureau for Africa, under Houngbo's leadership, have embarked on MDG-based planning, with support from UNDP and in close collaboration with other UN agencies and other development partners, demonstrating their willingness to fulfil the commitment undertaken at the 2005 World Summit and, thus, the continued need for external partners to support their efforts. About 20 African countries, including Togo which did so in the face of a number of challenges, have now put in place credible MDG-based plans.

To date, two workshops[48] have been organized to assess Africa's progress towards the MDGs, pinpoint roadblocks which may stand in the way and identify what African

[48] On 11-13 April 2007, The Lome gathering was the first of two workshops organized by UNDP's Regional Bureau for Africa in 2007 – the midpoint to the target year of 2015. On 18-20 April 2007, experts from English-speaking African countries came together for a session in Kampala, Uganda. See http://content.undp.org/go/newsroom/2007/april/africa-mdg-workshop-20070512.en

countries can do to catch up with other regions in the race to reach these global benchmarks. During the workshops, participants heard about lessons learned from these efforts and discussed a variety of topics, including possible adaptation or strengthening of needs assessment methodologies and tools; addressing capacity bottlenecks and accountability weaknesses; medium-term budgetary processes; macroeconomic policies, including the issue of fiscal space; growth strategies; decent work – an area where UNDP is intensifying its collaboration with the International Labour Organization – as well as more effective partnerships.

Private-sector Partnership Strategy (2004)

The Report of the Commission on the Private Sector and Development, Unleashing Entrepreneurship: Making Business Work for the Poor, was presented on March 1, 2004 by Prime Minister Paul Martin of Canada, and Ernesto Zedillo, Director of the Yale Centre for the Study of Globalization and former President of Mexico. In this report to United Nations Secretary-General Kofi Annan, the Commission focuses on how business can create domestic employment and wealth, free local entrepreneurial energies, and help achieve the Millennium Development Goals.

Looking back at the impacts of the 2000 Global Compact Initiative, UNDP argues that although new partnerships for development had been forged under this initiative with over 1,400 private-sector companies, relatively little emphasis had been placed in international development policy on expert assistance and regulatory reforms aimed at the smaller-scale indigenous enterprises that in most countries are the primary engine of job creation and domestic commerce. That's why, it says, the Commission on Private Sector and Development was established in 2003. It was to place the ambitions ofthe local businesses in the poorest country at the heart of the world's development strategy. For Commission co-chair Ernesto Zedillo (leader of the Millennium Project's research effort on trade and financial issues and head of the Yale University Centre for the Study of Globalization in 2004) the challenge is clear: 'There cannot be human development without economic growth, and a fundamental ingredient of growth is the private sector.' Progress is more than possible – and it occurs with regularity under the right conditions, says the report. Economic growth has lifted hundreds of millions of people out of subsistence agriculture into manufacturing and service employment, increasing wealth and reducing poverty, the reports adds. Providing inputs to the agricultural sector and the value added processing and marketing of agricultural goods are important parts of private sector development. The critical importance of agriculture in alleviating poverty reinforces the need for urgent progress on eliminating subsidies for producers in developed markets, and on trade reform.

Bringing the informal business sector into the legal and economic mainstream is a principal focus of the Report. For multilateral institutions, the report calls for the application of the Monterrey recommendation of specialization and partnerships to private sector development activities (UNDP 2004, p40). The report also gives some examples to show how private enterprise can alleviate poverty. Here are two of them in Africa: (1) In Guatemala the Confederation of Agricultural Cooperatives formed a joint venture with Canadian firm. The enterprise now exports vegetables worth more than $3 million a year to Canada, providing steady income for 100 indigenous women and supporting more than 1,000 farmers; (2) In Mozambique a farmer bought an oilseed press on credit. Now as the owner of four presses, he has organized nine other press operators into a small cooperative association, bargaining with local banks and customers as a group (UNDP, 2004, p6).

UNDP Aid for Trade (2006)

This concept note explores the fact that, over the past year, it has become evident that there is a broad consensus among the international community that both a successful conclusion of the Doha Round of trade negotiations and the effective contribution of trade to poverty reduction and national development strategies will require a substantial scaling up of 'aid for trade' to LDCs and other low-income countries.

The Commission for Social Development (CSD): 'Review of the first United Nations Decade for the Eradication of Poverty (1997-2006)'

The forty-fourth session of the CSD held on 8-17 February 2006 prioritized the theme 'Review of the first United Nations Decade for the Eradication of Poverty (1997-2006)'. The report of the Secretary General focuses on key developments including the strengthened commitment to poverty eradication at the national and international levels, the evolution of strategies for poverty eradication, the enhanced co-ordination within the UN system to support the efforts of Member States and the obstacles and challenges that still face development partners in their fight against poverty around the world. The report concludes with a set of recommendations for consideration by the Commission. [49] The Commission recommends to the Economic and Social Council the adoption of a resolution and its transmittal for the Council's consideration as a contribution to the co-ordination segment of its substantive session of 2006. Here below are some of the priority themes.

- Emphasizes that enhanced international cooperation and action at the national level are crucial to the implementation of the Copenhagen commitments and the achievement of the internationally agreed development goals, including the Millennium Development Goals;

- Reiterates the need for urgent actions to overcome obstacles and challenges in the fight against poverty which include, inter alia, income inequality, gender inequality, urban–rural poverty gap, HIV/AIDS, tuberculosis, malaria and others infection diseases and armed conflicts;

- Stresses that each country has the primary responsibility for its sustainable development and poverty eradication and, in this regard, emphasizes the role of national policies and development strategies;

- Urges all countries to adopt, by 2006, and implement comprehensive national development strategies in order to halve extreme poverty by 2015, as agreed in the 2005 World Summit Outcome;

- Reaffirms that within the context of each country's level of development and priority, a sustainable pro-poor economic growth policy is a necessary component of the development agenda in order to overcome poverty and to address the growing income inequality and wealth distribution;

- Encourages Governments to enhance public investments, capacity-building, and domestic resources mobilization, provide an enabling legal and regulatory environment for small and medium enterprises, ensure good governance, and expand access to financial resources to promote sustained economic growth and, reduce their social and economic vulnerability;

- Stresses that broad and inclusive poverty reduction strategies should adopt an integrated and holistic approach to respond to the multi-dimensional nature of poverty with priority accorded to measures that foster social integration, in particular by providing all marginally socio-economic sectors and groups wider and equal access to opportunities;

- Reaffirms that poverty reduction strategies should include, inter-alia, policies that incorporate investments in human resources and infrastructure, promote agriculture and support rural development, empower women and ensure gender equality, and provide social safety nets and risk mitigation measures;

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[49] A summary of the outcomes can be found at:
http://www.un.org/esa/socdev/c sd/csocd2006/documents/drft_outcome.html

Also find the Commission resolutions at:
http://www.un.org/esa/socdev/csd/csocd2006/resolutions/res06.htm

- Urges governments to adopt full, productive and decent employment as a central objective of national and international macroeconomic policies, that is fully integrated into poverty reduction strategies, including, where they exist, poverty reduction strategy papers, and encourage countries to set time-bound goals and targets for expanding employment and reducing unemployment, including national action plans for youth employment;

- Reaffirms the importance of the contributions and assistance made by developing countries to the other developing countries in the context of South–South cooperation in order to achieve development and eradicate poverty;

- Stresses that broad-based participation of all stakeholders in the poverty reduction process, including the poor themselves, is necessary to improve governance and accountability and to enhance a sense of ownership and successful implementation, and in this context recommends integrating initiatives to strengthen capacity building and participation of the poor into poverty reduction strategies in order to advance poverty awareness, stimulate national debate, mobilize stakeholders, and specifically to promote political, social and economic empowerment;

- Emphasizes that poverty reduction efforts must be results-oriented to improve the capacity to diagnose poverty and enhance policy analysis and implementation and stresses the importance of aligning targets and indicators, especially the internationally agreed development goals, including the Millennium Development Goals, and the existing poverty reduction strategies;

- Stresses that together with coherent and consistent domestic policies, international cooperation is essential in supplementing and supporting the efforts of developing countries to use their domestic resources for development and poverty eradication and in ensuring that they will be able to achieve the internationally agreed development goals, including the Millennium Development Goals;

- Recognizes that reaching the internationally agreed development goals, including the Millennium Development Goals, requires renewed partnership between developed and developing countries and stresses the importance of commitments made at the 2005 World Summit in this regard;

- Invites the General Assembly and the ECOSOC to continue to include consideration of eradication of poverty as one of the thematic areas in future debates;

- Invites the organizations of the United Nations system to continue assisting developing countries in achieving the internationally agreed development goals, including the overarching goal of poverty eradication.

Report: Make Infrastructure Work for the Poor (2006)

This initiative aimed to investigate the links between small-scale infrastructure provisioning, and human poverty reduction and human security enhancement in the context of MDGs. Under this initiative, two concept papers were prepared – the first dealing with the analytical framework linking small-scale infrastructure with human poverty reduction and human security enhancement and the second dealing with governance issues of small-scale infrastructure. Four country studies were done in community-level infrastructure development: Bangladesh, Senegal, Thailand and Zambia, followed by a synthesis study on the basis of these four country studies. In March 2006, the synthesis study was launched with a keynote speech from the Nobel Laureate, Professor Amartya Sen. In this report, UNDP argues that 'because of its nature, location, design and implementation process, small-scale infrastructure may bring more direct impacts on the lives of poor people. Small irrigation projects contribute immediately to agricultural productivity bringing tangible benefits to local farmers....

The small-scale community-based infrastructure efforts are complementary to large-scale infrastructure initiatives in many ways.'

2007 'Global Initiative on Commodities'

UNDP, together with the Common Fund for Commodities (CFC), the United Nations Conference on Trade and Development (UNCTAD), and the Secretariat of the African, Caribbean and Pacific Group of States (ACP) held an international on 7-11 May in Brasilia to launch a 'Global Initiative on Commodities.' This conference was also the first of a series of events marking the run-up to the 12th quadrennial conference of UNCTAD, held in Accra, Ghana, in April 2008. The rationale of this initiative, according to UNDP, lies on the fact that some 2 billion people and 86 governments depend on a currently dysfunctional commodities sector. That has caused four international organizations to take an initiative that concerns the entire international community. UNDP further explains that 'international prices for commodities have climbed in recent years, spurred by increased demand, especially from large emerging economies in Asia. However, in the agricultural domain, UNEP insists, profits for farmers in developing countries have fallen even as they have greatly increased production'[50].

UNDP argues that 'almost one person in three worldwide is affected by this aberration. In addition, it says, this valuable source of growth and income is escaping the governments of numerous countries of the South who have great need of it for further financing economic development. Such progress is dependent on profits from the commodities sector. The current upward trend in demand and prices is likely to last another 5 to 10 years. Better channelled, this expansion could help achieve the Millennium Development Goals, which notably aim at halving the poverty rate by 2015 and call for creating a global partnership for development'.

The objectives of this new initiative are:

- To put the commodities issue back at the centre of international debate;
- To orient the debate towards poverty reduction; and
- To define a strategy that makes commodities an engine for development.

UNDP-IPC

One of three priority areas of IPC is to provide developing countries with policy advice and technical assistance to understand the nature and requirements for pro-poor growth as well as the policies that best promote it. In recent years, many countries have approached UNDP for technical support and advisory services to assist them in better balancing national economic objectives with the deepening of pro-poor policies. This has been true even in countries that have developed Poverty Reduction Strategy Papers (PRSPs) in response to the initiative launched by the World Bank and International Monetary Fund that links access to debt relief or concessional lending to the design of national pro-poor policy frameworks.

Independent assessments of the process have shown that most nations implementing PRSPs have not adequately reconfigured their macroeconomic policies to create the conditions required for rapid and sustained poverty reduction. General criticisms have suggested the PRSP timeline is too short and that the policy thrust still is too embedded in conventional fiscal and monetary concerns to favour human development goals.

IPC aims to enhance country capacities in designing and implementing effective policy frameworks that support pro-poor growth by encouraging the generation and dissemination of knowledge on the impacts of different policy interventions on poverty and inequality. It will also work to share country experiences where national capacities (institutional, research, political etc.) have been developed to analyse the linkages and

[50] UNEP news room: http://content.undp.org/go/newsroom/2007/april/commodities-farm-goods-20070427.en

policy options for ensuring a scenario of sustained growth with increased equity and declining poverty.

Resources

Recognized research centres and think tanks can be found both in the North and South that are pushing the policy debate on pro-poor growth. These include CGD (USA), HSRC (South Africa), IDSJ (India), IETS (Brazil), ODI and Panos[51] (United Kingdom) and REPOA (Tanzania), among many others.

Some organizations – such as the Bretton Woods Project, Oxfam, the PRSP Monitoring and Synthesis Project, and the Third World Network – have both international reach and global backing. Others are region-specific, including AFRODAD (sub-Saharan Africa), EURODAD (Africa and Latin America), and the Economic Research Forum (Middle East and North Africa).

Activities

To promote pro-poor growth policies, a major focus of IPC activities will be to enhance the coherence between macroeconomic, sectoral, and social policy regimes at the country-level by examining their distributive impacts among social groups.

2.8 The UN Conference on Trade and Development (UNCTAD)

In past Least Developed Countries (LCDs[52]) reports, UNCTAD has taken the view that the only path towards poverty reduction in LDCs is a progressive transition in which there is sustained economic growth and accelerated economic growth. This should be achieved, according to UNCTAD, through development of productive capacities (especially to raise agricultural productivity) and related creation of employment through scientific knowledge and technological innovation. Dependence on development aid should be reduced as economic growth is more and more sustained by domestic resources mobilization and the LDCs are no longer marginalized from beneficial international private capital flows. UNCTAD is therefore leading an effort to support 'the new "paradigm shift" on poverty reduction through productive capacity-building'. This paradigm shift in development policies, UNCTAD says on its website[iv], is occurring globally after 25 years of adjustment policies and economic reforms.

