

More Aid for African Agriculture

Policy implications for small-scale farmers

Annexes

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

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Annex 51: Types of farmer-market linkage.

Type of linkage	Collective activity	Advantages for farmers	Disadvantages for farmers
Direct between farmers and traders	<ul style="list-style-type: none"> ➤ Farmers usually act on a one-to-one basis with traders; ➤ May work together informally to bulk-up produce to reduce costs and attract larger traders. 	<ul style="list-style-type: none"> ➤ Requires high level of trust but such trust likely to ensure long-term sustainability; ➤ Formal farmer organizations not usually needed; ➤ Traders may (rarely) provide training in production and handling. 	<ul style="list-style-type: none"> ➤ May need to accept short-term deferred payment; ➤ Limited access to high-value markets.
Direct between farmers and retailers (including restaurant chains) or their wholesalers	<ul style="list-style-type: none"> ➤ May require formal group structure, particularly when buyer does not want to deal with farmers individually. 	<ul style="list-style-type: none"> ➤ Reliable market at agreed price. 	<ul style="list-style-type: none"> ➤ Must meet variety, quality and safety specifications; ➤ Must be able to supply agreed quantities at all times. This may place farmers in conflict with social obligations; ➤ May have to accept deferred payment of up to 90 days.
Farmer to exporter	<ul style="list-style-type: none"> ➤ Often involves grouping of farmers. External technical assistance may be required. 	<ul style="list-style-type: none"> ➤ Potential high returns if quality can be achieved; ➤ Inputs, technical assistance, etc. may be supplied on credit; ➤ Exporter often provides transport and packaging. 	<ul style="list-style-type: none"> ➤ Export markets are inherently risky; ➤ Compliance with standards (e.g. organic; quality and traceability; fair trade) can be problematic, even with technical assistance.
Direct between farmers and agroprocessors	<ul style="list-style-type: none"> ➤ Farmer groups can bulk-up produce for collection by processor; ➤ Groups can facilitate supply of inputs and provision of technical assistance. 	<ul style="list-style-type: none"> ➤ May provide secure market at agreed price; ➤ Offers additional market in addition to fresh market; ➤ Inputs, technical assistance, etc. may be supplied on credit; ➤ Processor often provides transport; ➤ Potential for farmers to sell larger volumes. 	<ul style="list-style-type: none"> ➤ There may be an inadequate market for the processed products, thus jeopardizing sustainability; ➤ Must meet variety, quality and safety specifications; ➤ Open market price may be higher than that agreed with processor; ➤ Risk of delayed payments.

Source: Sheperd, A. W. (2007) Approaches to linking producers to markets: a review of experiences to date, Agricultural Management, Marketing and Finance service, FAO Rural Infrastructure and Agro-Industries Division, p.8.

Annex 52: Definition of Aid Modalities

- **Project aid:** A form of aid to finance specific activities with a limited objective, budget and time-frame to achieve specific results. Here, objectives require inputs to be linked to outputs. The project approach is based on the identification of a specific area of intervention for donor involvement, and the targeted use of funds for specific activities for which the objectives, outputs and inputs required to achieve them have been defined.
- **Budget support:** A form of financial aid to channel donor funds directly to the partner government's budget, using the government's own allocation and accounting systems, with any conditionality focused on policy measures related to growth, poverty reduction, fiscal adjustment, and strengthening institutions, especially budgetary processes. Budget support is divided into: (i) general budget support (GBS)—a general contribution to the overall budget; and (ii) sector budget support (SBS)—earmarked to a discrete sector (with any conditionality relating to these sectors).
- **Pooling funds:** A form of aid to pool donor funds to the government's accounts. The government manages and accounts for funds, preferably using standard budget procedures indistinguishable from those used for government revenues. Funds are earmarked to the activities in a specific sector.
- **Sector-Wide Approach (SWAp):** SWAp is not modality *per se*; it is about the approach to increase donor alignment with government policy and expenditure framework. SWAp can encompass a wide range of instruments, from a set of coordinated projects to the provision of SBS and sector pooling fund arrangements. SWAp usually includes three components: (i) an approved sectoral policy document and overall strategic framework, which define government priorities; (ii) a medium-term expenditure framework for the sector; and (iii) a coordinated process amongst the donors in the sector, led by government.

