

More Aid for African Agriculture

*Policy implications for
small-scale farmers*



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Acronyms

| | |
|-----------|--|
| AKST | Agricultural knowledge, science and technology |
| AGRA | Alliance for a Green Revolution in Africa |
| AMCOST | African Ministerial Conference on Science and Technology |
| CSO | Civil society organization |
| CAADP | Comprehensive Africa Agricultural Development Program |
| CGIAR | Consultative Group on International Agricultural Research |
| DFID | Department for International Development, UK |
| ECA | United Nations Economic Commission for Africa |
| ECOSOC | United Nations Economic and Social Council |
| EC DG DEV | European Commission Directorate General for Development |
| EU | European Union |
| EPAs | Economic Partnership Agreements |
| FARA | Forum for Agricultural Research in Africa |
| FAO | Food and Agriculture Organization of the United Nations |
| FTAs | Free trade agreements |
| GBS | General budget support |
| GE | Genetic engineering |
| GDPRD | Global Donor Platform on Rural Development |
| IEE | Independent external examination |
| IPRs | Intellectual property rights |
| IAASTD | International Assessment of Agricultural Knowledge, Science and Technology for Development |
| IDA | International Development Association, World Bank |
| IFAD | International Fund for Agricultural Development |
| IFIs | International financial institutions |
| IFPRI | International Food Policy Research Institute |
| IMF | International Monetary Fund |
| LDCs | Least-developed countries |
| MDGs | Millennium Development Goals |
| NARS | National Agricultural Research System |
| NEPAD | New Partnership for Africa's Development |
| NGOs | Non-governmental organizations |
| ODA | Official development assistance |
| OECD | Organisation for Economic Co-operation and Development |
| OECD-DAC | OECD-Development Assistance Committee |
| PASS | Program for Africa's Seed System |
| PROAGRA | Program for Green Revolution in Africa |
| PRSP | Poverty reduction strategy paper |
| PRSC | Poverty reduction support credit |
| SWAp | Sector-wide approach |
| SSA | Sub-Saharan Africa |
| STI | Science, technology and innovation |
| UKFG | UK Food Group |
| UNECA | United Nations Economic Commission for Africa |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDP | United Nations Development Programme |
| USAID | United States Agency for International Development |
| WB | World Bank |
| WFP | World Food Programme |
| WTO | World Trade Organization |

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Scope of Report

The research tried to determine what underlies the expressed policy of each actor and how they influence each other's agendas

The research upon which this report is based was limited to a focused and selective review of policy documents of some of the major donors providing aid for agricultural development as well as United Nations, international finance, agricultural research and African institutions. Drawing on UK Food Group (UKFG) members' policy intelligence, rural development and agricultural policy literature and websites, a grid was drawn up of some of the main actors shaping the rural development and agricultural agenda, especially in Africa. These are mainly multilateral institutions such as the United Nations family and international financial and Bretton Woods institutions, but also bilateral development agencies of Organisation for Economic Co-operation and Development (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. This grid was refined throughout the research.

The research tried to determine what underlies the expressed policy of each actor and how they influence each other's agendas. Official policy documents¹ were screened through a set of questions:

- How do donor agencies translate their 'new' vision of agricultural and rural development for Africa in their policy discourse?
- How, according to them, can public policy best be tailored to overcome the current challenges facing rural households in Africa? and particularly
- What role do the donors propose for small-scale farmers?²

The research focused on expressed policy priorities not on their impacts. The issue of effective allocation and use of funding is outside of the scope of this study. There is no easy way to establish what proportion of the funds in a budget-support operation may be attributed to agriculture when this can embrace a wide range of programmes from research to production support, to infrastructure and market development. Not only do donors often use several mechanisms of funding, but they also seldom break down their data between sectors. It is difficult to quantify what recipient governments allocate specifically to agriculture. Donors like DFID favour pooling resources for budget support, relying on government priorities for resource allocation. Other donors, however, prefer to provide extra-budgetary support for projects and require the use of their own disbursement and accounting procedures³.

The report provides an account of recent development themes concerning aid to African agricultural development. This is followed by a table of the main actors, with a brief description of their activities and their policies. The report then analyzes the key findings derived from the evidence. In particular, it covers policies and reports published between 2004 and 2008. A comprehensive list of references and bibliography is provided.

This report is complemented by a longer online document presenting further evidence and appendices, many of which are referenced in this report (available at www.ukfg.org.uk).

¹ See Annex 1b of online report

² See Annex 1a. Ibid, which lists the areas of specific focus for the research.

³ Oxford Policy Management (2007).

1. Introduction

Aid to African agriculture is back on the international policy agenda in the context of climate change, the current food and energy price crises and the consequent demands for hundreds of billions of dollars in new investment in agriculture. African governments have committed to allocate 10 per cent of GDP to agriculture. Many international processes are now focusing on agriculture including the third High Level Forum on Aid Effectiveness, and many processes of the United Nations (United Nations, 2008). These will have the opportunity to decide how to provide more aid to agriculture, especially in Africa. The big question is how much will be available in practice, for what type of investment and for whose benefit? Will increased aid for African agriculture actually benefit small-scale farmers in the long-term?

'If agriculture has a final frontier, it is Africa. After agriculture transformations in Asia and Latin America since the 1960s, Africa remains the one place where the farming potential has barely been scratched. African agriculture has less irrigation, less fertilizer use, less soil and seed research, less mechanization, less rural financing, fewer paved farm-to-market roads than any other farming region in the world.'

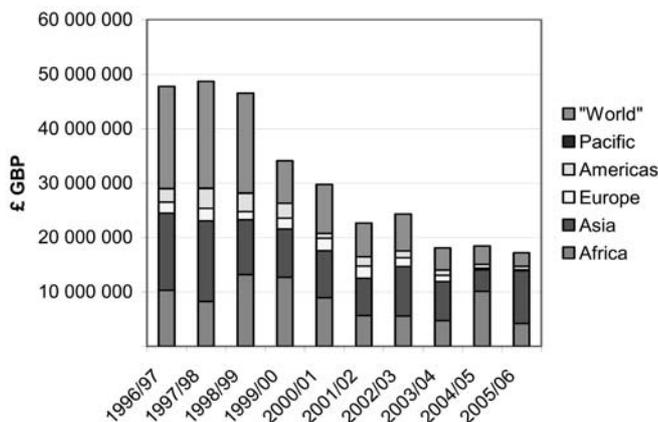
Roger Thurow, Wall Street Journal, 27 May 2008

Many donors are reviewing their priorities: aid to agriculture, especially in Africa, is belatedly on the increase. Nonetheless, concerns remain about the apparently ubiquitous macroeconomic approach, promoted by the donor community, to rural poverty reduction and the type of agriculture it supports. In particular there are concerns about the impacts of this approach on small-scale and marginal farmers. Will there be agreement among governments on concerted actions to provide 'better aid' and related policies for African small-scale farmers in order to secure local food supplies and livelihoods in ways that are environmentally sustainable?

In recent decades there was a sharp decline in overall spending on agriculture by donors and African governments. After the second World War there were several decades of strong support but, subsequently, international funding for agriculture began to decline in both absolute and relative terms. This decline was particularly acute in Africa, where donor assistance to African agriculture fell dramatically during the 1990s. From 1991 to 2002, donor aid to African agriculture fell in absolute and proportional terms - from about US\$1.7 billion to US\$1 billion (19 per cent to 10 per cent) - while that for social services (health and education) increased from 32 per cent to 56 per cent' (Jayne et al., 2006).

Aid to agriculture, especially in Africa, is belatedly on the increase. Nonetheless, concerns remain about the apparently ubiquitous macroeconomic approach, promoted by the donor community, to rural poverty reduction and the type of agriculture it supports.

DFID Bilateral Spending on Agriculture, 1996-97 to 2005-06 (Source: SRSB)



Source: SRSB Database, DFID, September 2006

Structural adjustment programmes have forced many African governments to dismantle public agricultural research and extension programmes and drop whatever protection and incentive mechanisms that may have existed for their small-scale farmers

There was a paradoxical interweaving of market liberalization, including the provision of incentives for private enterprise and investment, and participatory strands, for example, the World Bank's adoption of bottom-up, participatory rural development approaches. Despite this, dominant rural and agricultural development themes over recent decades have included a reduction of direct state involvement in markets and provision of related physical infrastructure and less on public investment in agricultural research and extension programmes.

Structural adjustment programmes have forced many African governments to dismantle public agricultural research and extension programmes and drop whatever protection and incentive mechanisms that may have existed for their small-scale farmers, despite general agreement that promoting growth in agriculture has poverty-reduction effects. This had profound impacts on agriculture including forcing small-scale farmers off the land and shifting the control of food production to large national or international agribusiness.

The research shows that the donor consensus on the new agriculture agenda for Africa focuses on five main issues:

1. **Aid effectiveness:** targeting and delivering aid more effectively with greater emphasis on food production, food security and agricultural and rural development.
2. **Market and private sector-led agricultural growth:** there is broad agreement among most donors that agricultural growth must be market-led with a smaller role for the public sector and new public-private partnerships. They call for a productivity revolution, which some explicitly name as a 'New Green Revolution for Africa', with the need for more research and development, specifically in science, technology and innovation.
3. **Exiting agriculture:** this is a dominant theme that not only includes propositions about farmers leaving the land, safety nets, and whether such aid should be provided in cash, as food aid or via voucher schemes, but also the future for farmers, smallholder agriculture and rural-urban development. In the latter category it includes preventive measures such as the increased recognition of the social role of small farms and the central role of women in agriculture; increased investments in human capital; the provision of assistance to small-scale farmers' groups in accessing markets; opportunities for diversification through, for example, high-value agriculture.
4. **Improved governance and political processes:** good governance evolves with economic progress, it is claimed, and donors therefore propose greater emphasis to be put on small, but targeted and strategic, improvements in governance rather than on wholesale governance reform.
5. **African ownership:** Africa taking the lead in its own development is an important component of the donors' discourse on rural development and agriculture. More specifically, Africa must lead partnerships between sub-Saharan African countries and donors, and take responsibility for problems and ownership of solutions, compliant with donors' priorities.

The challenge for the new agriculture agenda is underscored not least by the projected increased population – up to 9 billion by 2050 – and changing demographics, with an increasing proportion of the population living in urban areas – up from the current 50 per cent and with the urban population shouldering a greater percentage of overall poverty. Increasing constraints on the supply of oil, water, land and the loss of agricultural biodiversity from which all food is produced is also causing production and distribution challenges. In addition, there are six further issues that currently have a significant impact on the global food system, affecting price, quality, livelihoods and the environment. These issues will also need to be addressed in any reform of the aid architecture:

- i. Increased concentration of economic power in the food system supported by intellectual property rights systems and trade rules – most types of agricultural production and trade are controlled by a handful of transnational corporations;

- ii. Climate change - agriculture and intensive livestock production are identified as major contributors of green house gases (GHGs). Opportunities to modify the agricultural environment to stabilise, and not worsen, the global climate need to be maximized in order to minimise projected crop yield declines (up to 20 per cent in some areas);
- iii. Food quality and health – not only is there increasing hunger but also rapidly increasing over consumption of rich diets – the so-called 'nutrition transition' that is causing a pandemic of type II diabetes;
- iv. Food waste – notwithstanding crop and storage losses, up to 30 per cent of purchased food is also thrown away and this food, especially imported fruits and vegetables, contain large volumes of often scarce water;
- v. Conversion of foods and land to produce agrofuels, especially for transport, is increasing and is given incentives in some countries, including the European Union, through mandatory 'biofuel targets', leading to food price pressures; and
- vi. Reduced strategic reserves of basic grains controlled by the public sector and other supply management measures which increase volatility in food markets and speculation in food futures. (UK Food Group, 2008)

Donors and the UN system have shown their interest in tackling these challenges and in the necessary institutional reform, evidenced in declarations at the FAO Food Crisis Summit. All the main international agencies are undergoing, or have recently had, internal review processes related to food and agriculture (FAO, IFAD, WFP, CGIAR, World Bank) and the UN Secretary-General's High Level Task Force on the Food Crisis is proposing a rationalization of their functions. The International Assessment on Agricultural Knowledge, Science and Technology for Development (IAASTD) has provided key findings on how agriculture should be transformed (IAASTD, 2008).