UNCTAD develops further its argument in favour of strong Technology and Innovation policies for the LDCs in its 2007 annual report[v]. A quick glance at the 221-page document (Annex: doc stats) already suggests that the situation of small-scale farmers, only mentioned seven times thoughout the whole report, is overshadowed by the drive towards agricultural extension and increasing agricultural productivity growth (66 mentions). LDCs should lead a new Green Revolution (17 mentions) through the panoply of measures supporting a new round of trade liberalization (245 mentions) such as FTAs (19 mentions), standardization (32 mentions), IPRs (144 mentions) and technology transfer (72 mentions). But what type of policies does UNCTAD recommend LDCs Governments design and implement to rectify their deficiency?

In short, UNCTAD lists a range of measures for LCDs to 'escape the poverty trap', from encouraging technological learning in both 'farms and firms', to implementing stringent international legislation on Intellectual Property Rights (IPRs) to facilitate trade liberalization, increasing foreign direct investment (FDI) by private companies for 'technology transfer', and encouraging donors to increase support for what it describes

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[51] Panos Institute (2002) Reducing Poverty: Is the World Bank's Strategy Working?"

[52] Least Developed Countries (LDCs or Fourth World countries) are countries which according to the United Nations exhibit the lowest indicators of socioeconomic development, with the lowest Human Development Index ratings of all countries in the world. The classification currently applies to around 50 countries: 34 in Africa, 10 in Asia, 5 in Oceania, 1 in America. As of 2006, the least developed country in the world is Niger.

as ‘knowledge aid[vi]’ (Bell, 2007) (Annex 3) that is ODA for science, technology and innovation (STI). The focus of those policies, it says, should be on proactive technological learning by domestic enterprises rather than on conventionally understood technological transfer, and on commercial innovation rather than on pure scientific research. Since the 1990s most LDCs have undertaken rapid and deep trade and investment liberalization. However, this has so far not resulted in the technological learning that UNCTAD says will lead to decreased economic marginalization (UNCTAD, 2007, p2).

The report stresses that donor aid for science, technology and innovation (STI) is very weak, both qualitatively and quantitatively. According to UNCTAD, annual development assistance disbursements for the development of advanced skills and for research during the period 2003-05 constituted only 3.6 per cent of total aid disbursements to LDCs. Over the last 25 years only 3.9 per cent of total World Bank lending has gone to STI projects. Similarly, although agriculture remains the principal source of livelihood in LDCs, spending on agricultural research has fallen from 1.2 per cent of agricultural gross national product in the late 1980s to less than 0.5 per cent today. In contrast, US$1.3 billion was allocated by donors to improving governance in LDCs during 2003-05, compared to only US$12 million on providing advice to farmers through agricultural extension services.

For agriculture, the type of technological effort that is required is experimental agricultural research stations to conduct tests, and beyond that, indigenous research and development capacity to undertake the inventive adaptation of prototype technology which exists abroad – for example, local breeding of plant and animal varieties to meet local and ecological conditions. (UNCTAD, 2007, p5)

A closer look at Chapter 2 and Chapter 5 on what’s required respectively from the leaders of the LDCs themselves and from the global community of donors for the ‘vital’ change to happen.

In Chapter 2, the report argues that current debates on development policy place too much emphasis on finance, and not enough on knowledge. It identifies this as a particular weakness of many Poverty Strategy Papers (PRSPs[53])[54]. It is confirmed by an analysis of the PRSPs prepared during the period 2004-2006 in 11 LDCs including six African LDCs (Warren-Rodriguez, 2007)[vii]. The analysis (Annex 7), however, shows that all countries mention the importance of agricultural research and extension. Seven of the countries include some reference to initiatives aimed at agricultural research, including some, such as Burkina Faso, which include a detailed breakdown of intended activities by crop. Nine countries include initiatives to promote agricultural extension. Therefore, in the field of agriculture, UNCTAD’s warnings seem not totally justified.

But UNCTAD doesn’t stop there. It says that the World Bank’s economic reforms of the 1980s-1990s[55] and the PRSP approach of late 1999[56] were partly to blame. It is not that the World Bank failed to integrate social considerations and poverty reductions issues,

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[53] PRSPs are the multi-year plans that developing countries have to draw up and adopt as a pre-condition of support from funding agencies such as the World Bank.

[54] In 2007, both UNCTAD Director General Supachai Panitchpakdi and Charles Gore, his Chief for Research and Policy Analysis, Division for Africa, Least Developed Countries and Special Programs, said to journalists that although the latest generation of PRSPs seeks to reduce poverty through sustained economic growth, technical change is not identified as a priority within PRSPs. That is, they insisted, a long-standing neglect. Dickson, D. Anti-poverty strategies 'must embrace innovation', 20 July, SciDev.Net.

[55] The process of economic liberalization was pushed by policy conditionality associated with aid and debt relief programmes, and pulled by the belief of many policymakers in the 1990s that liberalization was the best way to ensure that the benefit of liberalization reached LDCs.

[56] Promoting technological change is not part of the vision, and it is conspicuously absent from the PRSP Source Book of the World Bank, which is intended as guide to policymakers. Klugman, J. (ed.) (2002). A Sourcebook for Poverty Reduction Strategies, 2 volumes, World Bank, Washington, DC.

but that it mistook the means for the goals. As World Bank recognizes (2005), it did pursuit policy reforms for reform's sake[viii]. This trend needs to be reversed, UNCTAD says. It requires a radical rupture from the past structural adjustment policies. It is already changing with the restlessness to find a new, post-Washington-Consensus policy model and because supporting technological change is at the heart of efforts by the OECD (Weiss, 2005)[ix] to promote growth in member countries. (UNCTAD, 2007, Ch 2, p55-56).

UNCTAD notes that in Africa there has recently been an important surge of interest at the regional level in science and technology issues, with the New Partnership for Africa's Development (NEPAD) and the African Union both promoting new regional initiatives to revive science and promote centres of excellence (see NEPAD, 2005)[x].

The first of the six major strategic priorities UNCTAD identifies for LDCs at the start and early stages of the catch-up is 'Increasing agricultural productivity in basic staples, in particular by promoting a Green Revolution'. 'Leveraging more learning from international trade and FDI' comes fourth and 'Fostering diversification through agricultural growth linkages and natural-resource-based production clusters' fifth.

Technological advances in small-scale agricultural production and trade are often critical in initiating a catch-up process. UNCTAD goes further, saying that, in this regard, promoting a Green Revolution in basic staples should be a top priority of STI policy in many LDCs. As has been seen from past experience, the first stage in promoting a Green Revolution should be to establish the basics for agricultural productivity growth (Annex 9).These include: investing in rural physical infrastructure, particularly roads and (where appropriate) irrigation systems; establishing adaptive and experimental research stations; investing in extension; and, where necessary, pursuing land reforms (Dorward et al., 2004)[xi]. After establishing the basics for a Green Revolution, policies should widen the uptake of the new technology. In order to do so, it is necessary to kick-start the market through government interventions to enable farmers' access to seasonal finance and seasonal inputs and output markets at low risk and low cost. This often involves subsidies and also special agencies which provide a bundle of services. The importance of government interventions to kick-start markets is evident in the historical experience of the Green Revolution. However, once the farmers become used to the new technologies, when volumes of credit and input demand build up, then the private sector can take over. Such state withdrawal should take place in late catch-up stage, though the Government may start to prepare for this in the later phases of early catch-up.

Getting the agricultural knowledge and information right is a key ingredient of establishing the basics. It is important that LDCs in very early catch-up phase do not only develop their adaptive capabilities for agriculture, but also seek to capitalize on the potentials of the traditional knowledge of farmers. Public research efforts within national agricultural research systems should thus seek to be more closely integrated with farmers' needs and experience. UNCTAD refers to the protection of farmers' traditional knowledge. It says that adaptive research should include development of modern varieties which are suitable for diverse ecosystems and can be integrated into local farming systems. But there is no mention of the rights of farmers to save their seeds. Instead, UNCTAD introduces the concept of an organic Green Revolution for Africa. It says that Otsuka[xii] (2004) suggests that it may be possible to promote an organic Green Revolution in East Africa based on organic fertilizer (manure and compost) through keeping cross-bred dairy cows and goats and by using trees with nitrogen-fixing capacity for nutritious fodder. He also suggests that the New Rice for Africa (NERICA), primarily upland rice, could be developed if rice research programmes were strengthened in West Africa and East and Southern Africa. These programmes could develop second-generation upland NERICA, which would be resistant to pests and diseases, as well as lowland NERICA. Byerlee and Eicher[xiii] (1997) also indicate the importance of revitalizing maize research capacity for re-energizing Africa's emerging maize revolution. In many countries, agricultural extension systems were expanded through donor support but, as this support as declined, it has been impossible to sustain these systems. This has led to experimentation with different public–private mixes in the delivery of extension services. The effectiveness of these experiments is a critical issue which needs close attention[xiv]. (Ch2 p71)

UNCTAD then turns to the need for LDCs to devise new institutional innovations which enable the spread of the Green Revolution and which do not fall into the traps of the old marketing boards, but also fill the institutional vacuum which many poor farmers and low-density remoter regions face. It gives the example of the leather sector in Ethiopia with the rural farmers at the top of the value chain (Annex 8). UNCTAD admits that current agricultural market liberalization policies have been premature in most LDCs. But that does not stop UNCTAD recommending STI policy tools such as trade policy, competition policy, and regulation, notably in relation to IPRs. All it does is to allow more flexibility than it did in the past. UNCTAD states that there is above all a need for improved coherence between macro- and microeconomic objectives. Excessive pursuit of macroeconomic stabilization objectives can undermine the development of conditions necessary for productive investment and innovation. In that regard, UNCTAD stresses in its Conclusions and recommendations for improving knowledge governance that, in the case of LDCs, strong IP protection limits policy options and may even be negative, if associated with increased prices for inputs and restricted opportunities for imitation. In the design and implementation of IPR policies it is necessary to consider the impact of varying levels of development and countries' initial conditions (CIPR, 2002; UNCTAD and ICTSD, 2005; Correa, 2000; UNIDO, 2006; UNCTAD, 2006b, 2006c; World Bank, 2001)[xv]. So, IPRs – yes, but of a transitional type at most, as the end goal stays just the same.

UNCTAD concludes the chapter by saying that broad-based agricultural productivity growth in basic staples – a Green Revolution – is the surest base for substantial poverty reduction, but an important condition for success for such a Green Revolution is that there is a market for increased output. Given the rising rates of urbanization in many LDCs, there is a potential domestic market. However, there is also an increasing tendency for food consumption in LDCs to be met by food imports, including subsidized food imports from rich countries. It may be necessary therefore for LDCs to consider temporary protection in agricultural sectors against subsidized food imports. This should only be temporary and designed to enable the build-up of competitiveness by domestic farmers and the wide uptake of Green Revolution technologies. In successful cases, for example with the introduction of modern varieties of rice in Viet Nam, countries have moved from being a net food-importer, to being self-sufficient, to being able to meet domestic demand and also export. (Ch2 p72) UNCTAD's attempt to customize the trade liberalization agenda to fit LDCs fragile economy is noticeable. The tone may be less aggressive than a decade ago; the drive stays roughly the same. This general observation is confirmed by the recommendation given by UNCTAD to the Donors in its last chapter.

In Section D of Chapter 5, entitled 'How donors can improve aid for STI in LCDs: agriculture'[xvi], UNCTAD refers to the World Bank and Inter-academy IFPRI[xvii] Council non-official recommendation about preferred intensity ratios for agricultural R&D investments. It notes that part of that increase could come from the private sector but not all, pointing out the possible emergence of a two-track research system that would be detrimental to peasant farmers.

In 1998, Pray and Umali-Deininger[xviii] noted that 'profitability is the main determinant of private for-profit participation in agricultural research.' (Pray and Umali-Deininger, 1998, p1143) Thus, they argue:

'products and sectors that may be of high social value, but command only a small market and exhibit a high degree of geographical and ecological specificity that will most likely be ignored by the private for-profit sector. Because of their public good nature and their "distance" from commercial application, basic and strategic research usually receive little attention by the private for-profit sector. This implies that the private for-profit sector will not always fill the gap and that alternative sources of research output, that is public and private non-profit sectors, have to be found to service socially beneficial but privately unprofitable "orphan sectors".' (p1144)

Similarly, a 2003 study[xix] on ongoing attempts to privatize certain parts of agricultural research in seven African countries including Ethiopia, Senegal, Uganda and the United Republic of Tanzania, warned of the possibility of a two-track research system.

'Such a system may emerge if there is a large degree of privatization of research services and if farmers' associations, the agribusiness community (exporters, processors, input suppliers and commodity traders) and other beneficiaries are called upon to finance the research programme and researchers are paid incentives according to their proven contribution to farming profitability. In such a situation, peasant farmers who are engaged in low-value subsistence-oriented food production and keep livestock will be relatively neglected and there will be little incentive for researchers to work in those areas.' (p26)

Against that background, UNCTAD says that although the private sector can make a small contribution and there are certainly opportunities for some kinds of public–private partnerships, increasing the agricultural research intensity ratio in LCDs will require increased public R&D expenditure and this will, in turn, need increased ODA for agriculture R&D.

Despite the low results of past aid for agricultural R&D, UNCTAD says, there is an increased understanding of the weakness in national agricultural research systems (NARS) including very low level of expenditure on agricultural education[xx] and the bias towards extension[xxi] (Annexes 4 & 5). Emphasis is now placed on a systems approach to agricultural innovation (World Bank, 2006[xxii]). Moreover, it is generally agreed that key elements for more effective NARS include a pluralistic institutional structure with many actors, including NGOs and the private sector; new competitive mechanisms for research funding; and management reforms to improve the efficiency and effectiveness of public research organizations[xxiii]. Referring to a case study of 'Coffee sector agribusiness development projects in Rwanda'[xxiv] which mentions the empowerment of local farmers (Annex 6), UNCTAD said that important reforms in NARS were taking place and included decentralization of agricultural research, greater stakeholder participation, a shift from block grants to competitive research funds, and the strengthening of system linkages.