It is important to note that there is diversity even within the same modality [see Table below]. While project aid (including technical assistance projects) is often criticized for bypassing government systems and imposing transaction costs to the recipient government, a variety of options exist for its procedural arrangements. For example, there are cases where a donor directly controls all funds; but other cases exist where a donor disburses funds into a bank account maintained by the recipient government and entrusts the government to organize procurement. Some projects operate through Project Management Units (established within or outside the recipient institutions), while others do not (and directly work with counterpart personnel in the recipient institutions).

Source: Ohno, I. And Niiya Y. (2004). Good Donorship and the Choice of Aid Modalities – Matching Aid with Country Needs and Ownership, GRIPS Development Forum, December, p.5.

Annex 53: What's Different about Agricultural SWAPs?

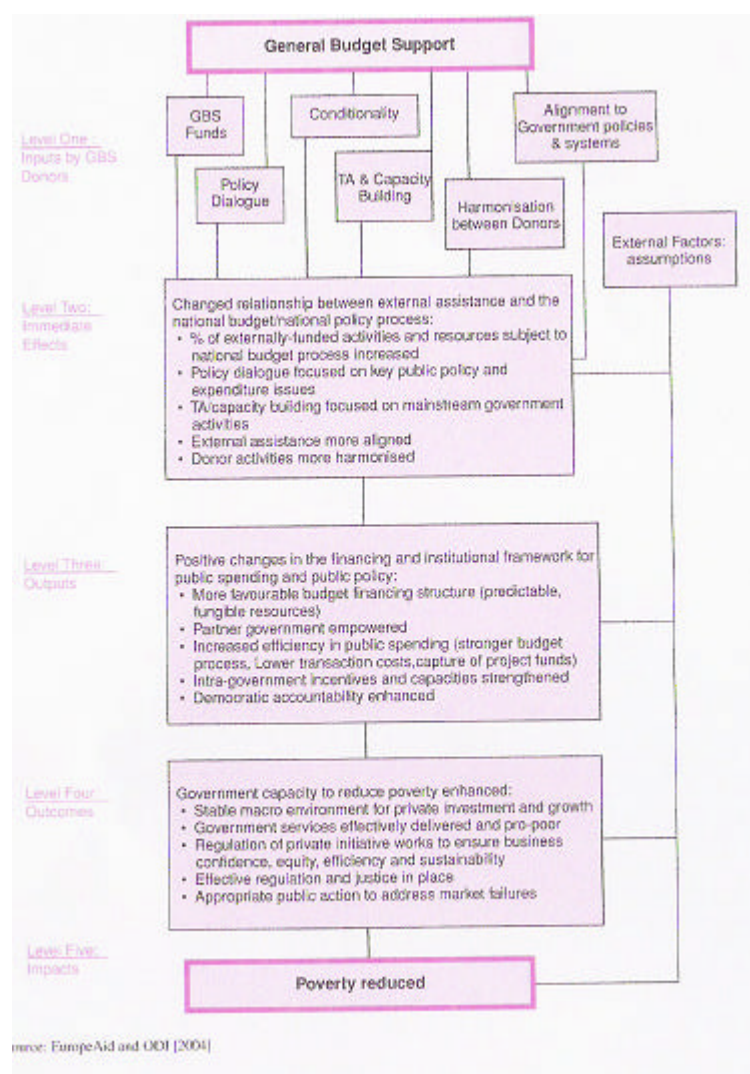
There are crucial differences that may make the SWAp approach less suitable in agriculture than in the social sectors. Fundamental characteristics of agriculture as a sector include:

- The most important government roles in supporting agriculture do not concern public expenditure at all. The most immediate government influences are policies on exchange rates, interest rates, prices, trade, taxation, land reform, the structure and regulation of markets for agricultural inputs and outputs, and the enforcement of peaceful conflict and the rule of law.
- The most important public expenditures for supporting agriculture may not be in the agricultural sector. Investments in, for example, roads may be more important in terms of both budget and impact.
- Conversely, much of what the ministry of agriculture is doing may be better done by the private sector, and an effective agricultural strategy may actually involve cutting the budget, staffing and responsibilities of the ministry which is expected to take the lead role in implementing it.
- Unlike health, education or roads, there is no single technology that can be applied across the sector with only minor adaptation..... The agriculture sector is far more diverse in what it produces and the circumstances in which activities are performed, and neither the problems nor the solution can be defined for the whole sector.
- Government is a minor player in the agriculture sector, which may employ 80 percent of the population, and the relationships with farmers and commercial firms supplying services are even more fundamental than those with private providers in other sectors.