It is therefore a good time to agree new ways forward but only if the processes to achieve these are inclusive and result in reduced hunger, improved equity and a more sustainable environment.

The International Assessment on Agricultural Knowledge, Science and Technology for Development (IAASTD) has provided key findings on how agriculture should be transformed.

2. Major Rural and Agricultural Development Themes: 1980s to the present

This chapter provides a brief overview of the major changes in rural development thinking that have occurred over the past half century. A basic timeline showing successive, well-established themes from the 1950s until now (Ellis and Biggs, 2001; Jayne, 2007) offers a good basis of reference for this research⁴.

Economic theories have exerted a powerful influence on rural development policies throughout the 1980s to the present. Often dubbed the Washington Consensus, their main prescriptions were:

- reduce direct state involvement in markets;
- provide incentives for private enterprise and investment; and
- focus on 'public goods' investments, including crop science, extension programmes and physical infrastructure to drive down marketing costs.

It is worth noting the paradox of market liberalization with participatory approaches. After what Ellis and Biggs (2001) referred to as the second paradigm shift⁵ (Rondinelli, 1983; Mosse et al., 1998), the World Bank has adopted⁶ – in principle if not practice – many of the ideas associated with bottom-up, rural development approaches. Donor practices have also been influenced by broader thinking about social and national development. For example, community development (Hodcroft, 1978) or integrated rural development (World Bank, 1975, 1988) under which donors set their priorities for development assistance in rural areas over particular period of time. In practice, however, structural adjustment programmes forced African governments to dismantle public agricultural research and extension programmes and drop whatever protection and incentive mechanisms existed for their small farmers.

'...African governments have been "encouraged" to devote their most fertile land to the growing of export commodities for markets in the North, thus pushing small farmers off their land and food production out of rural economies' (GRAIN, 2006).

As a result, in the late 1990s growing disenchantment rallied a number of divergent rural development actors behind a shared critique of the Washington Consensus. According to Eicher (2003), imported models of rural institutions were a failure. He also mentions that some experts have overlooked Africa's diversity and complexity and have been uncritically recommending the adoption of the Asian Green Revolution model for Africa and importing models of rural institutions from other continents. The challenge ahead, according to Eicher, is to craft an array of African farm production, food security, and institutional models based on local traditions, agro-ecologies and access to markets.

Donors today seem to agree on the elements of 'good donorship'⁷, and on the fact that sustainable poverty reduction needs broad-based growth including private-sector development or so called 'pro-poor growth'. However, there is no consensus yet on how to operationalize these concepts, including the methodology for identifying country-specific measures and budget items to these ends.

⁴See online report Annex 21:Table1 and Annex 22.

⁵The switch occurring during the 1980s and 1990s from the top-down or 'blue-print' approach to rural development, characterized by external technologies and national-level policies, to the bottom-up, grassroots or 'process' approach, with the retreat of the state in the 1980s, which resulted in part from external pressure from financial institutions under structural adjustment programmes.

⁶As manifested in the World Bank (1997) Vision Action statement.

⁷The 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. In line with the recommendations, donors agreed to establish a strategic alliance to increase overall aid effectiveness in agriculture and rural development, the Global Donor Platform for Rural Development (GDPRD).

'...African governments have been "encouraged" to devote their most fertile land to the growing of export commodities for markets in the North, thus pushing small farmers off their land and food production out of rural economies.'

GRAIN

The main focus of this research is therefore on the period of renewal for the donor agencies in reaction to the failure of the approach promoted by the Washington Consensus in the early 1990s. After acknowledging their failure to meet their own targets in the early 2000s, major actors, such as the World Bank and the IMF⁸, have started rethinking their development strategy. The whole 'donor community' has followed, amending their policy discourse to better reflect the complexity of the role of agriculture in development.

The African Union and the New Economic Partnership for African Development (NEPAD) launched the Comprehensive Africa Agricultural Development Programme (CAADP) to drive agricultural growth and African politicians have committed to significantly increase the share of national budgets allocated to agriculture, in compliance with the 2003 Maputo Declaration, to at least 10 per cent. This contrasts with 4 per cent of GDP that was relatively constant in agriculture-based economies from 1980 to 2000 (World Bank, 2007)

In this framework an overall African Union vision on agriculture has emerged on what should be achieved by 2015. By that time the continent should have:

- improved the productivity of agriculture to attain an average annual production growth rate of 6 per cent, with particular attention to small-scale farmers, especially women;
- built dynamic agricultural markets within countries and between regions;
- integrated farmers into the market economy and have improved access to markets to become a net exporter of agricultural products taking into account Africa's comparative and competitive advantage;
- achieved a more equitable distribution of wealth as a result of rising real incomes and relative wealth for rural populations through more equitable access to land, physical and financial resources, and the knowledge, information and technology for sustainable development;
- become a strategic player in agricultural science and technology development to meet growing needs and demands of African agricultural development; and
- should be practising environmentally sound production methods and have a culture of sustainable management of the natural resource base through increased knowledge, information and technology application.

Competing approaches are emerging, including what is referred to as the 'New Green Revolution for Africa' led by academics, political figures and philanthropists such as Jeffrey D. Sachs, Pedro A. Sanchez⁹, Kofi Annan, the Bill and Melinda Gates Foundation and the Rockefeller Foundation¹⁰. A countervailing approach that is gaining momentum is the agro-ecological approach within the food sovereignty policy framework, which seeks to increase local control over food provision¹¹.

Each of the development agencies has, however, worked on its own separate new strategy, which, according to a World Bank director (Cleaver, 2006), has resulted in 'havoc, confusion and waste'. In response to this apparent chaos, leading donors have come together and agreed to create a new mechanism, the Global Donor Platform on Rural Development (GDPRD)¹², to coordinate their overall approach to

Competing approaches are emerging, including what is referred to as the 'New Green Revolution for Africa' led by academics, political figures and philanthropists...

⁸See for IMF: IEO report 2007, and for WB: review of structural adjustment policies cf. UNCTAD (2006b).

⁹Sanchez is former director general, International Centre for Research in Agro-forestry (CGIAR) and leader of the UN Hunger Task Force. He is currently director of the Millennium Villages Project and director of the Tropical Agriculture and Rural Environment Program at The Earth Institute at Columbia University. Biography available on GDPRD website: <<http://www.africangreenrevolutionconference.com/speakerDetail.php?id=64>> [accessed 24 April 2008]

¹⁰See online report: section 1.2.1 EC DG DEV.

¹¹Statement from African civil society organizations at the World Social Forum 2007, Nairobi, Kenya, 25 January 2007: '...We know, however, that the agro-ecological approach to farming, using traditional and organic methods, provides the real solutions to the crises that we face. Studies show that a biodiversity-based organic agriculture, working with nature and not against it, and using a diversity of mixed crops, produces higher overall yields at far lower costs than chemical agriculture. A 2002 study by the International Centre for Research on Agro-forestry (ICRAF) showed that Southern African farms using traditional agro-forestry techniques did not suffer from the drought that hit the region so severely that year...'

¹²See online report section 1.1.9

'A new donor paradigm seems to have emerged that embeds agricultural development within a broader approach to rural development, with enhanced links to the urban sector.'

Hazell

new agricultural and rural development strategies. The emerging consensus on some elements of 'good donorship', as embodied by the Paris Principles, includes:

- respect for country leadership and ownership, with due consideration to recipient capacity and aid relationship;
- alignment to government policies and programmes, and donor coordination within a common policy framework;
- increased reliance of government systems and procedures where desirable, avoiding the use of parallel systems;
- identification of local needs based on the realistic assessment of recipient capacity; and
- capacity development for the long term, at both institutional and human levels.

At this stage, it is impossible to say if actions will follow. However, at least there are some signs of recognition that a completely free-market, non-interventionist stance on commodities has failed the smaller actors of the agri/food-chain.

Nonetheless, in various forums African policymakers have stressed that 'economists' from development agencies have been keen to recommend policy reforms, including facilitating diversification and further opening of Africa's agricultural trade markets to international trade, but that they have been less forthcoming with practical advice on how to achieve these goals or associated resources. (Hazell, 2006) has recently summarized the current state of play in these terms:

'The debate about the role of agriculture in Africa remains unresolved in many countries and donor agencies as well as within the academic community. As such, we now have two camps pulling in different directions. However, the pro-agriculture lobby seems to be making some progress, and the level of funding for agriculture has at least bottomed out and may actually be increasing again. But even as the momentum for agriculture is increasing, there is another debate about the relevant strategy for agricultural development. A new donor paradigm seems to have emerged (seemingly as much a European as a new Washington Consensus) that embeds agricultural development within a broader approach to rural development, with enhanced links to the urban sector.'

In the same paper, Hazell points out the main arguments of this new paradigm¹³. Although the in-out dichotomy suggested by Hazell has been questioned, the broad areas the paradigm focuses on haven't been contested. However, the results of the present research show that they don't present the whole picture. The 10 Hot Topics¹⁴ chosen by members of the GDPRD – the subjects of joint briefs – better reflect the larger diversity of donors' priorities¹⁵.

Using all the evidence gathered on donor policy discourse of the last five years and with a focus on the more recent declarations, the following chapter is an attempt to give in a snapshot the key developments, assumptions and prescriptions of donors on agriculture and rural development in Africa. The research especially tries to underline the common threads and difference of views between major players. Annex 1b of the online report gives a list of the key policy papers the research draws from.

According to the findings, the current rural and agricultural development discourse seems to revolve around broad conceptual positions, such as:

- the overarching Millennium Development Goal (MDG) of halving the proportion of people living in hunger and extreme poverty by 2015;
- the need to promote agricultural growth through a productivity revolution;

¹³See online report, Annex 35.

¹⁴They listed 10 Topics: (1) Agriculture, environment and natural resources management-linkages; (2) The future of smallholder agriculture; (3) Aid modalities; (4) Rural finance; (5) Value chains and 'supermarketization'; (6) Agriculture and health interlinkages; (7) Trade agreements; (8) Rural-urban development; (9) Biotechnology; and (10) Bio-energy.

¹⁵See online report Annex 26.

- renewed aid effectiveness through the harmonization of donors' agendas for rural development¹⁶; and
- the need to forge better public-private partnerships.