UNCTAD stressed the importance of the network of international agricultural research centres known as the Consultative Group on International Agricultural Research (CGIAR) in undertaking relevant scientific research for increasing agricultural productivity. In the 1990s, there was a broadening of the CGIAR's research agenda away from research on agricultural production of staple foods towards post-harvest handling, food processing, and food safety and environment issues, and this was accompanied by a stagnation of donors' financing. UNCTAD notes that, while these issues are relevant, it is important that agricultural research continues in not reflecting the reality of subsistence-oriented smallholder agriculture in LDCs. It has been estimated that in 2003 CGIAR spent only 10 per cent of the combined real spending by the African national agricultural research agencies on 'African' issues[xxv]. Alston, Dehmer and Pardey[xxvi] argue that 'Over time, the CGIAR has misplaced its original, well-defined sense of purpose and to some extent has degraded its capacity to meet its original objective: to stave off hunger by enhancing the capacity of the world's poor people to feed themselves, through research-induced improvements in agricultural productivity.' Thus, UNCTAD concluded, a second key priority for aid for STI in the agricultural sector is to ensure that CGIAR work remains LDC-relevant.

3. Private donors promoting a 'New Green Revolution'

This section looks at the key policies promoted by private sector donors promoting a 'New Green Revolution' for Africa: The Joint partnership between the Bill and Melinda Gates Foundation and the Rockefeller Foundation, and the Global Diversity Trust and the UN Foundation.

In 2004, Kofi Annan, as UN Secretary General, called for 'a new uniquely African Green Revolution'[57]. Today he continues to spearhead this work, in a new role as Chairman of the new Alliance, AGRA. Bill and Melinda Gates and the Rockefeller Foundation announced on 12 September 2006 that they have formed a joint partnership to 'bring about a green revolution, and ensure food security in Africa.' Bill Gates stressed that this is just one of the first of many investments in the agricultural arena likely to come from his foundation. A day later, Jacques Diouf, Director General of UN's FAO, called for support for a second Green Revolution to feed the world's growing population.

Josue Dione, Director of Sustainable Development Division (SDD) of the Economic Commission for Africa, has also expressed his support, explaining that 'different versions of Green Revolution must be designed to fit different African contexts: However, the principles must be the same – scientifically valid, economically viable, environmentally friendly, socially acceptable and manageable by African farming communities.'

The Rockefeller Foundation is the 'mastermind' behind this 'new' initiative[xxvii], as it was for the first Green Revolution in the 1950s. The people at the Rockefeller Foundation point to the complexity of Africa's agriculture and its lack of infrastructure to explain why the first Green Revolution largely 'bypassed' this continent. But it didn't 'bypass' Africa, it failed. Even Rockefeller's own senior officials question the Green Revolution's single focus on improved seeds.[58]

Green Revolution for Africa action plan

At the most fundamental level, it starts with improved crop varieties for larger, more diverse and more reliable harvests: at least 200 new varieties. That requires the development of new generations of trained African agricultural scientists.

A second element involves getting the new inputs to farmers, including the use of chemical and organic fertilizers, improved seeds and other soil and water management techniques such as irrigation and water harvesting. Part of this challenge is the development of a more robust market for bringing new products to farmers in a manner – likely through village level 'agro-dealers' and improved public extension systems – that educates the farmers on how to put the innovations to use.

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57 In his Call to Action speech of July 2004, Annan described what the African Green Revolution will look like:
'We will see proven techniques in small-scale irrigation and water harvesting scaled up to provide "more crop per drop"; improved food crops developed through publicly-funded research focused specifically on Africa; soil health restored through agroforestry techniques and organic and mineral fertilizers; electrification and access to information technologies such as cell phones would increase rural productivity; homegrown school feeding programmes would provide nutritionally balanced meals, further stimulating demand from local farmers; and social safety nets, from grain reserves to early warning systems, would protect the most vulnerable.'

58 GRAIN (2006): Rockefeller Foundation admits that Africa's experience raises serious questions about the Green revolution approach: 'Lingering low yields among African farmers for crops such as maize and rice, where adoption of improved varieties has been appreciable, call into question overall value of the improved germplasm to local farmers.'

Next up the chain is the development of stronger off-farm systems and markets. Success in output markets is critical to the success of input markets because they are interdependent and self reinforcing. Supportive national policy reforms can also play an important role in enabling agricultural economic growth. Bad transportation and overpricing because of government taxes and other tariffs are identified as the main bottlenecks.

In essence, this initiative replicates exactly the approach of its ill-fated predecessor in Asia and Latin America. If there is anything new in this push for a Green Revolution in Africa compared to the Green revolution started in the 1950s in Asia and Latin America, it is its reliance on the private sector as the main vehicle to deliver the goods and control the process.

As GRAIN (2006) notes, AGRA is just one of the latest in a series of large private charities turning their eye on Africa's farmers. In the same week that Gates and Rockefeller announced their initiative, the foundation headed by George Soros pledged $50 million for the Millennium Villages Project, oriented to help rural villages in Africa out of poverty. A few months earlier, Bill Clinton's foundation had pledged fertilizers and irrigation systems support to Rwandan farmers. Much earlier, another US ex-president, Jimmy Carter, teamed up with a Japanese tycoon to launch the 'Sasakawa 2000' project and Monsanto have been penetrating the international agriculture research system this way for a while – and are set to do so increasingly. In the mindset of such corporate foundations, GRAIN (2006) insisted, progress is guided by the vision and interests of TNC, not by the collective wisdom of its rural communities.

What is totally ignored is the central role of local communities, their traditional seed systems and rich indigenous knowledge, despite increased international recognition of their crucial importance.

GM crops

On 16 July 2007, Kofi Annan said AGRA programmes will not involve genetically modified seeds but instead focus on conventional seed breeding. However, speaking of genetic engineering, he also cautiously added that 'Science is evolving. We don't know what science will offer us in ten or twenty years'. Despite what Annan says, the introduction of genetic engineering is the driving force behind most of the initiatives pushing for a new Green Revolution. A quick look at the main partners and members of the PPP for an African Green Revolution (PPP-AGR) – alliance created to respond to Annan's call for Public–Private Partnership for an African Green Revolution – clearly shows the direct involvement of leading chemical company YARA, specialist in food agribusiness banking Rabobank, as well as Mars, Inc. and Farmchem Ltd.

And it doesn't stop there. In July 2004, Professor Jeffrey D. Sachs, Special Advisor to the UN Secretary-General on the MDGs and Director, UN Millennium Project, supported Monsanto contribution to the New African Green Revolution. He said[59]: 'Africa can at least double, and perhaps triple, food yields by 2015. We know of a number of specific interventions that have been scientifically proven and practically demonstrated to be effective. These include: ...Improved seed varieties to increase food output. Monsanto is on the verge of announcing a drought-resistant seed variety, which it has committed to sharing with Africa to increase production in drought-prone areas...' And the list goes on.

At the Rockefeller Foundation meeting on biotechnology, breeding and seed systems for African crops on 26 March 2007, Venancio Massingue, Mozambican minister of science and technology said, 'Seed breeding is key to the modernization of our economies through agriculture, and to providing jobs both in rural and urban areas. This is why science improves the lives of people.'

[59] At the Africa's Green Revolution: A Call to Action Seminar, Addis Ababa, and July 5, 2004.

Scientists involved in the initiatives believe that improving seeds to resist drought and using fertilizer are the most effective ways of ensuring a good harvest. But this approach has caused a strong reaction from Africa-based non-governmental organizations. In a signed statement[60], 70 NGOs from 12 African Countries ? such as Ethiopia's Africa Biodiversity Network, Uganda's Centre for Development Initiative, the Kenya Organic Agriculture Network and Kenya Genetically Modified Organisms Concerned ? attending this year's African Social Forum in Nairobi, Kenya (25 January), rejected the Gates–Rockefeller initiative. They called the initiative a 'new foreign system that will encourage Africa's land and water to be privatized for growing inappropriate crops for export, biofuels and carbon sinks, instead of food for African people.'

On the Bill and Melinda Gates Foundation websites you can find what they call 'Useful Terms in Agricultural Development' compiled by the Rockefeller Foundation. They include:

- Green Revolution – term coined in the 1960s to describe the dramatic technology-based increase in farmer productivity taking place in Asia at that time. However, the first Green Revolution, in retrospect, began in Mexico in the 1940s, and spread through Latin-America; after being extended to Asia, it was later replanted in India.
- Improved crop variety – a type of seed or other planting material that has undergone genetic enhancement (through breeding or other means) to allow it to perform better than other local or 'landrace' varieties. Improvements might include resistance to insects, diseases or drought; earlier maturity; or more vigorous growth.
- Plant biotechnology – methods of crop genetic improvement that involve either tissue culture, selection using molecular markers, or gene transfer.
- Smallholder farmer – a person who operates, owns, or rents a farm of less than five hectares.

3.1 Bill and Melinda Gates Foundation (BMGF) and the Rockefeller Foundation alliance

The two private Foundations have teamed up in the Alliance for a Green rev olution in Africa (AGRA) which is supported in its initiatives by the Program for a Green Revolution in Africa (ProGRA). ProGRA launched its first project, the Program for Africa's Seed Systems (PASS), in 2006, operating in 20 African countries. The major initiatives planned under ProGRA for the next eight years are summarized in Annex 24 and the board of Directors in Annex 25. PASS includes the following five projects which have a total cost of $150 million over five years, of which the Rockefeller contribution will be $50 million and the BMGF contribution $100 million.

1. The Fund for the Improvement and Adoption of African Crops (FIAAC) funds crop breeding in Africa to improve African crop varieties and promote their distribution and adoption by smallholder farmers. This grant should result in the development of 200 new improved crop varieties in five years. Total project cost: $43 million, of which Rockefeller contribution will be $14.3 million.

2. Education for African Crop Improvement provides training forthe new generation of crop breeders and agricultural scientists upon which the seed system depends for growth and productivity. This grant should result in an additional 170 MSc and 50 PhD plant scientists trained and productively employed in African agricultural development. Total project cost: $20 million, of which Rockefeller contribution will be $6.7 million.

3. The Seed Production for Africa Initiative will ensure that improved crop varieties are produced and distributed through private and public channels (including seed companies, community seed systems and public extension) so that farmers can adopt these varieties. In five years, this grant should result in improved seed varieties distributed through SEPA projects planted on 1.3 million hectares with retail value of

[60] Statement from African Civil Society Organizations at the World Social Forum 2007. Titled: "Africa's Wealth of Seed Diversity and Farmer Knowledge- Under threat from Gates/Rockefeller 'Green Revolution' initiative. Accessed from GRA IN website on 11.08.2007.

$58 million, an increase of 13 per cent in the supply of improved seed. Total project cost: $24 million, of which Rockefeller contribution will be $8 million.

4. The Agro-Dealer Development Program provides training, capital and credit to establish small agro-dealers who are a primary conduit of seeds, fertilizers, chemicals and knowledge to smallholder farmers to increase their productivity and incomes. In five years, this grant should result in 10,000 highly functioning agro-dealers in order to support a significant increase in the adoption of improved crop varieties. Total project cost: $37 million, of which Rockefeller contribution will be $12.3 million.

5. PASS General Operating and Monitoring and Evaluation. This division will oversee sub-granting and implementation of all PASS activities, carry out advocacy and financial management activities, and conduct monitoring and evaluation of PASS projects. Total project cost: $26 million (including $15 million for monitoring and evaluation). Rockefeller contribution will be $8.7 million, as well as significant in-kind contributions, to be determined as implementation plans are completed.

Global Crop Diversity Trust and the United Nations Foundation

The Bill and Melinda Gates Foundation has emerged as a major source of funding for this new initiative, putting forward US$37.5 million in grants. The Global Crop Diversity Trust and the United Nations Foundation focuses on seed banks to bring about the Green Revolution in Africa. In April 2007, they announced a joint initiative to safeguard 21 of the world's essential foods crops by preserving their seeds. The initiative will cover many 'orphan' crops – important to the poor but largely neglected in modern plant breeding – such as sorghum, millet, yam, cassava and cowpea. The initiative will also fund a comprehensive global information system that will allow plant breeders everywhere to search gene banks worldwide – including existing banks in Ethiopia, Rwanda and the southern Africa region – for traits needed to combat new diseases and cope with climate change. 'The initiative will secure at-risk collections [of important food crops] in poor countries and document their astonishing diversity, making it available to meet the food needs of the poor,' said Cary Fowler, executive director of Global Crop Diversity Trust (Malaka, 2007[xxviii]).

4. Financial institutions

4.1 World Bank

Lending for the world poorest countries: International Development Association (IDA)

The International Development Association is the concessional lending arm of the World Bank, focusing on the world's poorest countries. IDA is the part of the World Bank that provides interest-free credits and grants. In its 2007 Sector Note on Agriculture, IDA declares that its continued role as an effective partner in agriculture is critical not only to improving economic competitiveness but also to the equitable distribution of benefits.

Over the past eight years, the IDA allocation to agriculture fluctuated between US$305 million in FY 2000 and US$1,144 million in FY 2006, thus indicating both high annual variability and a significant upward trend in agricultural lending over the period. While lending figures have increased, agriculture's share of total IDA lending has remained static at about 9 per cent. The largest share of resources for agriculture has gone to Africa (47 per cent in FY02-FY06, up from 29 per cent in FY96-FY01). (IDA, 2007, p2)

Annex 57 shows that irrigation and drainage and general agriculture together represent about 60 per cent of IDA funding for agriculture. The 'general agriculture' category largely relates to lending in the sector through poverty reduction support credits (PRSCs) and other multi-sector development policy lending.