Source: Adapted from Foster, Brown and Naschold [2001].

Source: Ohno, I. And Niiya Y. (2004). Good Donorship and the Choice of Aid Modalities – Matching Aid with Country Needs and Ownership, GRIPS Development Forum, December, p.23

Annex 54: Simplified Logical Framework Analysis of General Budget Support



Source: Ohno, I. And Niiya Y. (2004). Good Donorship and the Choice of Aid Modalities – Matching Aid with Country Needs and Ownership, GRIPS Development Forum, December, p.23

Annex 55: SOFA 2004 - Values and assets of public and private sectors in agri-biotechnology research

	Public sector	Private sector
Performance measure	Social benefits including share to poor producers and consumers	Profits
National-level organizations	Public NARS	Local seed companies
Key assets	<p>Local diverse germplasm</p> <p>Local knowledge</p> <p>Breeding and evaluation programmes and associated infrastructure</p> <p>Upstream capacity in Type I NARS</p> <p>Access to delivery system including extension</p> <p>Positive public image</p>	<p>Local knowledge</p> <p>Breeding programmes and infrastructure</p> <p>Seed delivery system</p> <p>Marketing network</p>
Regional and global-level organizations	CGIAR International Centres	Global life science companies
Key assets	<p>Diverse germplasm</p> <p>Breeding programmes and associated infrastructure</p> <p>Global germplasm exchange and evaluation networks</p> <p>Economies of market size</p> <p>Upstream capacity in a few centres</p> <p>Generally positive public image</p>	<p>Biotechnology tools, genes, knowledge</p> <p>Access to capital markets</p> <p>Economies of market size</p> <p>Skills in dealing with regulatory agencies</p> <p>Possible negative public image</p>
Source: Byerlee and Fischer, 2002.		

Annex 56: SOFA 2004 - Participatory approach to agri-biotech research

BOX 26

Can biotechnology address the needs of poor farmers? The role of participatory agricultural research

The potential of biotechnology, particularly genetic engineering, to meet the needs of resource-poor farmers is immense. The problem as articulated by Lipton (2001) is that the potential is "locked into a system where it is not used for such purposes, and where a few large firms are competitively bound to protect their investment by means that, at present, threaten public research". For the public and private sectors to work effectively together to address the problems of the poor, it is desirable that the needs of the farmers are properly accounted for through participatory research. In participatory agricultural research, farmers are considered to be active participants who may lead the research process and whose ideas and views influence its outcome, rather than passive bystanders or objects of research (Thro and Spillane, 2000). This is important because farmers' perceptions and preferences for particular technologies will influence ultimate adoption. Participatory agricultural research is considered as integral to the overall research strategy and priority setting rather than as a substitute.