All donors consider the adoption of the MDGs, together with the commitment made to pursue these objectives more effectively, to be the cornerstones of the new agreed development agenda.

Donors appear to agree on such broad principles (GDPRD, 2006¹⁷), but they often disagree on the substance of such principles. Most donors agree, for example, that growth within the agricultural sector should be employment promoting. However, on the components of agricultural growth, the relationship between increasing labour productivity and yield increases, for instance, donors tend to disagree. FAO, for example, argues that increased agricultural productivity is a consequence of improved land productivity, which in turn can be developed fairly easily through existing technologies (Sarris, A.¹⁸, 2006). Others argue that one of the major issues related to agricultural growth is increased labour productivity. Nonetheless, the majority agree on the need to develop productive capacity, notably through better scientific knowledge and technological capacity.

This is just an example of the complex intertwining of terms and meanings encountered during this research. The following analysis is aimed at giving a flavour of this policy discourse on rural and agricultural development for Africa and is intended to be used as an initial tool to help the reader navigate this complex web. The summary and analysis therefore needs to be looked at in connection with the evidence gathered in the online report, as well as with the profile of each of the institutions scrutinized (see Annex 1c of online report).

'...increased agricultural productivity is a consequence of improved land productivity, which in turn can be developed fairly easily through existing technologies.'

FAO

¹⁶ Paris Declaration on Aid Effectiveness (2005).

¹⁷ In 2006, the GDPRD members agreed that there are certain drivers that 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.

¹⁸ Alexander Sarris, director, Commodities and Trade Division, FAO.

Profile and Policies of Major Actors

The table below contains a brief description of each of the agencies examined in this research¹⁹.

| Research Evidence: see online report at www.ukfg.org.uk | Profile | Key policy documents |
|---|--|--|
| 1: Public Donors | | |
| 1.1. Bilateral donors | | |
| DFID | Development agency Third-largest OECD-DAC donor | 2005 Growth and Poverty Reduction; the role of Agriculture (policy for review in 2008/9) |
| USAID | Independent federal agency Receives overall foreign policy guidance from the US Secretary of State | 2004 Agriculture Strategy – Linking Producers to Markets 2007 Strategic Plan: Fiscal years 2007-2012. Transformational Diplomacy |
| 1.2. Regional donors | | |
| European Commission Directorate General for Development (EC DG DEV) | EU Directorate for Development initiates and formulates the Community's development cooperation policy for all developing countries | 2007 Rural Development Policy, 2007-2013 2007 Advancing African Agriculture |
| Organisation for Economic Co-operation and Development (OECD) | Forum of 30 countries Formulation of coordinated policies No grants, but the Development Assistance Committee (DAC) publishes Official Development Assistance (ODA) figures for OECD members | OECD/FAO (2007) Agricultural Outlook 2007-2016 2007 Report: Agricultural Policies in Non-OECD Countries: Monitoring and Evaluation |
| 1.3. Multilateral donor platforms | | |
| Commission for Africa | Launched by Tony Blair in 2004 to address Africa's future prospects and the role of the international community in its development path | 2005 Our Common Interest |
| G8 | International forum for the governments of Canada, France, Germany, Italy, Japan, Russia, the UK and the USA | 2005 Statement on Africa |
| Global Donor Platform on Rural Development (GDPRD) | Platform unites 39 multilateral and bilateral donor agencies, development banks, international agencies, research institutions and networks representing about 80 per cent of international ODA | 2006 On Common Ground: A Joint Donor Concept on Rural Development (JDCRD) |
| Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) | Development Assistance Committee (DAC) publishes Official Development Assistance (ODA) figures for OECD members | 2006 Promoting Pro-Poor Growth: Policy Guidance for Donors |
| 2: UN Family | | |
| 2.1. UN Millennium Project (2002-2007) | Commissioned by the UN Secretary General to develop a concrete Action Plan for the world to achieve the Millennium Development Goals (MDGs) | 2005 Investing in Development: A Practical Plan to Achieve the Millennium Development Goals |
| 2.2. United Nations Economic Commission for Africa (UNECA) | One of the Economic and Social Council's (ECOSOC) five regional arms | 2007 Economic Report on Africa 2007: Accelerating Africa's Development through Diversification. 2004 Economic Report on Africa: Unlocking Africa's Trade Potential |

¹⁹ For a more detailed description see Annex 2 of online report.

| Research Evidence: see online report at www.ukfg.org.uk | Profile | Key policy documents |
|--|--|--|
| 2.3. International Fund for Agricultural Development (IFAD) | Established as an international financial institution in 1977, to finance agricultural projects primarily for food production in developing countries No recourse to private capital markets Votes based on country grouping | 2007 Strategic Framework for IFAD 2007-2010: Enabling the rural poor to overcome poverty 2007 IFAD/ International Food Policy Institute (IFPRI): Impact of Trade Liberalization Agriculture in the Near East and North Africa |
| 2.4. FAO | World's agricultural knowledge agency Technical cooperation Normative policy setting | 2007 The Challenge of Renewal – Independent External Evaluation 2004 State of Food and Agriculture (SOFA), Biotechnology: Meeting the needs of the poor? |
| 2.5. WFP | Responsible for food aid orientation on food security issues for the UN system It spent £800 million in sub-Saharan Africa in 2006 | 2006 Food procurement in developing countries 2005 Consolidated Framework of Policies 2004 Strategic Plan 2004-2007 |
| 2.5. United Nations Development Programme (UNDP) | UN's Global development Network Works in 166 countries | 2004 Unleashing Entrepreneurship: Making Business Work for the Poor |
| 2.6. United Nations Conference on Trade and Development (UNCTAD) | UNCTAD promotes the 'development-friendly integration of developing countries into the world economy' | 2007 Least Developed Countries Report |
| 3: Private Donors' 'New Green Revolution' | | |
| Bill and Melinda Gates Foundation and Rockefeller Foundation Joint Partnership | Alliance for a Green Revolution in Africa (AGRA) supported by its Program for a Green Revolution in Africa (ProAGRA) PASS, ProGRA's first programme includes five projects, which will receive \$150 million over five years | 2006 Program for Africa's Seed System (PASS) 2006 Africa's Turn. A green Revolution for the 21st Century Rockefeller Foundation |
| 4: Financial Institutions | | |
| 4.1. World Bank | Largest public development institution Lent more than US\$14.1 billion to client countries in 2006 | 2007 World Development Report 2008 on 'Agriculture for Development' 2007 Evaluation of Sub-Saharan African Agriculture programmes 2005 African Action Plan 2002 Agriculture and Rural Development Strategy: Reaching the Rural Poor |
| 4.2. IMF | Inter-governmental organization (185 member countries) 2006 operating income was around US\$2.7 billion | 2007 Independent Evaluation Office Report on IMF 2005 Joint WB/IMF Global Monitoring Report |
| 5: Research Community | | |
| 5.1. International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) | Inter-governmental process whose reports were fully approved by 58 governments. Governing bureau comprised 30 representatives from governments and 30 others. | 2008 Summaries for Decision Makers with 22 Key Findings, Synthesis report, Global and five sub-global assessment reports |
| 5.2. CGIAR | 15 international agricultural research centres | Many papers including: 2007 The Future of small farms for poverty and growth (IFPRI) |
| 6: African Union | | |
| | Regional organization Promoting unity and solidarity among African States to coordinate and intensify cooperation for development among other core goals | 2001 New Partnership for Africa's Development (NEPAD) 2003 Comprehensive Africa Agricultural Development Program (CAADP) |

3. Aid Policies

Drawing from the evidence collected during this research, the current discourse on rural development and agriculture 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.**

3.1 Aid effectiveness agenda

A harmonization, alignment and results agenda – as called for by the Development Advisory Committee (DAC) of the OECD²⁰ and endorsed by donors and partner countries in the Rome 2003 and the Paris 2005 Declarations²¹ – is reforming the way that the international development community works. It concentrates its efforts on country capacity and ownership as prerequisites for sustained poverty reduction and development. Recently, donors have committed themselves to target and deliver assistance more effectively. This, they say, should be done through involvement of local communities in the design and implementation of targeted programmes. They often mention that programmes need to be primarily demand-driven and hence reflect local needs and constraints (GDPRD, 2006).

3.1.1 Need for increased ODA spending on agriculture

Both the volume and share of aid earmarked for agriculture has, until recently, been steadily falling to below 1980s levels²² – this despite official development aid (ODA) being recognized as a crucial instrument for supporting agriculture and rural development, and for enhancing food security. This trend has been especially strong in sub-Saharan Africa, where bilateral agricultural aid fell by 60 per cent from US\$1.3 billion to only US\$524 million between 1990 and 2001 (FAO, 2005; FAO-IFAD-WFP, 2002).

The importance of redressing this situation was specifically acknowledged in the final communiqué of the 2005 UN World Summit (United Nations, 2005), which stated:

'We reaffirm that food security and rural and agricultural development must be adequately and urgently addressed ... We deem [it] necessary to increase productive investment in rural and agricultural development to achieve food security'.

This striking contradiction between the widely-recognized key role of agriculture and rural development, and yet the declining trend in resource flows to agriculture, is difficult to reconcile. Some explanations have been suggested: the view that technological advancement is more important than investments in the sector; the unclear links between agriculture, rural development and other key policy issues, such as the environment and social protection; and the perception of donors that agriculture and rural development projects are more risky and less profitable than other types of projects (FAO-IFAD-WFP, 2002). Moreover, the widely-experienced phenomenon that aid flow to agricultural programmes has gone down, while donor support to health, education, water²³ and the environment has increased, could be related to the high level of importance social sectors receive in sub-Saharan Africa poverty reduction strategy papers (PRSPs) and the MDGs. It has also been argued that civil society groups have promoted this shift by convincing donors that aid must be people-centred, instead of sector- or activity-centred – thereby moving donor focus to

'We reaffirm that food security and rural and agricultural development must be adequately and urgently addressed...'

UN General Assembly

²⁰ See online report, Annex 34 Table 8.

²¹ The OECD (see http://www.oecd.org/department/0,2688,en_2649_33721_1_1_1_1_1,00.html [accessed 25 April 2008]) drew up detailed recommendations for an improved harmonisation and alignment of development assistance, which were endorsed by donors and partner countries alike in the Rome Declaration on Harmonisation (see http://www.donorplatform.org/component/option,com_docman/task,doc_details/gid,457/Itemid,98 [accessed 25 April 2008]) of February 2003, and the Paris Declaration on Aid Effectiveness of March 2005 (see <http://www.oecd.org/dataoecd/11/41/34428351.pdf> [accessed 25 April 2008]).

²² See online report, Annexes 28, 29, 31 and 32.

²³ Ibid: Annex 33, Tables 2, 3 & 4.

the social sectors (Eicher, 2003). However, the declining farm aid symptom may also be related to the specific challenges of the sector itself. Many donors seem to have come to the conclusion that a classical sector programme, with a public expenditure focus and targeting a single line ministry, is not very effective in agriculture. Consequently, donors wanting to support a sector programme have turned away from agriculture to other sectors such as health and education (SNRD/GTZ, 2006).