According to IDA's Sector Note, IDA countries that took credits for agriculture experienced much faster economic growth overall and agricultural productivity growth per worker than was the case for IDA countries that did not take credits for agriculture. The results in Annex 58 are consistent, IDA says, with the view that borrowing from IDA enhances agricultural growth, even if they are not conclusive.

IDA says also that its investment has shown an overall upward trend from FY 1999 to FY 2006, which parallels improvement in the overall lending to agriculture and in the quality of interventions. As evaluated by the Bank's Independent Evaluation Group, a steady improvement was observed in the performance of closed IDA investments in the sector in FY02-FY06 (90 per cent were rated satisfactory) compared to FY99-FY01 (only 59 per cent of the projects were rated as having a satisfactory outcome). Annex 59 gives three examples of 'successful projects' according to IDA (in Mali, Cameroon and Mauritania).

This result, IDA argues, coincides with an increased strategic concern in IDA countries, provoked by the generally poor performance of agricultural projects in the early and mid 1990s; and the broader perception that agriculture is particularly important to growth and poverty reduction in IDA countries. Together, this led to a virtuous circle of strategic dialogue and improved projects including a sector strategy paper called 'Rural Development: From Vision to Action' in 1997 and the World Bank's rural development strategy 'Reaching the Rural Poor' in 2002 (see below for details).

IDA's Development Policy lending (DLP) to agriculture almost doubled after the adoption of a new rural strategy (from an annual average of US$59 million in FY97-FY01 to US$109 million per year in FY02-FY06). IDA argues that it is critical in smallholder agriculture where a multiplicity of interventions need to occur in sequence to allow farmers to both produce more and sell into expanding but more demanding agricultural market.

One of the four main thrusts of the 2002 Strategy is supporting preparation of National Rural Development Strategies (NRDSs), with the intention that they influence Poverty Reduction (PRSP) and Country Assistance Strategies (CAS) in IDA countries. In this way, IDA notes, NRDSs provide a key link between the Bank's Rural Development Strategy and country-level programmes. Between 2002 and May 2007, 34 IDA client countries have completed national rural development strategies, supported either directly or indirectly through key analytical contributions (Annex 61).

Finally, IDA underlines what it calls the Hot Button Issues for Agricultural Development: The 'Livestock Revolution'; Emerging Diseases; Biofuels; Biotechnology; Trade; Gender; Climate Change; and Natural Resources (see Annex 62 for details)

2002 strategy for agriculture and rural development

Increasing support to agriculture and rural development, with a specific focus on improving the lives of the rural poor, forms the core of the World Bank's rural development strategy 2002. The strategy, *Reaching the Rural Poor*, guided the World Bank's rural lending operations for the 2003 and 2004 fiscal years. The Bank lending rose by 20 per cent yearly under the new strategy, marking a net increase of about $400 million.

'The 2002 Agriculture and Rural development strategy will contribute to the implementation of the outcomes of the Johannesburg World Summit on Sustainable Development in which more than 100 world leaders committed to make rural development a priority for action,' says Ian Johnson, World Bank Vice-President for Sustainable Development. 'Unless there is fast and broad-based rural development, we will not be able to achieve the Millennium Development Goals, including halving the proportion of people suffering from hunger,' says Kevin Cleaver, Director of the W orld Bank's Rural Development Department.

The 2002 strategy rests on the following pillars:

1. Focus on poor people – poverty is predominantly, though not exclusively, a rural phenomenon.
2. Address the entire rural area – promoting broad-based rural growth involving both farm and non-farm activities.
3. Build alliances with all stakeholders – by working in partnership with the rural poor, governments, civil society, the business community, and international organizations.
4. Address the impact of global developments in poor countries, such as trade policy, subsidies, and climate change.

According to Kevin Cleaver, Director of Agriculture and Rural Development, 'The Rural Strategy will promote broad-based rural economic growth, at the core of which remains enhancing agricultural productivity. Agriculture in developing countries must grow by at least 3.5 per cent annually on average, up from 2-2.5 per cent in the 1990-2000 period, in order to make a good contribution to achieving the goal of halving poverty and hunger by 2015 (MDGs).' But growth is not enough. According to the new strategy, 'a major reason for the inability of developing countries to capture a larger share of agricultural trade is that protection, especially in the large OECD markets, has remained very high.'

The potential economic welfare benefits of global agricultural trade reform for the developing world are estimated to be at least $142 billion annually. Currently, rich countries spend about $300 billion each year on agricultural subsidies – six times more than the annual $50 billion rich countries put into foreign aid. The strategy emphasizes that developed countries need to make progress in agricultural trade liberalization, reduce trade-distorting agricultural subsidies, make scientific progress in agriculture accessible to developing countries, and re-focus assistance to rural development. This is especially pertinent in sub-Saharan Africa and South Asia where the majority of rural poverty is found.

It recommends that developing countries end any discriminatory open and hidden taxation of agriculture, complete the reform in agricultural marketing, increase budget allocations to rural space, decentralize the provision of rural services and support rural organizations, and, in cases of serious distortions, promote land reform as a means to increase the assets of the rural poor.

The strategy reconfirms that agriculture is the main source of overall economic growth and poverty reduction in many poor countries. The second leg of rural development must be the non-farm rural economy, especially in countries that are under population pressure and face a scarcity of arable land. It also aims to improve infrastructure and financial and social services (health, education, sanitation, and water supply) to the rural poor. It puts special emphasis on the management of natural resources as a prerequisite for the sustainability of any rural development and poverty reduction effort.

The Bank will promote a Global Forum for Rural Development (see GFRD in 2006) that will include all major donor agencies. The Forum will serve as a focal point for awareness building, advocacy, analysis, and policy work on rural subjects, co-ordination of assistance, co-financing and, ultimately, reversing the decline of rural investments. 'The era of fragmentation of donor assistance to rural development must end,' Cleaver says. 'Not only are partnerships needed with other stakeholders in rural development, but also concurrence and active support by governments, the private sector, and civil society at large in developed and developing countries.'

IDA's Sector Note on Agriculture (2007) lists the six elements for a strategic approach to pro-poor agricultural development emphasized by World Bank's 2002 rural strategy:

1. Take into account the fact that agriculture both drives and is driven by the overall economic policy environment.
2. Invest in improving agricultural productivity through the application of science.
3. Add value through promoting diversification into higher value commodities for which demand is growing rapidly.
4. Move from a primary commodity focus to adding value along the entire supply chain.
5. Build on different strengths of different types of farms.
6. Mobilize the strengths of diverse partners such as the private sector, civil society, and local government.

UN Millennium Project

On 17 January 2005, the World Bank President James D. Wolfensohn welcomed the release of the UN Millennium Project Report, 'Investing in Development – A Practical Plan to Achieve the Millennium Development Goals,' with the following statement.

'The UN Millennium Project Task Force Report is a major undertaking to support global efforts to achieve the MDGs. We agree with the report that the MDGs cannot be achieved with 'business as usual'. The World Bank especially welcomes the report's call for increased and more effective aid, openness to trade, and improved governance, all of which the Bank has advocated over many years. We also support its call to build capacity in developing countries, to strengthen national strategies, and to improve private investment climate and scale up investments in infrastructure for economic growth in developing countries. The report's appeal – and its urgency – are needed, given the depth of the development challenges in many countries, especially in sub-Saharan Africa. The World Bank stands ready to move forward with its UN partners and most importantly, the developing countries themselves, to support broad and accelerated progress toward the MDGs.'

2005 Study on increasing the effectiveness of poverty reduction

On 28 June 2005, the World Bank and three national development agencies issued a study, Pro-Poor Growth in the 1990s: Lessons and Insights from 14 Countries, analysing the effectiveness of poverty reduction strategies. The study presents evidence that underscores the importance of promoting strong and sustained growth as part of any pro-poor growth strategy, and demonstrates the need to implement policies that enhance the ability of poor households to participate in growth. The evidence presented in the report draws on 14 country case studies, which analyse the distributional pattern of growth and how it was affected by specific country policies and conditions. The case studies include: Bangladesh, Bolivia, Brazil, Burkina Faso, El Salvador, Ghana, India, Indonesia, Romania, Senegal, Tunisia, Uganda, Vietnam, and Zambia. The study was produced by the World Bank, *Agence Française de*

Développement (AFD), German Development Policy (BMZ, GTZ, KfW*Entwicklungsbank*) and the UK Department for International Development (DFID).

Failure to achieve government ownership

On 3 May 2006, Kevin Cleaver, Director of Agriculture and Rural Development, World Bank, gave an interview for the Global Donor Platform on Rural Development (GPRD) in which he shared its view, 'quite controversial in the World Bank' (in its own terms), about the notion of direct budget support. He said that if you want ownership by both the government and the civil society it represents, then the old donor-driven projects have to become a thing of the past. We have, he explained, to ask the government, with maximum participation of the private sector and NGOs and the farmers themselves, to come up with their own programme. 'In an ideal world, all the donors would have to do then is to send a cheque to fund their programme, hence the notion of direct budget support. But there are problems with this approach. The first danger is that the cheque gets spent on something else. My view is that cheque-writing in support of locally-owned poverty-reduction strategies works best in middle-income countries that are true democracies with real transparency and good governance – Estonia or Bulgaria, for example, where I've seen it work very well. The cheque-writing approach works least well, or not at all, in the least-developed countries that, ironically, most need the money. The institutions and structures are simply lacking.'

Global Partnership

The harmonization of various donor efforts in rural development in the poorest countries of the world is promoted, among others, through the Bank-supported Global Donor Platform for Rural Development. The Platform currently pilots harmonization efforts in line with the Paris Declaration on Aid Effectiveness in four IDA countries – Burkina Faso, Cambodia, Nicaragua, and Tanzania. The Bank also fund and collaborate with the Consultative Group on International Agricultural research (CGIAR). Developing countries efforts to reach international markets are supported by the Standards and Trade Development Facility (that the Bank helped established) housed at the world Trade Organization. To address the global crisis in marine fisheries, the Bank in association with key donors and stakeholders established the Global Program on Fisheries (PROFISH) to improve sustainable livelihoods in fisheries sector and to make concrete progress towards meeting the goals of the World Summit on Sustainable Development (WSSD). Annex 60 gives examples of environment projects supported by the Bank-IDA which yield agricultural result according to IDA (2007). In forestry, the Bank is working with the Global Forest Alliance to better co-ordinate partnership activities, in order to increase the financing and improve the governance and positive impact of forest sector activities. Finally, the World Bank/FAO Cooperative Program plays an important role in promoting agricultural development in IDA countries through the provision of joint technical support for investment operations and lessons-learning, including an initiative aimed at mainstreaming gender into agricultural operations.

New strategy to be released in 2007

'The World Bank released its 2008 World Development Report on "agriculture for development" in October 2007. On 25 and 26 January the Bank held a civil society consultation on the WDR in Toronto, Canada. This was a chance for representatives to identify key components missing from a draft outline of the WDR. Upon release of the WDR's first draft, a subsequent e-consultation process involving academics, national and sub-national government officials, small producer organizations, business sector and civil society groups was co-ordinated by Rimisp – Latin American Center for Rural Development – and aimed to identify any key issues missing from the report. The civil society consultation[61] held in Toronto in January highlighted a number of "cross-cutting" issues for inclusion in the coming WDR.' (Bretton Wood Project, 2007) [62]

In 1982 the WDR addressed the role of agriculture for development. Twenty-five years later the share of rural poverty in total poverty has remained at approximately 70 per cent worldwide. This fact, combined with 'dramatic changes' in agricultural markets and technologies, is cited as the main reason to undertake a second WDR on agriculture. A recent civil society electronic consultation process took place, scrutinizing the report's content. The results from this process are summarized here.

The eleven-person WDR team is led by Derek Byerlee, an Australian working with the Bank's agriculture and rural development department, and Alain de Janvry, a French national who is professor of agricultural economics at the University of California at Berkeley. The report outline sent out encouraging signals about a number of key issues that will be addressed in the report, including environmental degradation, the role of indigenous knowledge, and the impacts of market concentration. Undoubtedly controversial, however, remain the stances taken on issues such as biotechnology, land reform, subsidies and the impacts of trade liberalization.

The WDR's three-part structure addresses the following questions: 'Why use agriculture for development?', 'How to use agriculture for development?' and 'How to formulate and implement tailored agriculture-for-development agendas?' It starts by recognizing agriculture as a 'highly effective source of growth' and driver toward poverty reduction. Further recognition of the abuse of natural resources from current agricultural techniques signals the Bank's desire for agricultural reform. The shape of such reform, however, will determine whether this report becomes a credible manual for effective policy change or a manifesto for what Elisa Van Waeyenberge of SOAS has termed the Bank's 'core set of neo-liberal policies', only in an agricultural context.The report's position that 'well functioning land markets are needed to transfer land to the most productive users' is supported only by a Chinese example handpicked from a highly complex story.

The importance of price incentives is high on the agenda. The agricultural subsidies of many rich countries are cited as a significant hindrance to developing world agricultural competitiveness and the report advocates a reduction in these, particularly 'for products that matter most to developing countries, such as cotton and sugar'. The report maintains that without a similar reduction of southern agricultural protectionism, 'additional costs on south-south trade' will remain. Little justification is given for this, however.

On how agricultural development can deal with the complex and diverse nature of poverty, the report opens positively: 'agriculture-for-development agendas must be tailored to the context.' However, ironically under the heading 'heterogeneity in the world of agriculture' the report proceeds to classify 'agriculture's three worlds': agriculture-based, transforming, and urbanized. The Bank's research is often typified by similarly rigid categorizations and its arguments, for example that 'GDP growth originating in agriculture has more impact on income than growth originating in non-agriculture', often rely upon it. Such an approach undermines the promising opening assertion, casting doubt over the Bank's understanding of the complex nature of poverty. (Bretton Wood Project, 2007)[63]

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[61] A full report is available at: http://www.rimisp.cl/getdoc.php?docid=9840

[62] Bretton Wood Project, Press release. Accessed on 2007-07-27<http://brettonwoodsproject.org/art.shtml?x=552758>Published: Monday 23rd April 2007, last edited: Thursday 26th April 2007.