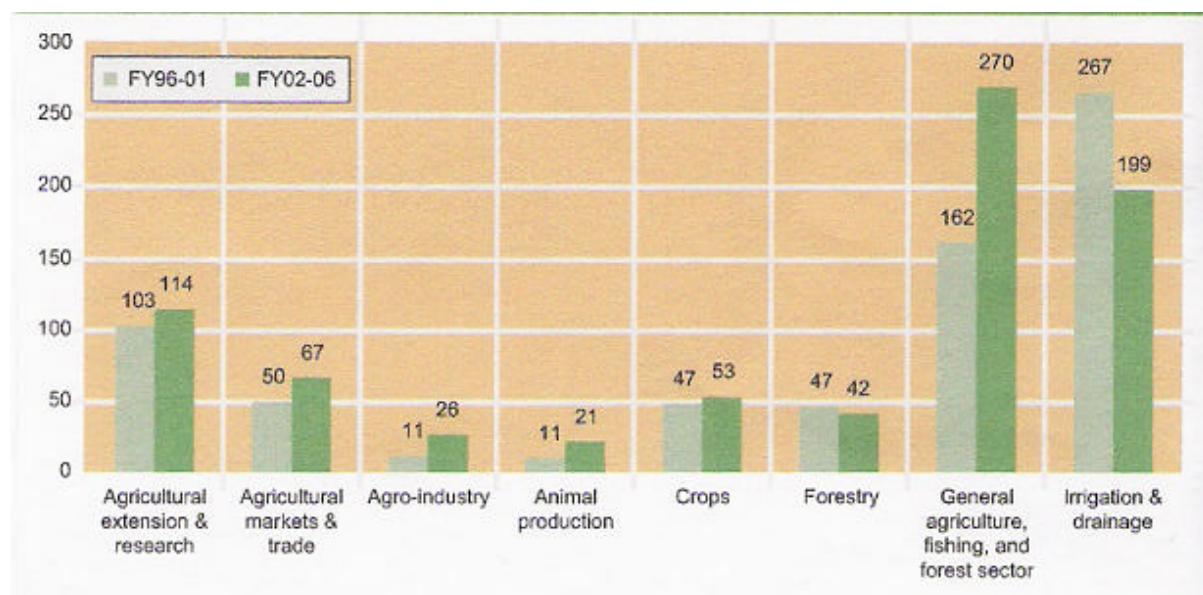
Thro and Spillane (2000) suggest several reasons why participatory research related to transgenics is needed. First, collaborative and farmer-led decisions about whether to use genetic engineering require that farmers and researchers understand each other's vocabulary and typologies and have at least a rudimentary grasp of each other's expertise. Second, given the biosafety and environmental concerns surrounding transgenic products, it is important that farmers be aware of these issues. If farmers are not aware of these concerns, scientists may implicitly assume that they have no preference for one technological approach over another. Third, the ability of genetic engineering to allow the development of entirely new traits and plant types requires researchers to understand and identify new options, some of which may be identified only through participatory research with farmers.

To date, very few priority-setting exercises with resource-poor farmers have led to the implementation of biotechnology-assisted research. One area in which biotechnology tools could be particularly useful is in plant breeding. Tools such as marker-assisted selection, inducible promoters, controllable male sterility, inducible apomixis and visual markers provide greater flexibility in local breeding and increase the range of varietal options from which farmers can choose. Pingali, Rozelle and Gerpacio (2001) developed a methodology for eliciting farmers' preferences using an experimental voting method. The methodology allows for quantitative estimates of preferences and the socio-economic determinants of adoption. They find that farmers have strong preferences for certain technologies, in particular those that conserve scarce factors of production or maximize farm income, but are ambivalent about others.

For participatory biotechnology research to be successful, certain conditions need to be met. Perhaps the most important of these are that the information on proposed technologies is conveyed clearly and that there is sustained communication among biotechnologists, plant breeders and farmers. Although participatory research is focused on the improvement of local livelihoods, one must not lose sight of the fact that basic and applied research is still useful and needed. Even basic research must carefully address the issues raised by farmers, but it may call for greater collaboration between social scientists and biological scientists to translate the needs of farmers into priorities for basic research.

Annex57: IDA Funding by Sub-sector

Average FY99-01 and FY02-06 (US\$ million)



Source: IDA (2007). Agriculture: An Engine for Growth and Poverty Reduction, IDA SECTOR Note on Agriculture. World Bank, May, p2.

Annex 58: Real GDP growth per capita

Real GDP Growth Per Capita Compared To Growth in Agriculture Value Added Per Worker in IDA Countries With and Without Agricultural Credits; 1993-95 to 2001-03 (in % per year)

Growth	IDA Countries with credits for agriculture N=59 ³	IDA Countries without credits for agriculture N=18 ⁴
Overall GDP per capita (constant 2000 US\$) ³	3.1	0.4
Agriculture value added per worker (constant 2000 US\$) ⁴	3.3	-0.6

1. Compound annual growth rates between midpoints of three year averages
 2. Includes all countries that had active IDA projects in agriculture during the periods of time identified.
 3. Data not available for 3 of 62 IDA countries with credits for agriculture and 1 of 19 IDA countries without credits for agriculture
 4. Data not available for 6 of 62 IDA countries with credits for agriculture and 3 of 19 IDA countries without credits for agriculture
 Source: *World Bank Indicators*, 2005.