The World Bank's World Development Report 2008 has confirmed these concerns. In its first report on agriculture for more than two decades, the World Bank describes a complex of reasons to explain the decline of donor support to agriculture and rural development as due to:

- (1) falling international commodity prices that made agriculture less profitable in developing countries;
- (2) increased competition within ODA especially from social sectors;
- (3) emergency responses to numerous crises;
- (4) opposition from farmers in some donor countries to supporting agriculture in their major export markets; and
- (5) opposition from environmental groups that saw agriculture as a contributor to natural resource destruction and environmental pollution (World Bank, 2007a).

The failures of the Bank's own projects in Africa during the period 1991-2006 were critically reviewed in 2007. The evaluation highlighted 'a number of areas in which there could have been more focus in the assistance programmes. These were "sprinkled" across an array of activities in rural space, including research, extension, marketing reform, drought relief, seed development and transport, but with little recognition of the relationships among them and the need for all of these areas to be developed at the same time, or at least in an optimal sequence, to effectively contribute to agricultural development' (World Bank, 2007b).

Nonetheless, there are some signs of a new trend towards agricultural ODA spending. In April 2005, the World Bank and the IMF threw their influence behind the calls for more aid. In a 2005 joint Global Monitoring Report, the two institutions argued that ODA 'must at least double in the next five years to support the MDGs, particularly in low-income countries and sub-Saharan Africa.' The World Bank's African Action Plan 2005, which is meant to be in line with the Comprehensive Africa Agricultural Development Program (CAADP), considers agriculture as a 'driver of growth' for the region. Moreover, after the adoption in 2002 of the World Bank's Rural Development Strategy, 'Reaching the Rural Poor', the International Development Association's (IDA) development policy lending to agriculture almost doubled from an annual average of US\$59 million in financial years (FY) 1997-2001. Over the past eight years, the IDA allocation to agriculture fluctuated between US\$305 million in FY2000 and US\$1,144 million in FY2006, thus indicating both high annual variability and a significant upward trend in agricultural lending over the period. (World Bank-IDA, 2007, p.2). The World Bank's Robert Zoellick announced in July 2008 that it will double its agricultural lending to Africa from an average of US\$450m to US\$800m a year, in the wake of international staple food price hikes.

However, according to the Independent External Examination (IEE) of the FAO (FAO, 2007), this shift should not be exaggerated. It does not indicate an increased commitment to agriculture, because while lending figures have increased, agriculture's share of total IDA lending has remained static at about 9 per cent. However, the largest share of resources for agriculture has gone to Africa (47 per cent in FY2002-FY2006, up from 29 per cent in FY1996-FY2001) (World Bank-IDA, 2007). Other key donors such as the European Union (EU)²⁴, DFID and private foundations have started to follow suit.

'ODA must at least double in the next five years to support the MDGs, particularly in low-income countries and sub-Saharan Africa.'

World Bank, IMF

²⁴ 10th European Development Fund.

'The process of economic liberalization was pushed by policy conditionality associated with aid and debt relief programmes... This trend needs to be reversed.'

UNCTAD

At the FAO High Level Conference on World Food Security: The Challenges of Climate Change and Bioenergy in June 2008, governments committed to increase investment in agriculture with FAO Director General calling subsequently for US\$30 billion a year (FAO, 2008).

3.1.2 Policy conditionality attached to aid

OECD countries' policies aim at influencing Africa's internal policymaking, often through policy conditionality attached to the disbursement of development aid. After encouraging SSA countries to push through neo-liberal reforms through structural adjustment programmes (SAPs) in the 1980s and 1990s, OECD countries succeeded in having developing countries bind their market-based reforms at the World Trade Organization (WTO) by heavily restricting state interventionist policy options. While African countries were largely able to protect their agricultural markets through maintaining relatively high tariffs, some OECD members – most importantly the EU – are now seeking SSA commitments via bilateral economic partnership agreements (EPAs) and other types of preferential trade agreements to substantially open up these markets.

After around 50 years of donor experience with African development aid, multilateral and bilateral donors are now questioning whether their habit of policy conditionality attached to aid has actually led to economic growth and poverty reduction. A World Bank study (Devarajan et al., 2001) found: '... conditionality as an instrument to promote policy reform has been a failure'. The Commission for Africa (2005) states that: 'The use of policy conditionality associated with external assistance should be strongly reduced'.

On the same line, UNCTAD explains that the World Bank's economic reforms of the 1980s-1990s and the PRSP approach of late 1999²⁵ are partly to blame for the fact that current debates on development policy place too much emphasis on finance, and not enough on knowledge. In its 2007 report on least-developed countries (LDCs), UNCTAD argues that:

'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. ... This trend needs to be reversed. 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, L., 2005) to promote growth in member countries' (UNCTAD, 2007, chapter 2, p.55-56).

Therefore, it might be argued that policy conditionality has merely changed appearance from an 'aggressive' to a more 'tailored' liberalization tool.

The World Bank's recent policy discourse confirms this view: the World Bank/ IMF joint Global Monitoring Report 2005 states that they should better tailor their own policy interventions 'to reflect national priorities'. The World Bank in its 2008 World Development Report on 'Agriculture for Development' also defends the idea of 'agriculture-development-agendas tailored to the context' (see also OECD's new agenda to promote pro-poor-growth²⁶).

On the other hand, Kevin Cleaver (2006), Director of Agriculture and Rural Development, explains that:

'According to the World Bank 2002 Strategy on Agriculture and Rural Development ... 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'.

²⁵ 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 policy makers. Klugman, J. (ed.) (2002). A Sourcebook for Poverty Reduction Strategies, 2 volumes, World Bank, Washington, DC.

²⁶ Online report: Annex 34, Table 1, Table 3; Annex 34, Table 11.

The 2002 strategy emphasizes that developed countries need to make progress in agricultural trade liberalization. It also 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 2008 World Development Report estimates that the global costs of trade tariffs and subsidies would reach about \$100 billion to \$300 billion a year by 2015 – about two-thirds coming from agriculture. In addition, it reports that developed-country agricultural policies cost developing countries about \$17 billion per year – a cost equivalent to about five times the current levels of overseas development assistance to agriculture. It therefore concludes that there are significant benefits to be achieved for developing countries in full liberalization of trade and reduction of protectionist policies, especially in developed countries (World Bank, 2008).

3.1.3 Aid modalities

According to Ohno and Niiya (2004), aid modality is not a development strategy per se; rather, it determines how funds and knowledge are transmitted to recipient countries, how goods are produced, and how recipients and donors interact in such processes. Consequently, it seriously affects the nature of aid relationships and the effectiveness of addressing development problems in recipient countries. (Online report, Annex 52, defines the various aid modalities.)

The bad performance of 'stand-alone' projects and adjustment operations recognized by the World Bank (1990, 1992) have promoted shifts in the existing aid modalities towards programmatic aid in three ways. The first shift took place in the mid-1990s from 'stand-alone' projects to project 'clustering', often in the form of pooling funds under the sector-wide approach (SWAp) arrangement. The second shift is from structural adjustment operations (and balance of payments support) to general budget support (GBS) (Ibid, Annex 54). A consensus emerged that the new type of conditionality contract should be ex-post, policy-linked, empirically-based and country-specific. In this sense, the PRSP initiative, led by the World Bank and the IMF in 1999, was the manifestation of their intention to improve the nature of the aid relationship. In a third, more recent shift, some donors, particularly UK DFID but also FAO, have moved from sector-wide approaches (SWAps) to general budget support (GBS), based on the view that GBS is a preferred or 'more progressive' aid modality. DFID also said that GBS is the most flexible and effective in strengthening accountability relationships. The World Bank too seems to favour direct budget supports rather than SWAps. However, IEE/FAO (2007) says that 75 per cent of World Bank lending is still in the form of the traditional project. Some authors (Heath, 2007; Foster et al, 2001) have argued that compared to other sectors, agriculture lends itself less readily to SWAps (online report: Annexe 53). Michael Wales, Principal Adviser of FAO's Investment Centre and GDPRD's Co-Chairman, explains that this is because financing institutions and donors find it easier to agree on broadly-defined development milestones than to try and harmonise detailed procedures on tendering, for instance. He notes, however, that this means that they must rely on national systems for procurement, management, accounting and so forth. This in turn means a more trust-oriented relationship between donors and recipients of aid, but also more pressure on recipients to build-up reliable national systems.

3.1.4 Aid for trade

In a 2006 concept note, the United Nations Development Programme (UNDP) explores the fact that over the previous year, it became evident that there was a broad consensus amongst 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. Yet this same note also recognizes the considerable uncertainty and concern (among developing countries in particular, but also among donors) about what 'aid for trade' actually is. UNDP tries to clarify the concept:

...some donors, particularly UK DFID but also FAO, have moved from sector-wide approaches (SWAps) to general budget support (GBS), based on the view that GBS is a preferred or 'more progressive' aid modality.

'In the broadest sense, 'Aid for Trade' should be designed to enable developing countries, particularly low-income ones to actively and effectively use trade as an instrument of development policy. This should include, but not be limited to, helping them take advantage of the trade and development aspects of global, regional and bilateral trade agreements.'

Annual costs of aid for trade for Africa

| Broad area | Cost estimate (bn US\$) |
|---|-------------------------|
| Implementing WTO agreements | 0.7 – 1.7 |
| Infrastructure needs | 10-20 |
| Skills enhancements for trade related private sector development (Cali, 2007) | 1.9 |

Conceptually, there are two broad sets of issues that 'aid for trade' should help address. The first is essentially developmental and independent of trade negotiations. These objectives have been recognized and resources have been pledged in the 2005 Commission for Africa report, as well as the 2005 G8 and 2005 UN World Summit Outcome documents. Certain aspects traditionally neglected have received renewed emphasis (such as cross-border projects on infrastructure for landlocked countries, and investment in projects addressing cross-country and regional impediments to trade development, such as regional transport corridors, standards, disease or pest issues).

The second set of 'aid for trade' objectives is regarded as conceptually new. UNCTAD says that:

'There is now broad agreement that there are "winners" and "losers" from trade negotiations. The argument that "Aid for Trade" should be used to meet the various costs of trade negotiations is relatively new in the mainstream discourse on trade or aid. ...Since the costs for some countries are associated with gains for other countries, especially developed countries from trade liberalization negotiated in trade agreements, aid criteria and existing aid budgets should not be used to compensate the "losers" or pay for implementation costs of trade agreements'.

UNDP concludes that it should prioritize and focus initially on the first cluster of objectives.

Many key OECD members, such as the EU, United States or Japan, have been consistently accused of frustrating African development efforts – for example, by protecting their agricultural markets through various tariff and non-tariff measures; and by heavily supporting their agricultural producers and exporters through various subsidies – to the tune of around US\$350 billion in 2005 alone – thereby out-competing African producers and exporters at home and in third country markets (Commission for Africa, 2005; FAO, 2005; UN Millennium Project, 2005; and UN Millennium Project Task Force on Hunger, 2005). African countries are also increasingly under pressure to reciprocate the trade concessions made by developed countries – be it at the international or bilateral level (Commission for Africa, 2005), while OECD countries fail to provide Africa with sufficient levels of 'aid for trade' to help it adjust to the challenges posed by gradual integration into the global trading system (UN Millennium Project, 2005).