[63] Bretton Wood Project, Press release. Accessed on 2007-07-27 <http://brettonwoodsproject.org/art.shtml?x=552758>Published: Monday 23rd April 2007, last edited: Thursday 26th April 2007.

The World Bank considers private sector involvement a vital factor in achieving the MDGs. On the GDPRD's website the Bank states: 'We have reached a point where it is time to partner with businesses large and small.' [64] During an electronic conference for business leaders hosted by the World Bank Institute in 2005, it was suggested that sector-specific strategies be created and led by representatives from the private sectors. In addition to specific areas such as food, energy and communications, the World Bank considers that the private sector also has an important role to play in promoting good governance and tackling corruption, necessitating adherence to strict corporate citizenship by business itself.

Example of this involvement can be found in the field of pesticide waste in Africa. The Africa Stockpiles Programme (ASP) is a partnership between industry, participating countries, private foundations, non-profit organizations, and multilateral funds, who have agreed to pool resources and expertise in a collaborative, comprehensive effort to rid Africa of polluting stockpiles of obsolete pesticides and prevent their recurrence. The total amount committed to the ASP reached over $50 million in 2004. The pledged support includes $25 million from the Global Environment Facility, $1.5 million from the World Bank, €1 million from the European Union, over $15 million from bilateral donors, and $8 million from the plant sciences industry trade association CropLife International (as part of a commitment of up to $30 million during the life of the programme).

World Bank president outlines new vision of World Bank's role

In August 2007, World Bank President Robert Zoellick laid out his vision of the direction that the institution should take, suggesting areas of work that the Bank should focus on include improving energy systems, roads and ports and transportation and telecoms in the developing world. His aim is to combine a focus on social development goals with creating the foundations for growth. Zoellick also hinted that the Bank may have to change its rules on lending in order to deal more effectively with regional organizations on issues such as disease, climate change and energy – the World Bank currently lends only to sovereign governments. He underlined the importance of tackling corruption, which undermined lenders' willingness to fund projects in some countries, by helping countries to develop the necessary human capital of their own, and by encouraging action against donors who support corruption.

Case Study: Mozambique

In June 2007, Christian Aid interviewed W orld Bank agriculture adviser for Mozambique regarding the current World Bank's agricultural development policy in Mozambique. Daniel da Sousa said that the World Bank has been involved in Pro-Agri[65] for seven years. It was the main donor involved in preparing its first phase, but the WB country director decided not to fund Phase II, because progress was much lower than expectations. The goal of the WB was to transform the Ministry of Agriculture to provide services that are relevant to smallholders, including subsistence and semi-commercial farmers the World Bank do not believe Pro-Agri should target enterprises or private operators. But the WB evaluation found that Pro-Agri did not have much impact at the producer level. It should provide direct services to them. The extension evaluation showed that there has been an impact on the 15 per cent of farmers directly benefiting from these services. D. da Sousa also said that NGOs play an important role in seed multiplications, as they are able to do multiplication, transport these to communities, who then use public extension workers to explain how to use the seeds. Communities should be more in the driving seat of claiming their rights to extension and other services, he said. Local NGOs need to advocate with loc al farmer associations for their rights and needs – this will help local government to be more effective.

[64] Extract from the Global Donor Platform for Rural Development (GDPRD) website, accessed on 9.08.2007.

[65] Pro-Agri is responsible for leading number of national programmes, and a number of local development projects. National programmes include: vaccination campaigns, pest control, seed production, extension services, natural resources supervision and food intensification. These are public goods provided by Pro-Agri.

The Mozambican government, he said, does not have a clear policy on how to invest in rural communities. The World Bank now funds Pro-Agri through the Poverty Reduction Credit, it does not specify what the Credit should go for, but encourages the government to spend US$70m a year on agriculture. D. da Sousa insisted that unlike bilateral donors, who can accept slower progress, the WB's staff in Mozambique have a lot of control from Washington, who require results very quickly. Before, without monitoring system in Pro-Agri, a lot of [donor] money was invested (US$200m), with very little result and a complete absence of oversight over the spending of this money in the Ministry of Agriculture. Even now, he said, oversight is a problem, given political interference. According to D. da Sousa, the WB is not fanatically opposed to subsidies for farmer inputs, but a poor country like Mozambique needs to manage its finances very well, and this may not be the best way to spend scarce money. You also need an exit strategy, but we understand the dire need for public investment in agriculture.

Then he explained that the WB goal with its new six-year credit is for the government to manage it through the Planning and Development department, as they are responsible for rural development. WB is encouraging them to lead a bigger programme on social capital development. So far all the investment in such programmes has come from foreign NGOs. The government's draft rural development strategy (which is still sitting in the cabinet) is not very strong, according to da Sousa.

Finally, he defended the fact that the WB gives credits instead of grants to agriculture and rural development. In the Bank's view this brings a legal and contractual element into the relationship, which makes the government more accountable and obliges it to perform. The EU is the biggest Pro-Agri donor, but 'they don't have a clue what they are doing'. This is, da Sousa ended, because their bureaucracy undermines the efficiency of their aid, and their money is easy, so no accountability from the government.

4.2 International Monetary Fund (IMF)

A report released in 2007 by the Independent Evaluation Office[66] (IEO) of the IMF criticizes the role of the IMF in managing aid flows to sub-Saharan Africa. It also reaffirms earlier criticisms that the lack of collaboration (with the World Bank) has prevented appropriate analysis of how aid could be invested. This point is elaborated in the next section.

The report's sharpest criticism was directed at the mismatch between the goals of the PRGF and its actual performance. 'Underlying the theme of disconnect is a larger issue of attempted – but ultimately unsuccessful – institutional change. When the PRGF was introduced, it was meant to be more than a name change. ... But in the face of a weakening consensus in the Board and a staff professional culture strongly focused on macroeconomic stability – and, most important, changes in senior management and a resulting lack of focused institutional leadership and follow-through – the Fund gravitated back to business as usual.' The IEO recommends that the executive board '…reaffirm and/or clarify Fund policies on the underlying performance thresholds for the spending and absorption of additional aid, the mobilization of aid, alternative scenarios, PSIA, and pro-growth budget frameworks.' Additionally, the IEO report outlines problems with aid projections, finding that the IMF consistently underestimates aid provision over the medium term. It concurs with IMF critics that this may be prejudicing donors against greater aid increases. To remedy this it called for the IMF to analyse alternative aid scenarios and produce corresponding fiscal and macroeconomic frameworks. It also faulted the Fund for not making public its method of making aid forecasts and for not publicly revealing when donors did not live up to aid commitments.

[66] 'The report was based on research into Poverty Reduction and Growth Facility (PRGF) programmes, the IMF's concessional lending instrument for low-income countries, in 29 Sub-Saharan African countries between 1999 and 2005. Interviews were held in six countries and a survey of Fund and Bank staff, donors, country authorities and African civil society organizations was conducted across the region. The IMF board welcomed the report but delayed endorsement of its recommendations pending management's submission of implementation proposals with estimates of the costs of carrying out the reforms.' The Bretton Woods Project. Accessed on 3rd August 2007 from http://www.brettonwoodsproject.org/art.shtml?x=552131

In its Update 55, The Bretton Woods Project[xxix] insists that while having clear policies on the aid performance thresholds is necessary, the Fund does not make public its operational guidelines that interpret board-level policy decisions for staff. Publishing these guidance notes would provide more clarity in relation to how staff are implementing board policy and would allow external stakeholders to monitor the implementation of Fund policy.

One of the consistent complaints by civil society, the BWP says, is that they have not been consulted in setting the macroeconomic framework. The IEO's survey confirmed the view that IMF staff feel their work should come before the participatory processes involved in creating a Poverty Reduction Strategy Paper (PRSP). The IEO finds also that Africa civil society organizations (CSOs) have a dismal view of their interaction with the Fund. The report suggests clarifying the role of IMF mission staff and resident representatives, as it finds that there are high expectations of their work with local donor groups and civil society but few resources committed to increase transparency and dialogue. The BWP says that this recommendation should serve as a wake-up call to increase the level of interaction between IMF staff who design PRGF programmes and country-level stakeholders such as local parliaments and civil society organizations. But it warns that given the Fund's current budget crisis, there is a risk that management may use the IEO's recommendation on the role of the resident representative to actually scale back expectations of participation and engagement with local civil society.

Challenge on aid policy

The IEO report also brought to light IMF influence over when low-income countries are allowed to spend aid increases. Sub-Saharan African countries, whose budgets must be vetted by the Fund during PRGF reviews, need IMF approval of any spending increases or risk having their PRGF declared 'off-track' and thus jeopardizing further aid flows. Governments in low-income countries bound by an IMF PRGF spent, on average, only 28 per cent of their ODA receipts during 1999-2005. If their inflation rates exceded 5 per cent, they spent on average only 15 per cent , notes McKinley[xxx] (2007), Acting Director of the UNIPC.

He argues that for the IMF safeguarding macroeconomic stability – restrictively defined- has taken precedence over spending ODA. According to him, progress on MDGs in Africa relies primarily on more expansionary (ODA-financed) fiscal policies, themselves accommodated by monetary policies. Glodsbrough[xxxi] (2007) agrees that the IMF policies have been overly conservative in formulating strategy in many programmes with low-income countries. However, the core of the problem, he says, is the implicit assumptions the IMF makes – often without much supporting evidence – about how the real economy will respond to changes in fiscal deficits and public spending.

For Glosbrough (2007), our understanding of the links between macroeconomic policies and ultimate objectives such as growth and progress towards the MDGs is quite limited – much more so than the IMF, or its critics, often imply. In light of this uncertainty, he adds, humility is in order and choices on the use of additional aid should, to the maximum extent possible, be left to national political processes to decide. But it is not clear the IMF is going down this road.

Case study: Mozambique

In May 2007, Christian Aid interviewed Carlos Nuno Castel-Branco, Professor at the University of Eduardo Mondlane, Faculty of Economics, regarding the international donors and the Mozambique government agricultural development policy. Branco conducted a number of Poverty and Social Impact Analyses (PSIAs) for the WB/IMF/DFID and economics analysis[xxxii] for bilateral donors. Recently, he looked at the impact of trade liberalization on 'peasant' producers in Manica Province for the National Peasants' Association (UNAC). According to him, there is institutional and cultural dependence on aid in Mozambique. The Government strategy is aid-driven. For Branco, it has never been the government's decision to focus on medium sized farms or companies, but they 'let the World Bank decide'. The World Bank and FMI have been in favour of tax incentives to favour FDI. Therefore, the Government focuses its policies on creating incentives such as the 1999 Industrial free zone legislation and liberal labour laws which are primarily benefiting export oriented industries.

The study Branco had just completed for UNAC shows that SMEs were closing down because of lack of infrastructure despite around 200 foreign investors establishing in Manica. Branco's study shows that SMEs needs infrastructure, machines repairs, forestry management, market information, financial services, research on local varieties of seeds, etc. Branco argues that small farmers/marginal producers are strongly linked to the market, the question is not whether but how they contribute to growth. He says that mega-projects need to be linked to real economy, for example through fiscal linkages. If big companies like Mozal, he says, were to pay 10 per cent, instead of 1 per cent, of their value-added to the government in taxes, they would pay US$60m in taxes annually, of 1.2 per cent of GDP. This would increase taxes to the government by 10 per cent, allowing them, for example, to employ more experts to think through policy options and strategies.

He also mentioned The National Director of Mining who is keen to point out that there should be linkages between mining projects and poverty reduction. Mines pay only 3 per cent royalties, however, and get huge tax breaks. This is justified on the basis that these companies have to put in their own infrastructure – roads, electricity, water supplies, etc. The danger, however, is that Mozambican infrastructure becomes defined by the needs of mega-projects, and not those of communities and small enterprises. Also, it would not be necessary for mines to build schools and clinics if they paid enough taxes to government so that they can provide these services to the population.

There is also the problem of profit repatriation. For example, investors in the sugar industry are not ploughing back profits into the industry, and no one knows how much profit they are making.

The IMF has warned recently that the government is even more dependent on aid now than before. The total flow of aid for on- and off-budget expenditure equals all government budget expenditure, or 35 per cent of GDP.

Branco finally noted that the Mozambican government does not haveits own strategies. This is because, he explained, the government does not want to have to make the policy decision that come with sovereign money and confront social conflict. It is much easier to blame the donors for shifts in expenditures. He also thinks donor co-ordination through budget support puts the government in a more vulnerable position. At present, 16 donors provide direct budget support in their donor country assistance strategies. Sweden, for example, is providing 15 per cent of overall aid as budget support over five years; this share will increase and sectoral aid will decline. It is also easier for civil society to 'blame the donors', rather than confront their own government with its responsibilities and obligations. Branco concluded: 'We will never get change if all [civil society's] attention remains on the World Bank and IMF. We have to confront the reality of social conflict the government is the instrument through which you should be able to express your interests and claims, not donors'.

4.3 World Bank/IMF and other agencies' interaction

In April 2005, the World Bank and the International Monetary Fund threw their own significant influence behind the calls for more aid. In a joint Global Monitoring Report, the two international financial institutions argued that official development assistance (ODA) 'must at least double in the next five years to support the MDGs, particularly in low-income countries and sub-Saharan Africa.' The report added that the pace of the increase in aid should be 'aligned with recipients' absorptive capacity,' that is, their ability to use the funds effectively. It also noted that a 'big push' of aid will not be the sole answer, but must be accompanied by trade reform and other policies promoting private capital flows, technology transfer, security and environmental protection. For a long time, donors expressed reluctance to give greater aid to Africa because of concerns about corruption and the limited capacity of African institutions to effectively use more aid. But with greater action to combat corruption in an increasing number of African countries, those concerns have lessened somewhat.