Annex 59: Successful World Bank- IDA funded Projects in Africa

Successful Projects in Africa

The Bank has had a number of successes in IDA-funded operations for agriculture. Three completed African projects are highlighted here.

The **Mali Office du Niger Consolidation Project** assisted the government with the reform of the irrigation agency (Office du Niger), the rehabilitation and modernization of irrigation structures, and agricultural policy reforms (rice market liberalization and land tenure). As a result, liberalization of the rice trade and markets was achieved and sustained. The Office du Niger was restructured and its financial health restored. Reduction in milling costs saved the government US\$1.6 million per year and reduced milling costs to farmers and consumers by US\$6 million per year. The water fee collection rate increased from 60 to 97 percent, with water fees retained in the areas where they were collected and at least half used for maintenance. Yields increased from 1.8 to 5.5 MT/ha and real per capita income increase by US\$70 per year in the project area. The success of the project led other donors to finance further perimeters in successive tranches—the IDA investment leveraged 250 percent additional investment from other donors.

The **Cameroon National Agricultural Extension And Research Program Support Project** strengthened producer organizations and improved credit, inputs, and marketing services by facilitating links between the groups, financial service providers, and the private sector. It created a network of 58,699 contact groups that represent at least 50 percent of all farm families (from 15 percent prior to the project) to link up with the agriculture research and extension system. As a result, agriculture productivity increases were seen for many of the major crops—for instance maize yields increased from 1.3 tons/ha to 2.9 tons/ha, and cassava from 3 tons/ha to 13 tons/ha. The beneficiary assessment showed that 93 percent of women in the project zones received assistance from the project. About 40 percent of the subprojects implemented were geared to the needs of women, exceeding the 30 percent that was expected in the planning phase.

The **Mauritania Rainfed Natural Resources Management Project** reforested and protected common land, cut local crop production losses by 30 percent, and increased yields of sorghum—the primary rainfed crop—through investments in soil and water conservation, such as aerial tree-seeding, rehabilitation and protection of retention dams. The impact analysis showed that yields averaged 800 kg/ha with the project, but they would have been 100 kg/ha without the project. Increased opportunities for the sustainable harvesting of gum arabic have significantly slowed male out-migration in some villages. Women have benefited from closer access to water, resulting from some subprojects and also from cash income from village gardens and market stalls.

Source: IDA (2007). Agriculture: An Engine for Growth and Poverty Reduction, IDA SECTOR Note on Agriculture. World Bank, May, p4

Annex 60: World Bank-IDA Environment Projects Yielding Agricultural Results

The **Tanzania River Basin Management & Smallholder Irrigation Project** addressed water-related environmental concerns at the national level, with focus on particular problems in the two largest basins. It targeted improving water access and use by low income smallholder farmers in 15 irrigation schemes through better water management, higher quality infrastructure, and improved stakeholder participation in water management. Among other highlights of the project, agricultural yields for more than 5,000 families doubled and household incomes tripled. 1,674 farmers were trained in scheme water management, crop production techniques, agro-business and financial management and leadership skills. Average rice yields in project areas more than doubled.

In Senegal the **Sustainable Woodfuels Project** adopted a comprehensive approach, tackling both woodfuels' supply and demand, and demonstrated that the production and marketing of traditional biomass fuels can be stabilized, while arresting deforestation, contributing to ecological conservation and increasing village incomes. At the project's close in 2004, more than 20 percent of Senegal's woodfuel consumption was derived from sustainably managed forests. That share has increased to 50 percent today with the introduction of sustainable green wood cutting in an eight-year rotation program.

Two projects set out to restore China's heavily degraded **Loess Plateau** through one of the world's largest erosion control programs with the goal of returning this poor part of China to an area of sustainable agricultural production. More than 2.5 million people in four of China's poorest provinces were lifted out of poverty. Through the introduction of sustainable farming practices, farmers' incomes doubled, employment diversified and the degraded environment was revitalized. Among other highlights of the project, natural resources were protected; food supplies were secured; the project significantly contributed to the restructuring of the agricultural sector; and, even in the lifetime of the project, the ecological balance was restored in a vast area considered by many to be beyond help.