A joint World Bank/IMF report (2005) asserts that given current progress in institutional reform, sub-Saharan Africa 'could effectively use a doubling of aid over a five-year timeframe'; a portion of which, it notes, should be explicitly targeted towards helping to build up trade capacity. 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'.

'Since the costs for some countries are associated with gains for other countries, especially developed countries from trade liberalization negotiated in trade agreements, aid criteria and existing aid budgets should not be used to compensate the "losers" or pay for implementation costs of trade agreements'.

UNCTAD

3.2 Market and private sector-led agricultural growth

3.2.1 Research and development

Official statistics underline that investment in research and development (R&D) in Africa has been falling for the past two decades (Oxford Policy Management, 2007). UNCTAD (2007) stresses that:

'Donors' aid for science, technology and innovation (STI) is very weak, both qualitatively and quantitatively. Annual development assistance disbursements for the development of advanced skills and for research during the period 2003-2005 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. In contrast, US\$1.3 billion was allocated by donors to improving governance in LDCs during 2003-2005, compared to only US\$12 million on providing advice to farmers through agricultural extension services'.

The importance of science and technology for development was stressed in the final statement agreed at the end of the UN World Summit 2005. In its Programmatic Strategy and Program of Work for the Biennium 2006-2007, UNECA (2005) Special *ad hoc* Expert Group Meeting re-emphasized its commitment to foster science and technology in Africa's development to 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.

At the same time, the African Ministerial Conference on Science and Technology (AMCOST)²⁷ with the Science and Technology Commission of the New Partnership for Africa's Development (NEPAD) drew up 'what African governments themselves have identified as their own priorities'. 'Development of agricultural research, technology dissemination and adoption to sustain long-term productivity growth' is one of six development priorities laid down in the CAADP (2003). In 2006, OECD declared the need for emphasis on technology that makes a difference to land and labour productivity, as well as policies and programmes that improve market access and lower transaction costs. A World Bank/UN study underscores this (IAASTD, 2008).

UNCTAD develops this argument further in favour of strong technology and innovation policies in the case of LDCs. It says that:

'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 will lead to decreased economic marginalization' (UNCTAD, 2007, p.2).

UNCTAD also lists a range of measures for LDCs 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 as 'knowledge aid' (see online report: Annex 3). 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. UNCTAD explains that:

'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

'Donors' aid for science, technology and innovation (STI) is very weak, both qualitatively and quantitatively.'

UNCTAD

²⁷ Science ministers and senior government officials from 45 African states gathered in Dakar (Senegal) to discuss a five-year 'consolidated plan of action' which drew together a range of projects and initiatives costing an estimated US\$157 million over the period 2006-2010.

technology that exists abroad – for example, local breeding of plant and animal varieties to meet local and ecological conditions' (UNCTAD, 2007, p.5).

UNCTAD refers to the World Bank and Inter-academy IFPRI²⁸ Council non-official recommendation about preferred intensity ratios for agricultural R&D investments. It notes that a small part of that increase could come from the private sector and there are opportunities for some public-private partnerships. However, due to the possible emergence of a two-track research system that would be detrimental to peasant farmers, particularly those who are engaged in low-value subsistence oriented food production and keep livestock, the increase should mainly come from public R&D expenditure, which itself requires increased ODA for agricultural R&D.

UNCTAD also says that despite the low results of past aid for agricultural R&D, there is an increased understanding of the weakness in national agricultural research systems (NARS) including a very low level of expenditure on agricultural education²⁹ and the bias towards extension³⁰. Emphasis is now placed on a systems approach to agricultural innovation (World Bank, 2006). 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 organizations³¹. UNCTAD said that important reforms in NARS are taking place, including decentralization of agricultural research, greater stakeholder participation, a shift from block grants to competitive research funds and the strengthening of system linkages.

Green revolution

Most donors seem to agree that Africa needs a productivity revolution to reach substantial poverty reduction by 2015. Some, including the FAO (2004, 2005), UNECA (2003), USAID (2007) and UNCTAD (2007a), explicitly name it a 'New Green Revolution for Africa' and endorse private-led initiatives such as the Bill and Melinda Gates and Rockefeller Joint Partnership. While 'genetic engineering' (GE) of crops is not presented by all as being central to the New Green Revolution for Africa, 'improved' crops are. The definitions of both expressions given by the Rockefeller Foundation³² imply that GE is one of the technologies promoted to 'improve' or 'enhance' crops to reach the ultimate goal of increasing agricultural productivity. The New Green Revolution for Africa, like its predecessor in the 1960s-1970s is a high technology-based revolution aimed at increasing farmer productivity using 'improved' crops, 'better' irrigation systems, 'enhanced' inputs, and so on..

When asked in 2006 to what extent the productivity revolution that some refer to as the 'New Green Revolution for Africa' differed from the agricultural development agenda promoted in Africa 30 years previously (attempts to emulate the Asian Green Revolution), representatives of FAO, IFAD and the Forum for Agricultural Research in Africa (FARA) argued that the main difference is that the African policy environment in general is more favourable. They said that at regional and national level, more commitments and more effective policies are in place than was the case three decades ago.

The FAO (2001), World Bank (2001) and OECD (2006) have argued that considerable areas of underexploited potential remain in sub-Saharan Africa, with opportunities both to enhance the productivity of rain-fed land and expand irrigation. The OECD (2006) further explains that for several of the major crops – maize, cassava and rice especially

...considerable areas of underexploited potential remain in sub-Saharan Africa, with opportunities both to enhance the productivity of rain-fed land and expand irrigation.

²⁸ Beintema, N. and G. Stads (2004).

²⁹ Eicher, C.K. (2001).

³⁰ Hayami, Y. and V. Ruffan (1985); online report: Annexes 4 & 5.

³¹ Byrlee, D. (1998).

³² 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 'land race' varieties. Improvements might include resistance to insects, diseases, 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.

– improved varieties on which to base such exploitation are already available. However, it says that: 'Attempts to unlock these potentials for greater productivity must above all respond to Africa's diversity'. Referring to the 'one-size-fits-all' recommendations for intensification technology of the sort that spread the Green Revolution in Asia, the OECD insists that such intensification doesn't suit the small farmers of sub-Saharan Africa, who are not well connected to markets and don't have access to finance. This view is also supported by UNCTAD in its 2007 LDCs report. For many years to come, the 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 (can we explain this to a non-expert audience) that sustained people in a less crowded past. Technical solutions need to be far more specific to locations and clients than in other regions.

The OECD (2006) also argues that:

'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 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 for more than a few large-scale producers'.

Biotechnology

One of the main proponents of the 'New Green Revolution for Africa', Kofi Annan³³ declared in July 2007 that 'AGRA programmes will not involve GM seeds, but instead focus on conventional seed breeding'. He cautiously added that 'science is evolving...we don't know what science will offer us in 10 or 20 years'. Despite this, it is clear from the many documents reviewed here that the introduction of genetic engineering is a driving force behind many of the initiatives pushing for such a revolution.

Moreover, an examination of the donors' agenda for a 'New Green Revolution for Africa' clearly indicates its underlining motivations. The African Green Revolution Initiative was first developed by UNECA 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.

In a number of papers released in 2003 (UNECA, 2003a, b and c), UNECA affirms its support for a New Green Revolution for Africa. It declares:

'There is no reason to believe that Africa did not miss the Green Revolution, it was delayed. The question to address is rather how, not when the African Green revolution shall be designed, triggered and sustained'.

Accordingly, one of the main issues for UNECA in 2003 was to determine how to configure what it calls the 'Green Revolution institutions' or CGIAR's centres³⁴ to

³³ On 21 February 2003, UN Secretary General Kofi Annan urged African countries and their global partners to promote a 'Green Revolution' in Africa, to help the continent move towards self-sufficiency in food, reduction of hunger and eradication of poverty. This call to action was perceived as a major UN policy imperative and challenge for all key players and stakeholders to deliver their part of the bargain for the transformation of African agriculture through a Green Revolution (UNECA 2003).

³⁴ This system of research institutes (15) is supported by a consortium of many donors, led by the World Bank. Half of its resources are channeled to Africa. In practice, CGIAR is an international agricultural organization (albeit characterized as a 'group' and not an 'institution') in direct competition with the FAO. (CC IEE report on FAO 2007)

...the introduction of genetic engineering is a driving force behind many of the initiatives pushing for such a revolution.

generate the necessary pipeline of Green revolution technologies for Africa. A 2003 assessment of CGIAR's research priorities and strategies for Africa shows that CGIAR centres are primarily commodity-oriented and focused on developments in genetic engineering as a way 'of improving food and livelihood opportunities for poor farmers'³⁵. While UNCTAD (2007) similarly stresses the importance of CGIAR in undertaking scientific research relevant for increasing agricultural productivity³⁶, it notes that agricultural research continues to fail to reflect the reality of subsistence-oriented smallholder agriculture in LDCs. It says that: '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' (see Beintema and Stads, 2006; also Alston, Dehmer and Pardey). UNCTAD therefore points out that a key priority for aid for science, technology and innovation in the agricultural sector is to ensure that CGIAR's work remains LDC-relevant.

In 2003, UNECA was also very keen on making of the Green Revolution an explicit goal of NEPAD's CAADP. Although not explicitly referring to the Green Revolution, the CAADP (2003) vision specifically calls for 'agricultural knowledge systems delivering profitable and sustainable technologies that are widely adopted by farmers resulting in sustained agricultural growth.' AMCOST's 2005 Plan of Action overtly proposes spending US\$45 million on promoting biotechnology over the next five years. It specifies, however, that this is needed not only for boosting research, but also promoting its 'safe development and application'.

Among the donors, USAID is the more overt supporter of genetic engineering technology. USAID argues that it supports development of biotechnology as a component of its strategy to increase agricultural productivity and economic growth. In 1989, USAID launched what it calls:

'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 through the Agency's Collaborative Agricultural Biotechnology Initiative (CABIO), which works in collaboration with CGIAR, AGRA and Monsanto among other partners. According to USAID, it reflects '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'.

Several donors, including FAO, OECD and UNCTAD, have been arguing that biotechnology developments need to be targeted to the needs of poor farmers. OECD (2006) says:

'Large-scale producers and processors already benefit from advanced technologies based on the recent discoveries of molecular biology and genetic manipulation. However, much of this technology remains primarily aimed at users in developed countries, and has been financed by multinational companies. For the originators of [bio]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'.

FAO (SOFA 2004) calls for 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 (see also UNCTAD, 2007), government incentives for research for the poor and financial prizes for research and technology for the poor. Like UNCTAD (2007), it insists on the role of a participatory approach to agricultural research. UNCTAD (2007) also insists on the importance for

'For the originators of [bio]technology, research and development geared to the needs of the rural poor in developing countries are not considered high-return investments.'

OECD

³⁵ See online report: Annex 66.

³⁶ Such as research on agricultural production of staple foods towards post-harvests handling, food processing and food safety and environment issues.

LDCs in the very early catch-up phase to not only develop their adaptive capabilities for agriculture, but also seek to capitalize on the potentials of the traditional knowledge of farmers.

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 promoted by Otsuka (2004), and suggests the development of New Rice for Africa (NERICA) in West, East and southern Africa. UNCTAD (2007) also speaks of the need for LDCs to devise new institutional innovations, which will enable the spread of the Green Revolution³⁷.