Africa has made considerable progress in recent years, says World Bank Vice-President for Africa, Gobind Nankani. This has been reflected in greater economic growth in a number of countries, 'stronger ownership' of the MDGs and action by the African Union to combat rural poverty and hunger and promote peace, regional integration, infrastructure and agriculture. Mr Nankani adds that, since the continent still lags far behind in achieving the MDGs, Africa's own endeavours need to be complemented by 'a bold international effort.'

Some donors are also viewing the issue of capacity building in a different light. The World Bank/IMF report asserts that given current progress in institutional reform, sub-Saharan Africa 'could effectively use a doubling of aid over a five-year timeframe.' And where capacity still falls short, a portion of aid flows should be explicitly targeted towards helping to build up that capacity. One example cited by the report involves trade. Aside from improving access to their own markets for African exports, donor countries should give more 'aid for trade,' to help Africans overcome their 'lack of trade capacity and competitiveness.'

Touching on one of the priorities of NEPAD, the report also notes that investment in physical infrastructure – water facilities, roads, railways and communications systems – will have to increase over the next decade from the current annual level of about 4.7 per cent of gross domestic product to 9.2 per cent. That will require about $20 bn in yearly infrastructure spending, with about $10 billion coming from additional external financing. The private sector can play a role, notes Mr. Wolfensohn. But he adds that 'the bulk of the increase in infrastructure investment, particularly in sub-Saharan Africa, will need to come from the public sector.'

While all donors need to target more assistance towards activities that can reduce poverty, increase school enrolment and make progress on other MDG targets, the World Bank and IMF should better tailor their own policy interventions to reflect national priorities, the two institutions said in their Global Monitoring Report.

'The increase of aid to finance MDG needs in the poorest countries to date has been modest,' outgoing World Bank President James Wolfensohn observed in a note to the annual spring meeting 2005 of the World Bank and the IMF in April. 'We must not lose sight of the target of increasing aid to help countries meet the MDGs,' he emphasized. 'That is the metric against which to measure success or failure.'

Independent Evaluation Office of the IMF (2007)

The IEO (2007) buttresses the view that the Bank and IMF do not work well together. The report finds that 'PSIAs carried out by World Bank staff, DFID, and other agencies have not systematically informed Poverty Reduction and Growth Facility[67] (PRGF) programme design. During interviews, IMF staff said that most PSIAs prepared by other agencies generally lacked the necessary timeliness, relevance, and/or quality to underpin PRGF design.' They also stated, 'the findings of PSIAs carried out by IMF staff are now typically reported in PRGF documents, although there is less evidence of material influence on PRGF program design.'

IEO also suggests that there were missed opportunities for considering synergies and trade-offs between areas where the Bank has the lead on one issue and the Fund on another – such as the Bank's lead on infrastructure, with its obvious supply-side effects and the Fund's lead on macro-stability and sustainability, including exchange rate and competitiveness.

IEO recommends that Fund staff be more proactive in communicating with the Bank staff to secure analytic inputs such as PSIA but it fails to suggest how the Fund staff should improve their provision of material to the Bank.

The Bretton Woods Project (2007) states that given the Fund staff's lack of expertise outside of its core mandate of macro-stability it seems more logical for the Bank to be the lead agency in low-income countries where macro-stability is less of a priority. While the IEO argues for the IMF to be a more engaged partner, many civil society groups

[67] The IMF's concessional lending instrument for low income countries.

want the Fund to be less actively involved in setting priorities for low-income country development strategies. Many favour ending the PRGF and shifting resources for development finance to institutions that do have expertise and ability to tackle issues of poverty in the context of underdeveloped economies. The Bretton Woods Project adds that the role of performing macroeconomic analysis might then be better filled by less orthodox economists with more experience of low-income countries at a UN agency such as the UN Department of Economic and Social Affairs (UNDESA) or UNDP.

Lack of transparency

After Wolfowitz's resignation from the World Bank, the US White House appointed the only US-named candidate as successor for the post as president without giving it a ‘more open and transparent process’ as hoped by many around the world. Following Rodrigo de Rato's surprise resignation at the end of June 2007, Europe could have made the selection and appointment of the IMF's new director democratic and transparent, as recommended by a recent report published by the IMF's own Independent Evaluation Office. Instead, EU top representatives nominated a European behind closed doors. Developing countries wishing to forward a non-European candidate will not be encouraged by what appears to be a failure to practise what is preached when it comes to governance.

5. Research Community

This chapter briefly examines members of the research communities including the new IAASTD, soon to release its first global assessment report and the five sub-global assessment reports, and the Consultative Group on International Agricultural Research (CGIAR).

5.1 International Assessment of Agricultural Science and Technology for Development (IAASTD)

In 2007 Robert Watson, Director of IAASTD, called for reviewers to the IAASTD's global assessment report and the five sub-global assessment reports. The IAASTD Assessment, he said, is a unique opportunity to highlight the critical importance of Agricultural Science, Technology and Knowledge in the development process[68].

The goal of IAASTD is to assess how they can:

- Reduce hunger and poverty;
- Improve health and nutrition,
- Improve rural livelihoods; and
- Facilitate environmentally, socially and economically sustainable development, through the generation of, access to, and use of agricultural knowledge, science and technology (AKST).

Over 400 experts were involved in the preparation of the IAASTD global and five sub-global assessment reports (Central and West Asia and North Africa; East and South Asia and the Pacific; Latin America and the Caribbean; North America and Europe; and sub-Saharan Africa), which was completed in late 2007 and approved at an inter-governmental plenary meeting in April 2008.

Each report critically assesses how AKST has contributed positively or negatively to the development and sustainability goals to date, project how AKST could impact on these goals in the future, and then assess what technology, capacity development, policy and funding options could contribute to attaining these goals in the future.

A Synthesis Report synthesizes the key findings from all of the reports and address eight thematic issues:

- Bioenergy;
- Climate change;
- Biotechnology;
- Human health;
- Women in agriculture;
- Traditional and local knowledge innovation;
- Availability and management of nature resources; and
- Markets and trade.

[68] Article by Daniel Gerecke, accessed from GDPRD website on 13.08.2007.

A critical factor in producing a world-class robust assessment is a rigorous and extensive peer review process involving all key stakeholder groups, including Governments, private sector, CSOs, international organizations, and the scientific community.

An updated summary is provided in the main report. The IAASTD reports are available on the web[69].

5.2 The Consultative Group on International Agricultural Research (CGIAR)

During the 1960s to early 1970s, global attention to agriculture increased. Agricultural commodity prices doubled and trebled, and there were fears – stimulated by the failure of the South Asia monsoons in the mid-1960s – about future famines. As a result, the Consultative Group on International Agricultural Research (CGIAR) was formally created in 1971. A consortium of many donors, led by the World Bank, supported this system of research institutes, which by 1981 had grown to thirteen. According to CC IEE report on FAO (2007), in practice a new international agricultural organization (albeit characterized as a 'group' and not an 'institution') had been formed – and the World Bank, and not FAO, was in the lead.

By the end of 1991, the CGIAR had grown to 18 centres (now reduced to 15) and its mandate had been substantially expanded. Their span of activities was no longer restricted to certain commodity crops nor exclusively focused on scientific research. They were now involved in a wide range of rural development issues. To test and demonstrate their technologies, they moved to implementing pilot projects and working on technology transfer, to activities for which they proposed to put up a substantial sum – US$20 million – if donors would match it on a two-for-one basis with new core money. The result was greatly increased competition by CGIAR centres for project funds, because the higher their projected budgets, the more the World Bank funds they would receive up front. This put the CGIAR in direct competition with FAO for donor funds. In addition, since there were more funds available from donors for development than there were for research, the CGIAR centres reformulated their messages to ones firmly grounded on the development value of their work.

The CGIAR alliance is open to all countries and organizations sharing a commitment to a common research agenda and willing to invest financial support, and human and technical resources. From twelve members in 1971, today's membership of 64 includes a majority of developing countries. Membership is poised to grow further. CGIAR says on its website that its members contributed approximately US$450 million in 2005, the single-largest public goods investment in mobilizing science for the benefit of poor farming communities worldwide.

In 2003, a CGIAR Study assessed its Priorities and Strategies. It says that CGIAR's research priorities and strategies are anchored in a common objective of improving food and livelihood opportunities for poor farmers while sustaining the natural environment. To ensure relevance and maximum development impact, these must continually be revised to be in step with new knowledge and changing realities. The initial results were presented at the triennial meeting of the Global Forum on Agricultural Research (GFAR) held in Senegal in May 2003. The table in Annex 66 shows that CGIAR's main priority for Africa with a score of 47 for 'Germplasm conservation and improvement', in other words for genetic engineering research, compared to 26 for 'Policy and Institutions' and 26 for 'Production systems and Natural Resources'. The result of this research shows that CGIAR centres are primarily commodity-oriented and focused on genetic engineering developments as a way 'of improving food and livelihood opportunities for poor farmers'.

[69] www.agassessment.org/index.cfm

5.2.1 International Food Policy Institute (IFPRI)

The recent external review of IFPRI stated that several professional peers and donors who were interviewed expressed the view that IFPRI is the pre-eminent institution in the economics of global and agricultural development.

On research

A recent paper (IFPRI 2006)[xxxiii] states that there are substantial and potentially profound changes under way regarding agricultural Research and Development worldwide. According to IFPRI, the era of substantial donor support for agricultural research and development in sub-Saharan Africa appears to be drawing to a close - with certainty if recent trends continue. Donor contributions (including World Bank loans) accounted for an average of 35 per cent of funding to principal agricultural research agencies in 2000. Pardey and Beintema (2001) estimated that five years earlier, close to half the agricultural research funding in the region was derived from donor contributions. Global investments in agricultural research have continued to grow, albeit at a much slower rate in the 1990s than in previous decades.

IFPRI continues that increasing the amount spent on agricultural R&D in low-income countries that are heavily reliant on agriculture is likely to be a wise, but difficult, investment given the pressing demands on the cash-strapped governments in these economies. It suggest that developing countries may have to become more self reliant and perhaps more dependent on one another for the collective goods of agricultural R&D and technology.

But IFPRI adds that Africa continues to face serious funding and institutional constraints which inhibit the effectiveness of local R&D. It says that achieving the rate of agricultural productivity gains necessary to feed these fast-growing populations requires giving much more explicit attention to tapping and adapting technologies developed elsewhere and better targeting of those technologies to maximize local food-security and agricultural development impact. However, it warns, the shifting scientific orientation of rich-country research, combined with changing biosafety and intellectual property regimes internationally, suggest that the technology spillover pathways of the past may not carry forward, even to the near future. It finally recommends new institutional arrangements (including improving the allocation and efficiency with which scarce agricultural R&D funds are deployed). These are possible, it insists, if the pipeline of agricultural technologies useful for poor country farmers is to be kept fully primed.

In 2006, Eleni Gabre-Madhin, programme director, International Food Policy Research Institute, Ethiopia, presented a paper on ‘Building Institutions for Markets: The Challenge in the Age of Globalization’ at a donor’s Round Table organized by the Swedish Ministry of Foreign Affairs.

She commented on the qualifications regarding the functioning of markets in general and the role of government intervention. On the basis of the Zimbabwean experience with smallholder agriculture following the independence era, Gabre-Madhin argued that the country exhibited a commodity chain success involving smallholders. A long list of prerequisites are necessary, though, first of which is that regulation should follow, rather than lead, the market. On the relationship between domestic and foreign markets and institutions: Gabre-Madhin argued that the long-term perspective calls for a market-based agenda also outside the domestic market, which can be accomplished through levy bands.

On the role and building of institutions in market development, Gabre-Madhin stressed that institutions form a continuum between the formal and informal markets, although it may be difficult to grasp the idea of an endogenous emergence of institutions without state involvement. She pointed to a general lack of understanding of the complexity of institutions although their role was addressed already in the late 1980s through a World Bank report (1989). Gabre-Madhin argued that despite rhetoric in World Bank development reports little operationalization and development of institutions is occurring at ground level and, in general, understanding of market-participation is limited. The need for indigenous institutions was emphasized by Gabre-Madhin. Lastly, the need to broaden the perspective towards regional markets to understand the role of regional institutions within the market for food crops was also discussed.

Gabre-Madhin disagreed with the view that African farmers and firms have less influence than farmers and firms outside Africa; and that the removal of the state in this context has put the producer at an inferior position in relation to international producers and companies. She argued that it represented an alarmist approach to value-chain inferiority. She presented Kenya as an example where the inspection service functions and smallholders are retaining their market share.

Gabre-Madhin identified a practical development agenda for governments containing aspects where the scope for donor involvement is significant. In terms of policy, she argued, governments need to create a less uncertain framework, for instance through industry councils coming together. Mozambique was taken as an example of a country where an advanced policy dialogue with the private sector was being undertaken. On the technical side, she identified numerous possible areas for donor involvement, namely technical assistance for systems for market information through grades and standards, an arbitration system, infrastructure for rural market storage mechanisms, roads, and telecom dev elopment especially in terms of mobile technology. The abandonment of quality control in the post-reform era, through a strong disengagement by the state and a failure by the market to capture this area, was emphasized. The importance of grades and standards as an area for government intervention was stressed by Gabre-Madhin. Capacity building in general was identified as an area in need of support (both from government and donors). In Ethiopia, for instance, the market forecasting system is underdeveloped.

Gabre-Madhin argued that there is a scepticism regarding the focus on producer organizations as what she termed 'hand holding' leads to non-sustainability. Domestic institutions are better suited to delivering market intelligence and the tracking of merit performance in the market.

5.3 International Centre of Insect Physiology and Ecology (ICIPE)

It was considered appropriate to include the ICIPE here because of its clear stand for organic agricultural research. It was established in 1970 as an advanced research institute amid growing global concern about the misuse and overuse of synthetic pesticides. ICIPE was registered as an intergovernmental organization in 1986, with governance through a 16-member international Governing Council. According to Hans Herren, ICIPE director-general: 'Using the latest scientific methods, we're searching for simple and cheap biological solutions for Africa's most pressing problems: hunger, poverty and diseases transmitted by insects (tse-tse flies, desert locust-swarms or anopheles mosquitos) without chemistry, and without genetic engineering'. Due to its broader mandate encompassing health and environment as well as agriculture, **ICIPE has remained outside the CGIAR system, whose work is primarily commodity-oriented.**

International Centre of Insect Physiology and Ecology, based in Nairobi, Kenya, is funded by a consortium of donors, the Sponsoring Group for ICIPE (SGI), and other private charitable organizations, United Nations organizations and governmental aid agencies. Interested donors judiciously established a Sponsoring Group (SGI) in 1980 to help guarantee scientific excellence and funding.

Today, ICIPE continues to follow its original mandate of developing technologies to alleviate world poverty and to ensure food security and good health for the peoples of the tropics through management and control of both harmful and useful arthropods. The Centre's current objectives aim at improving and promoting the activities of the 4 'H's (human, animal, plant and environmental health) interdisciplinary teams of scientists engaged in research related to ecosystems science, behavioural biology and chemical ecology, molecular biology and biotechnology and social sciences. Research support is provided by biomathematics, animal breeding and quarantine and biosystematics units, and computer and information services. The 360-strong staff originate from 19 countries, primarily in developing regions. Programmes are mainly focused on plant pest management, disease vector management, insect biodiversity conservation and utilization, and capacity building from post-doctoral to farmer level.

Collaboration is a by-word at ICIPE, with partners from 45 universities throughout the world, including 30 African universities in ARPPIS (The African Regional Postgraduate Programme in Insect Science), other IARCs and CGIAR centres, more than 20 advanced research institutions, NARS in Africa and beyond, and NGOs.

JIRCAS is one of these partners and JIRCAS-ICIPE collaborative research started from 1994 and then the project 'Biorational Approaches to Long-term and Sustainable Management of Desert Locusts in East and North Africa' was conducted during the period 1995-99, which produced fruitful results on the mechanism of change from the 'solitary' to harmful 'gregarious' phase of desert locusts, based mainly on physiological and endocrinological studies. These studies are being taken over to the new five-year project, 'Physiological and Ecological Studies for the Development of IPM for Economically Important Pests in Africa', funded by the Ministry of Agriculture, Forestry and Fisheries of Japan.

In 1996, ICIPE started developing an innovative sericulture technology under its commercial insects programme. So far, high yielding silkworm breeds have been developed at ICIPE for supplying seed to farmers. In Kenya, sericulture is enjoying immense interest and attraction among farmers as a profitable cash crop. However, most of the farmers lack the basic knowledge to initiate sericulture. Indeed they require assistance in acquiring the necessary training and equipments including silkworm rearing facilities.

5.4 Forum for Agricultural Research in Africa (FARA)

FARA's 2007-2016 Strategic Plan development process

Awareness of the changes in Africa's agricultural research and development scenarios has been building in FARA; many of the issues were also flagged by external reviews of FARA's activities. In February 2007, FARA's Executive Committee determined that the context had changed to such a degree that a new Strategic Plan was called for. A Strategic Matrix (Annex 1 in the Strategic Plan) has been developed using a logical framework approach. This forms the basis for the Strategic Plan. Development was based on:

- The targets and aims of the CAADP;
- An analysis of the current and predictable constraints faced by the SROs which could be best addressed from a continental perspective and the position of FARA's comparative advantage (Annex 2); and
- The strategic plans of the African Sub-Regional Organizations (SROs: ASARECA, CORAF/WECARD, SADC/FANR and North Africa SRO).

The Strategic Plan development process drew on consultations with FARA's constituent SROs and stakeholders on all topics of regional interest for agricultural research and development. Many of these have been hosted or convened by the FARA Secretariat for the specific purpose of hearing its stakeholders' views and demands. The Strategic Plan document directly benefited from input from a stakeholder consultation workshop held at FARA in May 2007.

The SROs have had similar series of meetings and workshops, and have devoted considerable resources to prioritizing their activities and updating their strategies. FARA has assured cross-fertilization between the development of the ASARECA and CORAF strategies and the present document. FARA Secretariat staff have participated in a number of the SRO strategic planning workshops, and development of this document was based on a logical framework approach, which ensured FARA's Strategic Plan is coherent with those of ASARECA and CORAF/WECARD. FARA has also been involved with early planning discussions between the NARS of North Africa who are members of AARINENA, and with SADC-FANR in its ongoing planning and development activities.

The present Strategic Plan is built upon a problem and objective tree analysis (Annex 2) of those functions for which FARA has comparative advantage and which capture the spillovers that occur at the sub-regional level. Having assessed the requirements for Africa to have efficient and effective agricultural innovation capacity and FARA's continental comparative advantages, FARA's constituents and stakeholders expect and require FARA to support them in five areas which are critical to their ability to fulfil their mandates:

- Appropriate institutional and organizational arrangements for regional agricultural research and development;
- Broad-based access to knowledge and technology necessary for innovation;
- Strategic decision-making options for policy, institutions, and markets;
- Human and institutional capacity for innovation; and
- Platforms for agricultural innovation.

Technological options for small-scale farming

In 2006, Monty Jones, FARA's Executive secretary, presented FARA's view on Technological options for small-scale farming in Sub-Saharan Africa at a workshop organized by the Swedish Ministry of Foreign Affairs[xxxiv].

On the relationship between trade and aid, aid for trade and aid to agriculture more generally, Jones argued that aid to the agricultural sector should be demand-driven, as the tendency otherwise would be for donors to drive the process of agricultural development.

On the issue of political commitment to agriculture in general and technological advances in agriculture more specifically among African countries, Jones argued that a refocus within the international community (Kofi Annan, Tony Blair) towards Africa and the need for African leadership has prompted the evolution of the NEPAD and the CAADP. In addition, he suggested, a commitment from the people on the ground, as represented by NGOs and the private sector, has been evident in their response to the establishment of the three pilot learning sites. For the first time, argued Jones, all sectors are coming together in a concerted research development effort: there is a continental group of NGOs and altogether 80 stakeholders are participating in these three research sites. In this context the pilot learning sites were perceived as a major area for development, leading to positive spill-over effects around these areas. In sum therefore, there is ground for optimism, argued Jones. Mkandawire, AU/NEPAD's agricultural adviser, agreed with this characterization of commitment to agriculture among the African political leadership and suggested that for the first time in the past twenty years an emerging political commitment to agriculture is on its way through the NEPAD's CAADP.

On the role of technology, farmer innovation and genetic materials, Jones argued that the scope for technology adoption is still large, for instance in relation to NERICA which has the potential of doubling yields[70]. In general, suggested Jones, farmers are highly innovative and wish to adopt new technologies. Jones acknowledged that the preservation of genetic material had been a problem in the past and that a strategy was needed to handle this. Although seed centres have appropriate structures in terms of gene banks, most of the national bodies lack appropriate structures. Hence, concluded Jones, there is a need to identify national institutions that can play the role of appropriate gene banks along with the development of regional pilot sites.

[70]Jones, M. (2006), p5: 'In the early 1990s, rice breeders at the Africa Rice Centre (WARDA) developed stable and fertile progenies from crosses between Asian rice, O. sativa and African rice, O. glaberrima. Morphologically diverse, genetically stable and fully fertile inter-specific progenies have since been developed either through refined methods of conventional breeding, or with the use of specifically developed anther culture and double-haploidization methods into New Rice for African (NERICA)'.

On issues relating to trade and market protection, Jones argued that products have to compete effectively within the international field. The pilot-learning sites for this reason cut across countries and cover 20-40 million people where building standards for the regional market can provide the springboard for eventually competing on the international market. Jones also mentioned that the issue of African representation at the WTO-meetings was being championed by FARA.

Finally, on the issue of developing markets/market control in relation to government market intervention, Jones mentioned that historically governments in Africa have adopted numerous strategies to boost agricultural growth and rural development. In the 1960s state farms and government run markets led to problems of declining productivity and, for this reason, governments should not be requested to control the market. The central question, however, suggested Jones, is how to develop the market in a context of lacking volumes. The experience with NERICA in Guinea (and possibly also Uganda and Rwanda) suggests that most subsistence farmers who experience rising productivity start looking for markets to sell their goods in. The regional development context is an important source of market development suggested Jones, where production increases can be exported to neighbouring countries, for instance in the Lake Kivu pilot learning site. The World Food Program is also being committed to purchase regionally. The question of food security is intimately connected to domestic market expansion and improvements in the general well-being of people so that non-food producers have the means to purchase and consume food produced by others.

6. African Union

This chapter examines the African Union (AU) agricultural policy through two of its key programmes: the New Partnership for Africa's Development (NEPAD) adopted in 2001 and the Comprehensive Africa Agriculture Development Program (CAADP) adopted in 2003.

There has been a growing recognition among key African actors that a new emphasis has to be placed on aid for agriculture. But not all of them agreed on the type of aid required.

Besides, global evidence[xxxv] shows that between 1980 and 1990 agricultural expenditure as a proportion of total government spending followed a declining trend (Annex 13). Table1 shows that spending on agriculture relative to AgGDP is considerably lower in Africa than Asia and Latin America/Caribbean regions. Table 2 shows that despite significant variations between countries, in about half of African countries included in the Fan and Saurkar (2006) study[71], agriculture expenditure fell relative to AgGDP.

The Oxford Policy Management (2007)[xxxvi] notes that spending in Africa is below the target sets by the Maputo Declaration (2003)[xxxvii]. African heads of state committed their support to the Comprehensive Africa Agriculture Development Program (CAADP). The provisions included a commitment to allocate 10 per cent of state spending to agriculture by 2008. The OPM says that this commitment is laudable in attempting to redirect attention back to agriculture. However, it ignores the fact that the quality of spending is far more important than overall levels of spending. Governments and donors appear to have done little to ensure *better* spending with *more* spending.

Several problems are highlighted by the Fan and Saukar (2006) study. It shows a failure to provide sufficient recurrent funds to meet the demands of development spending (for example, in terms of operations and maintenance). OPM suggests that because African governments do not commit themselves to using domestically generated funds for sustained expenditure to agriculture but rather rely on the donors to provide the majority of agriculture development spending, they run a high risk of not getting sufficient funds given the erratic nature of donor funding commitments and low levels of actual disbursements. Another problem is the lack of formal assessment of returns to sector investments. None of the six African case studies (Ghana, Kenya, Uganda, Zambia) shows any. OPM says that that some donors still prefer to fund projects outside the PRPS budget and require the use of their own disbursement and accounting procedure. However, more and more, donors, such as DFID, are in favour of the harmonization agenda and will use the basket funds wherever possible. In those cases, they rely on government procedures for resource allocation and accounting. What they should take into account, according to OPM, is the limited capacity for monitoring and evaluation in the recipient states as well as the weak demand within the budget process to link resource allocation decisions to evidence of impact. Therefore, one of the main recommendations by OPM is for donors to pay greater attention to improving the quality and availability of data on the impact of spending.

Another important point made is that the prioritization of agriculture expenditures by aid recipient states depends upon the extent to which stakeholders are involved actively in the budget process. PRPS formulation in most countries studied has included a wide participatory process. In Kenya and Uganda, the Medium Term Expenditure Framework (MTEF) process has also involved stakeholder participation. However, there is little evidence of stakeholder participation in the development of the actual budget proposals. Only limited mechanisms exist for any scrutiny of the proposals, even by

[71] Fan and Saurkar (2006) study was jointly funded by the UK Department for International Development and the World Bank. It extends previous analysis by Fan and Rao (2003) to examine trends in public expenditure in 44 developing countries over the period 1980 to 2002.

parliamentarians, before their approval. Concern Worldwide has found in qualitative field research conducted in 2007 that small and marginal farmer groups have not been included in consultation process in Tanzania.

These two recommendations are, says OPM, mutually reinforcing.

6.1 African Union (AU)

Chairman of the African Union and president of Ghana, John Kufuor, said on 11 June 2007 in Accra, Ghana, that an independent committee will help check that the G8 delivers on its promises in a timely and well-planned manner. The president was receiving a delegation from the non-governmental organization Africa Progress Panel, chaired by the former UN Secretary General Kofi Annan. Kufuor considers this necessary because implementation of previous pledges made by the G8 to Africa has often been delayed or incomplete. For example, the G8 indicated at the 2005 summit in Gleneagles in Scotland that they would provide US$50 million in aid for Africa by 2010, but so far only US$25 million has been delivered, with only three years to go until the deadline.

This is not new. In various forums, African policymakers have stressed that 'economists' from different development agencies have typically been long on recommending the path of policy reforms including facilitating diversification and further opening of their agricultural trade markets to international trade. But they have been short on coherent practical advice on how to achieve these goals and on delivering the resources offered to do so.

In reaction, African leaders have agreed to step in and take firm actions including, among other things, the adoption of The New Partnership for Africa's Development (NEPAD) in 2001 followed by the Comprehensive Africa Agriculture Development Program (CAADP) with a commitment in the Maputo Declaration of the Heads of States of the African Union[xxxviii] to allocate up to 10 per cent of their fiscal budgets to agriculture by 2008.

Kufuor said that the African Union presented their requirements to the G8 summit in Germany and urged the group to revisit the issue of aid for Africa. But the leaders seemed to show more interest in allocating separate funds to tackle HIV/AIDS and other common diseases in Africa such as malaria and tuberculosis. Africa faces a lot of challenges in the energy, water and education sectors, therefore investment in research and development and in infrastructure is vital at the moment, Kufuor said. He singled out Ghana, which has been facing a massive energy crisis resulting in a power shortage throughout the past year. Kofi Annan said that (1) an independent body would also ensure that African countries honour and implement their side of commitments made to the G8. He said partnership between donor countries and developing countries ought to be based on mutual accountability. Annan appealed to the G8 to come up with a timetable for the disbursement of the US$60 million pledged last week in Germany because this will help Africa to execute the projects on time.