The International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD), a multidisciplinary assessment carried out by 400 scientists over nearly 4 years, found that GM crops had contributed little to eradicating hunger and called for a move towards more agroecological science.

IAASTD also found that an increase and strengthening of Agricultural Knowledge, Science and Technology towards agroecological sciences will contribute to addressing environmental issues while maintaining and increasing productivity. (IAASTD, 2008)

3.2.2 Agricultural growth must be market-led

A review of International Food Policy Research Institute (IFPRI) papers shows the organization to be against strong public sector involvement in the market; instead IFPRI encourages governments to spend more in sectors generating 'public goods', such as road infrastructure. IFPRI argues the first prerequisite for smallholder agriculture to exhibit commodity-chain success is that 'regulation should follow, rather than lead, the market' (Gabre-Madhin, 2006). However, IFPRI also contends that donors should try to understand what aspects of public intervention work for the Green Revolution in Asia, and then draw on these lessons for developing new institutional innovations in Africa. In other words, IFPRI – like UNCTAD and FARA (2006) – supports a strong role for the private sector 'where this can work, as in many high-value market chains'. Nonetheless, it recognizes that:

'As farmers struggle with low productivity and high subsistence needs, low input use, low income, poor infrastructure, high risks and the like, the amount of profit to be made in market chains for food staples remains low and unattractive for much private investment. In these particular cases, to develop food staple agriculture from a subsistence to a market orientation, heavier but time-limited public intervention in the market chains might still be needed'.

IFPRI also argues that, despite rhetoric in World Bank development reports, little operationalization and development of indigenous institutions for market development is occurring at ground level and, in general, understanding of market-participation is limited. According to IFPRI, this needs to change.

The US market-led strategy for development is shown in the USAID Agriculture Strategy 2004 and in a number of new initiatives unveiled by the US government at the Sixth Annual African Growth and Opportunity Act³⁸ (AGOA) Forum. The Capacity Building Program is meant to 'strengthen the export-boosting trade measures first passed by Congress in 2000³⁹' and its focus on African agricultural exports by 'trying to make them more competitive'.

³⁷ See online report: Annex 8

³⁸ USAID states on its website: 'AGOA is yielding ever more encouraging results with total two-way US trade with sub-Saharan Africa rising 37 per cent in calendar year 2004, to \$44.4 billion. AGOA imports totalled \$26.6 billion in 2004, an 88 per cent 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 per cent over 2003.' [accessed 8 August 2007].

³⁹ According to USAID website: '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'. [accessed 8 August 2007]

'An increase and strengthening of Agricultural Knowledge, Science and Technology towards agroecological sciences will contribute to addressing environmental issues while maintaining and increasing productivity.'

IAASTD

WFP's Policy on Food Procurement in Developing Countries (2005) has the implicit⁴⁰ objective of supporting the agriculture sector and economy of a country. It allows WFP to intervene in markets, but without creating false expectations. Studies in Uganda⁴¹ highlight the importance of WFP being a responsible buyer in a local food market.

3.2.3 Private-sector development and partnership

The research shows that the respective approaches to working with the private sector relate to the specific mandate and underlying policy orientation of each donor organization. It also revealed that most organizations emphasize the importance of balancing the role of the state with that of private initiatives. Other strategic issues that were deemed important included: enhancing the policy and regulatory environment for private sector development; supporting the development of well-functioning local and national markets and extending the reach of the markets to all people; capacity-strengthening and technical assistance to build human capital and improve professional skills; and promoting good governance and different forms of public-private partnerships. In general, the trend is towards flexible policies that allow partnerships to be forged on a case-by-case basis.

Harnessing private investment towards the achievement of the MDGs has been recognized as critical by the UN Secretary-General's Global Compact Initiative⁴² launched in 2000. The GDPRD also insists on 'the central role of private actors as the main driving force for growth in the agricultural sector'.

USAID/Global Development Alliance's⁴³ (GDA)'s mandate is 'to engage private partners strategically in supporting US government development and foreign policy priorities'. In its January 2007 newsletter, GDA reported its meeting with the private sector to 'revitalize agriculture'. It was organized jointly with the Corporate Council on Africa. 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, were invited to this meeting to determine how they could accelerate staple and cash-crop agricultural development in Africa. DFID, the Hewlett Foundation and the Heinz Centre were also among the participants.

In 2007, USAID announced several infrastructural initiatives, including the implementation of the \$7.7 million, five-year West Africa Seed Alliance (WASA), the goals of which 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 philanthropic foundations such as the Bill and Melinda Gates Foundation.

According to the UNDP (2004) economic growth: 'has lifted hundreds of millions of people out of subsistence agriculture into manufacturing and service employment, thanks to a fundamental ingredient which is private sector development'.

⁴⁰ WFP's primary objective is to meet beneficiary food needs in a timely, cost-efficient and appropriate manner.

⁴¹ 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 from 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.

⁴² At the core of the UN Global Compact network are the Global Compact Office and six UN agencies: Office of the High Commissioner for Human Rights (OHCHR); International Labour Organization (ILO); United Nations Environment Programme (UNEP); United Nations Office on Drugs and Crime (UNODC); United Nations Development Programme (UNDP); and United Nations Industrial Development Organization (UNIDO). The Global Compact Office and these six UN agencies comprise the Inter-Agency Team, which is one of the elements in the Global Compact's multicentric governance framework. Other UN agencies are also encouraged to engage in the initiative and to use and promote the Global Compact and its principles wherever relevant in the context of their own programmes. See: <http://www.unglobalcompact.org> [accessed 28 April 2008]

⁴³ See http://www.usaid.gov/policy/budget/cbj2006/cent_progs/central_gda.html [accessed 28 April 2008]

The public-private partnership model is an integral part of the UN Millennium Project, and partnerships play a central role in its proposal 'Investing in Development'. The Millennium Project argues that:

'Any national strategy to achieve the MDGs 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'.

3.2.4 Macroeconomic considerations

In line with the OECD's core mandate, most of its policy statements underpin primarily macroeconomic agricultural parameters with recommendations on how to improve its members' economic prospects. The OECD/FAO Agricultural Outlook 2007-2016 is a good example of this: 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.

With respect to the EPA benefits that will accrue to SSA countries, international organizations hold very different views. The WTO sees overall welfare gains of an EPA for southern Africa and gains also if SSA countries would fully dismantle all import barriers (Keck and Piermartini, 2005). UNECA, on the other hand, found that the negative fiscal effects for African countries would be devastating under an EPA requiring them to fully open up: the EU would benefit much more from such a scenario than Africa (UNECA, 2005).

UNCTAD (2007) admits that current agricultural market liberalization policies have been premature in most LDCs. UNCTAD stresses that in the case of LDCs, strong intellectual property protection limits policy options and may even be negative if associated with increased prices for inputs and restricted opportunities for imitation. Many donors agree that '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 2006a, 2006b; World Bank, 2001). However, none reject IPRs and in the end all are supportive of appropriate implementation of IPRs.

In its 2007 LDC report, UNCTAD also makes the case for temporary protection of the agricultural market to ensure the New Green Revolution for Africa succeeds. It says:

'An important condition for success for 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. ... (UNCTAD, 2007: chapter 2, p.72)

UNCTAD's attempt to customise the trade liberalization agenda to fit the fragile economies of LDCs is noticeable. UNCTAD has always sounded caution about the aggressive market liberalization approach promoted by the international financial institutions. It noted in its 1998 Trade and Development Report: 'whether liberalization is an appropriate approach to agricultural development in a situation of missing and imperfect markets, adverse global conditions and poor infrastructure, is very questionable' (UNCTAD, 1998).

As for UNDP, one of its main tasks is 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 MDGs. Recent UNDP research has focused on the macroeconomic consequences of a dramatic scaling up of ODA to help developing countries reach the MDGs. UNDP has been assisting developing countries to 'better balance national economic objectives with the deepening of pro-poor policies', including in countries that have developed poverty reduction strategy

'Whether liberalization is an appropriate approach to agricultural development in a situation of missing and imperfect markets, adverse global conditions and poor infrastructure, is very questionable.'

UNCTAD

'National poverty reduction strategies... 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.'

IFAD

papers (PRSPs)⁴⁴. It argues that: 'Most nations implementing PRSPs have not adequately reconfigured their macroeconomic policies to create the conditions required for rapid and sustained poverty reduction.' At the time of writing, 40 out of the 45 countries covered by the UNDP Regional Bureau for Africa, have embarked on MDG-based planning with UNDP support.

3.3 Exiting agriculture

3.3.1 The future of smallholder agriculture and rural-urban development

During the past ten years, some donors' debates have been guided by evidence on the condition and behaviour of smallholders. They have focused on the issue of 'commercially viable' small farmers and how to get them out of agriculture through diversification, leaving aside subsistence-oriented or so called 'commercially unviable' small farmers. Few donors distinguish between these two types of small farmers (Jayne et al. 2006; Hazell et al. 2007). IFAD is the only donor that has since its inception committed to help the subsistence-oriented rural poor in SSA. In its *Strategic Framework for 2007-2010: 'Enabling the rural poor to overcome poverty'*, IFAD states that:

'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 which 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.

DFID follows this approach. Although DFID recognizes agriculture as important for growth and poverty reduction in Africa, it has not been given high priority in most of its Country Assistance Plans (CAPs) when compared to education, health, governance and public sector management, nor do they prioritise 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). Nonetheless, more recently DFID (2007)⁴⁶, the European Commission Director General for Development (EC DG DEV) (2004)⁴⁷ and the World Bank (2005 and 2006)⁴⁸ have all paid more attention to subsistence-oriented farmers, particularly in the area of land rights. The future of smallholder agriculture is also one of the 10 Hot Topics that the members of the GDFRP (2006) declared 'issues of global significance' and therefore agreed to formulate Joint Policy Briefs. The platform members note:

'...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 localized production systems. Policy and investment options are

⁴⁴ 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.

⁴⁵ In its Strategic Framework 2007-2010, IFAD called to stop neglecting the role of smallholder agriculture and the economies of poor rural people.

⁴⁶ DFID policy: Land – better access and secure rights for poor people, 2007.

⁴⁷ EU Task Force on Land Tenure (2004).

⁴⁸ World Bank (2005) African Action Plan and Kevin Cleaver in GDFRP (2006); also interview with K. Cleaver, Director of Agriculture and Rural Development, World Bank:

http://www.donorplatform.org/component/option,com_docman/task,doc_details/gid,48/ [accessed 6 August 2007]

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)....'

IFPRI (2007) released a technical paper on small farmers that addresses the situation of 'commercially viable' but small farmers. IFPRI also says a few words about the strategy it suggests for the 'non-viable' or 'subsistence-oriented' small farmers. These small farms:

'... may provide a social safety net or subsistence living for many of the rural poor, even when they are too small to be commercially viable. These social roles are most important in countries with poor agricultural productivity potential, a bimodal distribution of land, or a large mineral or urban-based manufacturing sector. These social roles do not necessarily require that small farms be commercially viable, and in fact subsistence-oriented small farms may be the most appropriate ones to target.'

IFPRI further suggests that direct government support to subsistence-oriented small farms may be a most cost-effective alternative to other forms of income transfers and social safety nets (e.g. food aid delivery can cost more than typical smallholder production cost; [p.23]).

The OECD (2006) argues that small farms offer important economic and social advantages in low-income countries because:

'... they are more efficient producers in labour-surplus economies and they ensure a degree of food security in rural areas where high transport and marketing costs can drive up food prices, while at the national level their higher land productivity has the potential to help poor countries attain greater self-sufficiency in staples such as cereals, tubers and even livestock.'

The problem is not that small farms are inherently unviable in today's marketplace, argue UNDP and UNCTAD, but that they need help to survive in an ever-challenging environment. This help, they say, should come from the public, private, and NGO sectors:

'Key requirements for ensuring their survival are deemed to be: improving infrastructure and education, ensuring that small farms get the technologies and key inputs they need, and promoting producer marketing organizations that can link small farmers to the new market chains.'

Women in agriculture

According to the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD), women are integral to sustainable development and ensuring a gender balance in agricultural knowledge, science and technology (AKST) is critical at all levels of decision-making. IAASTD points out that the proportion of women involved in agriculture ranges from 20 to 70 per cent. Indeed, women's involvement is increasing in many developing countries, with a growing demand for female labour to serve export-oriented, irrigated farming.

Growing competition in agricultural markets and consequent demands for more flexible, cheap labour, along with growing pressure on natural resources and weak government support for smallholders and small-scale farms in favour of large agro-enterprises, has meant that most rural women face deteriorating health and working conditions, insecure employment and low incomes, little control over natural resources and poor access to education. IAASTD goes on to state that:

'... urgent action is still necessary to implement gender and social equity in agricultural knowledge, science and technology policies and practices if we are to better address gender issues as integral to development processes. Such action includes strengthening the capacity of public institutions and NGOs to improve the knowledge of women's changing forms of involvement in farm and other rural activities in AKST. It also requires giving priority to women's access to education, information, science and technology, and extension services to enable improving women's access, ownership and control of economic and natural resources. To ensure such access, ownership and control, legal measures, appropriate credit schemes, support for women's income-generating activities and the reinforcement of women's organizations and networks

'Urgent action is still necessary to implement gender and social equity in agricultural knowledge, science and technology policies and practices if we are to better address gender issues as integral to development processes.'

IAASTD

are needed. This, in turn, depends on strengthening women's ability to benefit from market-based opportunities by institutions and policies giving explicit priority to women farmer groups in value chains.'

IAASTD also argues that if women's contributions to agricultural production and sustainability are to be improved, the following changes will need to take place:

- '... support for public services and investment in rural areas in order to improve women's living and working conditions;
- giving priority to technological development policies targeting rural and farm women's needs and recognizing their knowledge, skills and experience in the production of food and the conservation of biodiversity; and
- assessing the negative effects and risks of farming practices and technology, including pesticides on women's health, and taking measures to reduce use and exposure.' (IAASTD, 2008)

3.3.2 Assistance to small-farmers' groups

The research found that the majority of players endorsed the broad goal of 'strengthening the participation of stakeholders' in policy development and markets. However, only two instances were found of more detailed statements addressing the case of small-farmers' groups or organizations 'participation': both WFP and OECD refer to donors helping farmers' groups to access the market.

In some countries, WFP procurement officers have – on their own initiative – worked with small traders and farmers' groups to help them participate in competitive tenders. 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 participate in WFP's procurement process. However, the extent to which WFP can help depends on the usually limited time that procurement staff have to provide such assistance. In some cases, WFP has been urged by donors to support small farmers by contracting directly with farmers and farmers' groups outside of the competitive tendering process in order to support agricultural development programmes. According to WFP, although it 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 market realities can lead to inefficient use of resources:

'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 gain 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.'

The OECD's report on promoting pro-poor growth (OECD, 2006) also addresses the case of small farmers' access to markets. It identifies four principles of engagement at the core of what it calls the 'new agenda' to help smallholder producers to face complex new challenges. The first principle is: '... to adapt approaches to diverse contexts'⁴⁹. The second principle is: '... to build institutions and empower stakeholders'. To reach this goal, OECD argues that: '...there must be more investment in the skills, capacity and organization of rural farmers.' The third is 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 fourth principle is: '... to foster country-led partnerships. ... It is important to promote the participation of all PRSP 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.' According to OECD, efforts to stimulate agriculture's role in pro-poor growth should, on the basis of these

'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.'

WFP

⁴⁹ See online report: Annex 34, Table 1.

principles, be used to guide renewed attention to three priority areas: (1) national debate, (2) mobilize stakeholders and (3) specifically to promote political, social and economic empowerment.

3.3.3 Increased investment in human capital and safety nets

The research shows that donors' ODA to social sectors⁵⁰ has increased while aid flows to agricultural programmes have decreased, because of the high importance social sectors receive in SSA PRSPs and the MDGs. Donors agree that promoting growth in agriculture has direct poverty-reduction effects; however, the specific challenges of the agricultural sector have discouraged them from increasing aid to this sector. Some authors mentioned that finding a more realistic balance between longer-term poverty reducing growth and short-term social and environmental goals is complicated by the current fixation on the MDGs. Gardner⁵¹ and Hazell speak of the 'Mischief of the MDGs' to draw attention to the fact that as the year 2015 approaches, interventions that quickly cut poverty will take increasing priority over growth, even if they cannot be sustained in the longer term.

In a context where social protection and the promotion of growth are often administered by different agencies, and where structural change is putting some production systems and social relations under pressure, there is a need to understand how positive and negative interactions can best be identified and policy responses designed (ODI, 2007⁵²). Some interventions, such as low-risk agricultural technologies, lend themselves to uptake by the more vulnerable, and some forms of social protection, such as free or subsidized food distribution, can adversely affect agriculture. The concept of 'safety nets' in relation to agricultural growth is currently evolving towards a system of protection of assets and even regulation of trade and investment.

Safety nets can help both those engaged in agricultural productive activity and those who cannot easily engage. IFAD (2007) says that if the objective is to assist poor and vulnerable households regardless of their occupation, safety-net programmes should be considered. There is a renewed emphasis on 'productive' safety nets, built around strengthening livelihoods and community-led development (UNDP, 2006)⁵³. However, donors no longer see safety-net programmes as a substitute for policy support for small-farm agricultural development. IFPRI (2007) notes that:

'Direct support to subsistence-oriented small farms may be a more cost-effective alternative to other forms of income transfers and social safety nets. For example, food aid ... typically costs more than US\$250 for each metric ton of cereals delivered in rural areas, compared with typical smallholder production costs of US\$100 or less. However, this will not always be the case. Moreover, it is important that support policies for non-viable small farms do not encourage too many workers and poor people to stay in agriculture or for too long'.

'Direct support to subsistence-oriented small farms may be a more cost-effective alternative to other forms of income transfers and social safety nets.'

IFPRI

⁵⁰ Ibid, Annex 33, Tables 2, 3 & 4.

⁵¹ Director, Maryland Agricultural and Natural Resource Policy Center.

⁵² ODI project 'Linking Growth and Social Protection: The Agriculture Case', funded by: Agriculture and Natural Resources Team of DFID. See: http://www.odi.org.uk/plag/PROJECTS/lg_sp.html [accessed 2 September 2007]

⁵³ Such as infrastructure development programmes (e.g. road building), hiring policies and conditional cash transfer programmes to maximize pro-poor impacts.

The high-value sector seems to be very attractive to some donor agencies, because it fits with their market-led philosophy in which the private sector provides the leadership and much of the required investment, with public sector involvement kept to a minimum.

Cash or 'in-kind' safety nets

The idea of giving money rather than food is controversial among donors. In February 2006⁵⁴ and again in February 2007⁵⁵, DFID funded schemes to provide cash payments instead of food to tens of thousands of hungry people in sub-Saharan Africa. Some have argued that these schemes, which mirror similar experiments after the 2004 tsunami and the Pakistan earthquake in 2005, represent a shift by Britain toward devolving responsibility for handling aid. This is in contrast to countries with a surplus of food. In the past the US Congress has tied its gifts of rice or wheat to its own strategic objectives, for example dumping subsidized genetically-engineered grain surpluses. Because there are many vested interests in subsidies, food aid plays an important part in world trade. The EC has clearly made the link by phasing out food aid as far as possible in favour of cash grants⁵⁶.

DFID's cash experiments have been criticized by the WFP. It highlighted that '...it is far easier to ensure the food gets where it belongs.' However, WFP's policy on safety nets (2004) shows that the organization has an open mind when it comes to the alternative possibilities offered by cash and voucher schemes: it speaks of the 'optimal combination of food and cash transfer'.

The issue of the new trends in food aid and how it impacts on small-scale agriculture deserve more examination.

3.3.4 Diversification through high-value agriculture, not just food staples

With historically low world prices for food staples, despite the food price hike of the past few years, and rapid expansion in international agricultural trade, some development agencies (UNECA, 2007; OECD, 2006) see the best opportunities for African farmers in high-value commodities such as fruits, flowers, vegetables and livestock. They encourage African countries to expand into high-value, non-traditional exports, as well as to improve the quality of their traditional crop exports. The high-value sector seems to be very attractive to some donor agencies, because it fits with their market-led philosophy in which the private sector provides the leadership and much of the required investment, with public sector involvement kept to a minimum. However, there are nuances in the discourse of donors, and strengthening regional markets for food staples are also recommended (IFPRI, 2007).

Advantages of small-scale farming slowly disappear as countries are 'naturally' led to urbanization (OECD, 2006). As economic transformation proceeds, notes IFPRI (2007), small farms play a shrinking role. IFPRI adds that 'Rising real wages within the wider economy tend to drive farm consolidation and the small farmers that survive find niches in high-value markets or become part-time farmers'. Most donors accept urbanization to be desirable, although the GDPRD points to growing urban poverty as a significant issue to be addressed. UNECA's 2007 Economic Report on Africa presents the theme of diversification as a new paradigm for Africa's development. The OECD 2007 report Agricultural Policies in Non-OECD Countries also states that the long-term future for most semi-subsistence farming households lies outside agriculture, and hence there is a need for measures that facilitate income diversification and the exploitation of non-farm activities.

However, diversification is not seen as a primary engine of growth. An increase in agricultural productivity is still considered as the main pillar of growth, hence the renewed commitment to support science and technology developments relevant to this end.

⁵⁴ DFID, working with Oxfam, started handing 10,500 Zambian families badly hit by the 2006 crop failure the equivalent of £20 cash each month – roughly the price of a 50kg bag of maize and some beans. As the food crisis increased until the next crops were harvested the following March, people were given more money and the programme was expanded to 86,000 people.

⁵⁵ DFID provided £750,000 to fund a scheme to provide cash payments instead of food to tens of thousands of hungry people in northern Malawi via a sophisticated system of bank cards and electronic identification.

⁵⁶ Vidal, J. (2006).

3.4 Improved governance and political processes

Many donors today view improved governance, especially the participation of marginalized groups in the political process as a pre-condition for the success of their 'new' agenda. In some quarters, as with the Millennium Challenge Fund of the US, there is even an exclusion of poorly-governed countries.

While some argue that good governance evolves with economic progress, referring to the example of the success of authoritarian developmental states in Asia, others argue that equitable social and economic development cannot be achieved without the participation of the most marginalized in society in mainstream political processes.