S&T and GM technology

The African Union (AU) is encouraging indigenous research development and particularly the adoption of GM technology. In September 2005, science ministers and senior government officials from 45 African states gathered in Dakar (Senegal) for the African Ministerial Conference On Science and technology (AMCOST). They discuss a five-year 'consolidated plan of action' which draws together a range of projects and initiatives costing an estimated US$157 million over the period 2006–2010.

According to AMCOST's official statement, the plan of action is firmly based on projects that have been individually assessed both for their viability and for the extent to which they meet genuine African needs and goals. With the science and technology commission of the New Partnership for Africa's Development (NEPAD) officials drew up a plan that is based on 'what African governments themselves have identified as their own priorities'. While the plan of action proposes spending US$45 million on promoting biotechnology over the next five years, it specifies that this is needed not only for boosting research, but also promoting its 'safe development and application'.

Working in tandem with its development wing, the New Partnership for African Development (NEPAD), the AU's High Level Panel on Modern Biotechnology released a Freedom to Innovate plan[xxxix] – the clearest expression yet of the trend to back this technology. And it does so uncritically, rather than taking a more rational precautionary position that would safeguard Africa's rich biodiversity and agriculture.

The AU is also engaged in efforts to revise the carefully crafted African Model Law on Biosafety, which outlines the biosafety provisions necessary for African environmental conditions.The revisions emanate from those seeking to make the biosafety content less stringent, placing Africa under even more pressure to conform to the needs of the gene corporations (Fig, 2007[xl]).

'The AU's effort in shaping the Freedom to Innovate plan and model law contrasts with the leadership role that the Africa Group took in developing the Cartagena Protocol to ensure more stringent biosafety precautions. A number of African governments and civil society organizations are increasingly speaking out against the pressures from gene companies – and the foundations that back them – to adopt their technologies. For example Angola, Sudan and Zambia have resisted pressure to accept GM food aid, while non-governmental groups such as the African Biodiversity Network, based in Addis Ababa, Ethiopia, defend community and farmers' rights to reject GM seed. At one stage Burkina Faso implemented a moratorium on the planting of GM crops. The Freedom to Innovate plan tries to advocate the idea that all biotechnology benefits Africa and fails to analyse the risks attached to their adoption. While some aspects of modern biotechnology might prove useful in African agriculture, this does not mean that one aspect of this – GM crops – can increase continental food security and farmer prosperity' (Fig, 2007).

6.1.1 New Partnership for Africa's Development (NEPAD) and the Comprehensive Africa Agriculture Development Program (CAADP)

Based on a policy dialogue within Africa and between African leaders and leaders of the North, NEPAD was adopted by the African Union and the G8 group of Countries. NEPAD is basically the socio-economic development programme of the African Union, as well as a framework for cooperation between the AU and partners in the North. It is a long-term programme of between 15 and 20 years. At the time of adoption, NEPAD was a merger of two previous development initiatives, the OAU's Millennium Partnership for the African Recovery Program (MAP) and the Omega Plan, creating the New African Initiative, which was endorsed by the G8 countries, and formed into NEPAD by the OAU/AU Summit in October, 2001.

NEPAD has met with opposition from NGOs, academics and others, both inside and outside Africa, who see the partnership as still too much dominated by the North, as still an unequal partnership, and as a neo-colonial tool for strengthening Northern domination over Africa in a tie of Globalization and market liberalization (Mpande, 2003)[xli]. The significant involvement of the FAO, IFPRI and the G8 group of countries in the creation of the CAADP poses a problem with the issue of NEPAD's credibility.

One of the key priority areas of NEPAD is market access and agriculture, including food security. Meeting in Maputo, Mozambique, in July 2003, African heads of states adopted the Comprehensive Africa Agriculture Development Program (CAADP) of NEPAD. The programme was prepared by the NEPAD Secretariat cooperation with the Food and Agricultural Organization (FAO), and first endorsed by African Ministers of Agriculture at a special NEPAD-focused session of the FAO Regional Conference for Africa in June 2002.

The CAADP initiative is a manifestation of African governments' commitment to address issues of growth in the agricultural sector, rural development and food security. Perceived as an African-conceived, led and owned process, the programmes offers an integrated framework of development priorities that comprises five pillars. The Maputo Summit unanimously adopted the Declaration on Agriculture and Food Security in Africa and thereby provided strong political support to the CAADP. The Declaration committed member countries of the AU to, inter alia, implement the programme and to allocate at least 10 per cent of national budgetary resources within five years (i.e. by 2008/09) towards the agricultural sector and rural development.

Strategic framework for renewal

NEPAD defined itself as a vision and strategic framework for Africa's renewal, and the document arises from a mandate given to the five initiating Heads of State (from Algeria, Egypt, Nigeria, Senegal, South Africa) by the OAU to develop an integrated socio-economic development framework for Africa.

NEPAD is designed to address the challenges facing the African continent, focusing on issues such as escalating poverty levels, underdevelopment and the continued marginalization of the continent. The framework´s prime objective is to eradicate poverty; furthermore to place African countries, both individually and collectively, on a path of sustainable growth and development; to halt the marginalization of Africa in the globalization process and enhance its full and beneficial integration into the global economy; to accelerate the empowerment of women.

Partnership and cooperation, between and among African peoples and through regional and continental integration, as well as forging a new international partnership that changes the unequal relationship between Africa and the developed world, including public–private partnerships, is paramount in the principles of NEPAD. The same goes for ensuring that all Partnerships are linked to the Millennium Development Goals and other agreed development goals and targets. Good governance is a basic principle.

Being a long-term programme, a need to establish an arena to strengthen the partnership between Africa and a larger number of development partners was acknowledged. Hence, at the G8 summit at Evian in 2003, it was decided to broaden the existing high-level G8/NEPAD dialogue to encompass Africa´s major bilateral and multilateral development partners, establishing the Africa Partnership Forum (AFP). The APF has since become a key forum for discussion and monitoring at a senior political level of policy issues, strategy and priorities in support of Africa's development. Its members – Africa, G8, OECD and other development partners all work together as equals in the forum – and ensure synergies and coherence with other international forums.

One of NEPAD's most promising endeavours offers opportunities to 'change the way donors do business'. The Global Donor Platform is moving to mobilize more donor support for the Comprehensive Africa (July 14, 2006). NEPAD employs a peer review mechanism (Annex 24) to make African countries responsible for good governance in social and economic affairs.

In 2006, Professor Richard Mkandawire, AU/NEPAD's Agriculture Advisor, discussed the issue of public expenditure on agriculture by individual governments and its relationship to donor spending at a workshop organized by the Swedish Ministry of Foreign Affairs. He was asked for clarification on the 10 per cent of public expenditure devoted to agriculture and how much of this was related to expenditure on issues of wider rural development. Mkandawire in response argued that financing of agriculture in general is being monitored through the peer mechanism of NEPAD, to ascertain that the 6 per cent growth rate in public expenditure is being achieved. Meanwhile, the key sector focus of the CAADP means expenditure is not directed towards broader rural development issues. The particular pillars of the CAADP that expenditure is devoted to, is however, the prerogative of individual governments, as long as their strategy documents for agriculture are in line with the principles of the CAADP. NEPAD in general is premised on domestic sourcing with NEPAD's financing of regional structures also occurring through national governments. Hence, argued Mkandawire, donor support on its own will not increase agricultural productivity.

The GDPRD (2006) says that 'CAADP is the most detailed – and most urgent – of the six programmes under the aegis of the New Partnership for Africa's Development (NEPAD), 'an African-led initiative' launched in 2001 with financial and technical help from multilateral and bilateral donors, UN agencies and the private sector'[72]. The

[72] Gerecke, D. (2006). Platform to rally donors around CAADP. 14 July 2007. Global Donor Platform website. Accessed 10.08.2007.

programme's early implementation is being supported by the G8 nations, along with development agencies USAID, DFID, FAO and IFAD, among others. Perceived as an African-conceived, led and owned process, the programme offers an integrated framework of development priorities that comprises five pillars:

1. Expansion of area under sustainable land management and reliable water control systems;
2. Improvement of rural infrastructure and trade-related capacities for better market access;
3. Enhancement of food supply and reduction of hunger (including emphasis on emergencies and disasters that require food and agricultural responses);
4. Development of agricultural research, technology dissemination and adoption to sustain long-term productivity growth; and
5. Sustainable development of livestock, fisheries and forestry resources.

Core goal

According to the CAADP programme document, formulated with the support of FAO, farming in Africa accounts for about 60 per cent of the total labour force, 20 per cent of total merchandise exports and 17 per cent of the GDP. Yet, in 2000, Africa also spent US$18.7 billion on food imports and received 2.8 million tons of food aid, more than 25 per cent of the world total for that year. 'Until the incidence of hunger is brought down and the import bill reduced by raising the output of farm products', says the document, 'there is no way in which the high rates of economic growth to which NEPAD aspires can be attained.' CAADP's core objective is to achieve a 6 per cent annual growth rate in agriculture, sustained over time. According to the OECD, global financial assistance for African agriculture shrank from US$6.2 billion to US$2.3 billion a year between 1980 and 2002. The FAO predicts there will be 205 million undernourished people in sub-Saharan Africa by 2015 – up from 168 million in 1992. On present trends, MDG 1, the halving of hunger by 2015, will not be achieved in Africa.

Pressure on donors for harmonized development

Platform Co-Chairman Christoph Kohlmeyer insists: 'We need to get behind an African plan, understand how and where to play our role, and do it collectively. When this happens, there will be real impact.' The Global Donor Platform is therefore moving to mobilize more donor support for the Comprehensive Africa Agriculture Development Programme (CAADP), an ambitious US$240 billion plan largely devised and driven by African countries. The plan has identified 'poor harmonization of agricultural development… at national, sub-regional and continental levels' as a major problem, an indication of the pressure put by partner-governments for concerted donor support.

The 2006 Round Table meetings convened farmer representatives and members of the private sector, government, civil society and NGOs. The point of the round tables, according to Michael Wales, Platform Co-Chairman, is to bring donors together with all the other stakeholders. Andrew Kidd, Head of the Africa Growth Team in DFID's Africa Policy Department, urged the Platform at its 2006 General Meeting in Brussels to throw its weight behind the initiative. 'CAADP's priorities are the same as the Platform's,' he said. 'There's a very large commonality of objectives. Working with CAADP will change the way we do business.' He said that CAADP requires aid agencies to think well beyond their traditional sector interests, and that 'It's a framework for dealing with agriculture at country, regional and continental level. It's also a golden opportunity to enact the Paris Declaration on Aid Effectiveness and donor harmonisation.'

Small farmers

NEPAD's CAADP has highlighted the need to support food security by increasing small farmers' productivity. 'NEPAD is committed to workable outcomes, as agreed on by all stakeholders, with a focus on benefits for small-scale farmers and women', says Richard Mkandawire. 'If CAADP succeeds, Africa can hit the six per cent annual growth target in agricultural productivity.'

With CAADP, 'the NEPAD programme has launched a continent-wide agricultural revolution' said NEPAD Steering Committee Chairman Wiseman Nkhulu of South Africa in 2004. 'The call to the rest of the world is for complementary action to support the African people in implementing their own programme of self-reliance and development.'

Development strategy

Supported by **private investors, business partners**, technical experts and donors, CAADP's planners aim by 2015 to have expanded African farmland under sustainable land management and irrigation to 20 million hectares, built over $60 billion worth of new roads to improve market access and infrastructure, increased food supplies and reduced hunger by **raising the productivity** of 15 million small farms, and strengthened the continent's own capacity for agricultural research and technology through a $58 billion proposal, of which half is to be financed by national governments.

African 'ownership'

African 'ownership' is what is hoped to make NEPAD's agricultural initiative a 'shining' exception to a long list past development failures. All African governments in 2003 promised to devote at least 10 per cent of their national budgets to agriculture by 2008. NEPAD is developing tracking mechanisms to strictly monitor these commitments. The positive characteristics that set CAADP apart also include acceptance by national governments that many of Africa's problems are internal, along with a market-based approach to development focusing on economic growth.

The CC IEE (2007) found that both **inadequacies in the strategy itself and a lack of national government and donor buy-in were limiting the results of this initiative.**

Conclusions

The conclusions drawn from the evidence provided in this report are summarised in the main report available on www.ukfg.org.uk. It shows that the current discourse on agriculture and rural development revolves around five main issues: the aid effectiveness agenda; market and private sector-led agricultural growth; exiting agriculture; improved governance and political processes; and African ownership. It describes the policy priorities of the main actors shaping agricultural and rural development agenda in Africa. These are multilateral institutions such as the United Nations family and international financial and Bretton Woods institutions and also bilateral development agencies of OECD governments such as the UK Department for International Development (DFID) and the United States Agency for International Development (USAID), some private foundations, agricultural research institutions as well as relevant African institutions.

The report concludes that the development of future aid and investment programmes for agriculture needs to change in response to the new challenges. Agriculture and rural development in Africa will have to concentrate on more people-centred, food-focused and environmentally sustainable approaches if the development of African agriculture is to serve the long-term interests of the majority of Africans.

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Further references, acronyms etc. can be found in the main report, "*More Aid for African Agriculture: policy implications for small-scale farmers*", available at: www.ukfg.org.uk/docs/More_Aid_for_African_Agriculture_MAIN_REPORT.pdf

or by request from ukfg@ukfg.org.uk. Annexes cited in this report are available online at www.ukfg.org.uk/docs/More_Aid_for_African_Agriculture_ANNEXES.pdf.

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