According to Hazell (2006), these issues badly need additional policy research. The World Bank and IMF (2005) declared in a joint Global Monitoring Report that:

'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.'

Lack of transparency in donors' own mechanisms

Given the 'gentlemen's agreement' that came with the inception of the World Bank and IMF, which sees the White House nominating the President of the World Bank and Europeans the head of the IMF, as well as the unequal representation of developing countries in their decision-making structures, both agencies appear to have failed to practice what they preach when it comes to governance. While the Bank has taken a broad strategy for promoting good governance and working against corruption, many civil society organizations have criticized the lack of transparency and accountability in the Bank's own governance structures and its emphasis on the economic aspects of good governance, ignoring the social and political structures that also influence governance.

The 2005 Commission for Africa, in its recommendations to the G8, argues that 'If Africa is to take responsibility for its own development, ... it must be given greater influence in decision-making which affects it most directly'. The Commission says that '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'. It also suggests that 'In each recipient country, the government and donors should set up monitoring groups to assess the quality of donor assistance and coordination', suggesting that this was not the case in 2005. It added, 'The management of the World Bank, the IMF and the WTO should give greater priority to accelerating Africa's development', indirectly highlighting the focus on trade liberalization. The World Bank has started to tackle some of these problems by involving local stakeholders in the process of assessment of good governance and the Bank's own projects.

3.5 African ownership

The Commission for Africa 2005 starts its recommendations to the G8 nations gathered at Gleneagles by recognizing that Africa has begun to make progress in the long battle against poverty. However, to sustain that progress 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 judgments than if they are imposed from outside. G8 heads agreed to support NEPAD's comprehensive set of actions to 'raise agricultural productivity, strengthen urban-rural linkages and empower the poor'.

Africa must take the lead in this partnership, take on responsibility for its problems and take ownership of the solutions.

According to Michael Wales (2006), principal adviser to the FAO Investment Centre and co-chair of the GDRD every country requires its own, separate comprehensive and cohesive sectoral approaches, with the responsibility for deciding what sector and what programme should be shifted to the national level. This is in line with more country ownership and national responsibility.

Cleaver (2006) supports the same view, but notes that the whole issue is

'... still quite controversial within the Bank. Donor support to the agricultural sector will thus only flow if there is visible and formal recommitment by the political leadership to effective overall management of the agricultural sector. This may ultimately reverse the trend of African governments' routinely neglecting agriculture' (Werth, 2006).

Gobind Nankani, World Bank Vice-President for Africa commented in a joint 2005 World Bank/IMF report that Africa has made considerable progress in recent years. 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. However, since the continent still lags far behind in achieving the MDGs, Africa's own endeavours need to be complemented by 'a bold international effort.' Touching on one of NEPAD's priorities, the 2005 report 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 billion in yearly infrastructure spending, with about \$10 billion coming from additional external financing'.

The private sector can play a role, noted the then World Bank President Wolfensohn; but he added that 'the bulk of the increase in infrastructure investment, particularly in sub-Saharan Africa, will need to come from the public sector.'

Participants in the OECD Global Forum on Development called for a more thorough discussion on the issue of ownership. There is an overwhelming consensus that a development finance system not owned by developing countries will be ineffective. In its second year (2007-2008), the Forum addressed various dimensions of 'Ownership in Practice'. Discussions fed into important ongoing policy processes, notably the preparations for the Third High-Level Forum on Aid Effectiveness, Accra, Ghana, September 2008. This workshop examined two themes: 'democratic ownership' (the role of non-state actors in rendering the development finance system more effective) and 'national leadership' (the challenges developing-country administrations face in tracking and managing a complex set of development finance flows).

The decision of the US Millennium Challenge Corporation in May 2005 to back Madagascar's agriculture strategy reflects a broader trend among the world's largest donor countries. Despite some hesitancy, the US, UK, France, Belgium and numerous others have pledged not only to give significantly more aid to Africa in the coming years, but also to increasingly target that assistance at realising 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. Nonetheless, 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.'

'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.'

Nelson Mandela

4. Conclusions

This report has provided evidence of what underlies the mainstream agenda for aid for agriculture, especially in Africa. While welcoming the promises, as a result of the food crisis, of significantly increased expenditure on agricultural aid and associated research and development, there are concerns about what type of agriculture will be supported and promoted.

The research raises a number of questions about how the new agriculture agenda will be realized.

- 1. Aid effectiveness.** Will there be a shift in agricultural aid towards the production of food by local food producers, involving local communities and farmers' organizations in the design and implementation of targeted programmes that also secure their livelihoods and sustain the environment? Or will the policy conditionality attached to aid merely change appearance from an 'aggressive' to a more 'tailored' liberalization tool supported by 'aid for trade'?
- 2. Market and private sector-led agricultural growth.** Will the 'growth agenda' be tailored to the increasing needs of local communities for the sustainable production of food using technologies that cannot be privatized? Or will it be dominated by export-led and high-value crop production, supported by proprietary technologies including GM crops and increased use of agrochemicals?
- 3. Exiting agriculture:** Will the new agriculture agenda defend small-scale farmers, especially women, and protect local food production and food provision? Or will there be continued pressures on small-scale farmers to stop producing food, with safety nets, including food aid, providing welfare for those who lose their livelihoods and the resources with which to produce food?
- 4. Improved governance and political processes:** Will the new aid architecture and related food, agriculture, trade and environment policies respond to the challenges of increasing locally-controlled food provision at a time of significant challenges including climate change? Or will governance systems be unable to deal with the pressures from the corporate-sector and powerful interests, seeking to benefit through dominance of the food system and the resources used, that limit options for local and national control.
- 5. African ownership:** Will African peoples, from local communities to nation states, be allowed to determine their own development of their own food systems? Or will this mean that African states have to take ownership of historical problems and of imposed solutions that are compliant with donors' priorities.

It is apposite to cite the proposals of an international civil society campaign for More and Better aid to agriculture⁵⁷ that embraces farmers' movements and non-governmental organizations from all regions of the world. The campaign has developed principles for better agricultural aid that supports full inclusion and participation in its design and delivery and is sensitive to gender equity.

To support the principles for better aid, the campaign argues that aid to agriculture should:

- facilitate provision of sufficient, safe, nutritious food;
- put emphasis on income strategies, peoples' livelihoods, local production systems, local markets, fair trade, fair and good distribution systems, protection of markets where needed to enhance national and local food security, and avoid the use of food aid where it will threaten the market for local products;

Will the new agriculture agenda defend small-scale farmers, especially women, and protect local food production and food provision?

⁵⁷ 'More and Better' was set up in 2003 to campaign for a major increase in, and significant improvements in the quality of, development aid for agriculture, rural development and food in developing countries. It is an independent campaign comprising social movements, civil society and non-governmental organizations from over 40 countries. The campaign is closely linked to the purposes of the FAO's International Alliance Against Hunger (IAAH) and co-operates with the International CSO/NGO Planning Committee for Food Sovereignty (IPC). <http://moreandbetter.org/>

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.

- support realization of land reform, water rights and unrestricted access to genetic resources for food and agriculture and wider agricultural biodiversity for smallholder farmers; exclusive fishing zones for artisanal fisherfolk; grazing rights for pastoralists; improved common property resource management;
- support sustainable, farmer-led, smallholder / family / community agricultural systems (e.g. agroecology, sustainable agriculture, organic agriculture) (More and Better, 2005).

The new agriculture agenda should give priority to these approaches that can be locally-controlled and would realise the Right to Food and food sovereignty, rather than the use of agriculture as an 'engine of national economic growth'. These approaches are supported by the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) whose 22 Findings show the necessity for a radical transformation of agriculture if the world in 2050 is to have less hunger, increased equity and a more sustainable environment (IAASTD, 2008).

Future aid and investment programmes for agriculture need 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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UK Food Group

*The UK's principal civil society
network on global food and farming issues*



The UK Food Group focuses on key international food, agriculture and related environmental issues. These include the need for a just, coherent, equitable and sustainable food system that serves the interests of small-scale food providers and consumers and sustains the environment. The network comprises about 35 organisations, some of whom are also members of the UK Platform for Food Sovereignty.

The UK Food Group plays an important role in extending the discussion on key food and farming issues among members, other UK NGO networks as well as at European level, including CONCORD and the European Peasant Seeds Network, and internationally, such as the campaign for More and Better aid to agriculture. It represents BOND (British Overseas NGOs in Development) on global food and farming issues, including representation in CONCORD's European Food Security Group. It organises World Food Day events or actions in the UK each year.

Two sets of issues are dominant in the discourse about global food and farming at a time of the convergent food, energy, climate and financial crises. One is the dominance of industrial production of food and fuel, which exacerbates climate change and thus increases the necessity for a shift towards more resilient food provision based on agroecological systems and increased diversity of farmers' seeds and livestock breeds - as opposed to genetic modification using proprietary technologies and the simplification and chemical intensification of production systems that are carbon-hungry. The other is the need to move towards food sovereignty policies - as opposed to globalised trade and the liberalisation of markets through free trade agreements and inequitable trade rules. The UK Food Group addresses these issues through seminars, publications and sharing information and ideas, participation in other networks and facilitating contributions to consultations on key agricultural, aid and scientific and technological issues as they affect agriculture and rural development.

The UK Food Group participates in European consortium projects on trade and regional food and agriculture policies. 'Spotlight on the marginalised: strengthening the position of smallholders in European trade policy' is in partnership with Germanwatch and FoodFirst Information Network (FIAN) - Germany, BothENDS - The Netherlands and African collaborators including the Social Enterprise Development Foundation of West Africa (SEND Foundation) - Ghana, Consumer Education Trust (CONSENT) - Uganda and the Civil Society Trade Network of Zambia (CSTNZ). The other, 'Agro-food policies and regional integration: for a practice of solidarity between Europe and Africa,' is with Terra Nuova and Crocevia - Italy, Collectif Stratégies Alimentaires - Belgium, Gaia Ecological and Rural Development Foundation - Hungary and African regional farmers' movements: ROPPA (Network of Farmers' and Agricultural Producers' Organisations of West Africa), PROPAC (Platform of Peasant Organisations of Central Africa) and EAAF (Eastern Africa Farmers Federation) and with links to SACAU (the South African Confederation of Agricultural Unions).

The UK Food Group's website is at www.ukfg.org.uk and it manages www.ukabc.org on agricultural biodiversity. It also hosts information listserves on global food and farming issues; agricultural production technology and trade; agrofuels; and food sovereignty.

For further information, please email ukfg@ukfg.org.uk

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More Aid for African Agriculture: *Policy implications for small-scale farmers*

Agriculture is back on the international agenda. There is a welcome reversal of aid and investment in agriculture and rural development after decades of decline, especially in Africa. The question is, however, what type of agriculture will be supported?

This report by the UK Food Group 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.

The report 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.

It 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.

The report is complemented by a longer online document that presents further evidence and appendices, many of which are referenced in this report: see www.ukfg.org.uk.

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This report is based on original research by Rachel Dechenne and was prepared with the assistance of several UK Food Group Members including: Action Aid, Christian Aid, Concern Worldwide UK, Find Your Feet, Oxfam GB, Practical Action, Self Help Africa and with additional financial help from the campaign for More and Better aid to agriculture.



UK FOOD GROUP