Source: IDA (2007). Agriculture: An Engine for Growth and Poverty Reduction, IDA SECTOR Note on Agriculture. World Bank, May, p6.

Annex 61: National Rural Development Strategies (NRDS) Completed in IDA Countries FY02-06

Africa	Benin, Lesotho, Niger, Nigeria, Sierra Leone, Tanzania, Uganda, Togo, Madagascar, Cameroon, Mozambique, Zambia, Ethiopia, Dem. Rep. of Congo, Zimbabwe*, Angola
East Asia & Pacific	Mongolia, Vietnam, Papua New Guinea*, Cambodia
Europe & Central Asia	Albania*, Moldova, Uzbekistan*, Kyrgyz Rep., Serbia*
Latin America & Caribbean	Bolivia*, Nicaragua, Haiti
Middle East & North Africa	Yemen
South Asia	Sri Lanka, Nepal, India*, Bangladesh

* Indicates "blend" countries that borrow both from IDA and the IBRD.
Source: World Bank, Agriculture and Rural Development unit.

Source: IDA (2007). Agriculture: An Engine for Growth and Poverty Reduction, IDA SECTOR Note on Agriculture. World Bank, May, p6.

Annex 62: IDA's SECTOR Note on Agriculture 2007: Hot Button Issues

Hot Button Issues

- The **"Livestock Revolution."** Developing countries as a whole went from producing and consuming 36 percent of the world's meat in the early 1980s to more than 60 percent at the present time. This has contributed to improved livelihoods for urban and rural poor but is also creating major environmental and public health threats. Aquaculture, growing at an annual average rate of 10 percent since the mid-1980s, now accounts for more than 40 percent of global food fish consumption. More generally, demand for high-value agriculture—such as livestock, fisheries, and horticulture—is growing much faster than the rural population in developing countries, so there is real potential for labor-intensive rural strategies that can greatly improve livelihoods. However, the demand for safety and quality also threatens to exclude smallholders from sectors in which they have been traditionally dominant unless targeted interventions can help them meet the new requirements of growing markets.
- **Emerging diseases.** The avian flu crisis is not the first zoonosis to threaten human health and country economies, and it will not be the last. Every year, an emerging livestock-related disease—such as the Nipah virus, Bovine Spongiform Encephalopathy (BSE), Severe Acute Respiratory Syndrome (SARS), and Highly Pathogenic Avian Influenza (HPAI)—threatens the global human population. IDA is a key partner in an international effort to combat avian flu. It is working to strengthen institutional capacities in countries to coordinate, monitor, and implement appropriate measures to contain present threats from livestock-borne diseases and avert future ones.
- **Biofuels** may hold the potential for new economic opportunities for IDA countries, but they also present challenges for sustainable land, water, and forest use; and, for trade. Making cost-effective decisions for biofuel investment and policy will require a clear strategy and incorporation of lessons of experience.
- **Biotechnology** similarly offers hope for improved agriculture productivity and environmental impacts under both intensified systems as well as in stressful environments (e.g. drought, pests) and holds promise for bio-fortification of food staples to meet the nutritional needs of the population. However it also raises the need for sound bio-safety and product tracking systems to ensure compliance with safety standards in different agricultural markets.
- **Agricultural trade** subsidies will continue to shape the WTO and other trade forums. The Bank will help countries better handle trade negotiations and meet the sanitary and phyto-sanitary standards set by importing countries.
- **Gender** integration into agriculture is a high priority to enhance the development outcomes and impact of the agriculture operations.
- **Adaptation to climate change** requires work beyond clean energy. Intensified (as opposed to "extensified") agriculture that makes better use of limited land and water resources through technology, policy, institutional, and management improvements will help developing country farmers maintain productivity in the face of climate volatility. Innovative risk management mechanisms, such as weather risk insurance, will help farmers retain their livelihood resources under the same conditions.
- To arrest the depletion of **natural resources**—including land, water, forests, and marine fisheries—IDA will focus on improving their governance and on introducing cutting-edge instruments such as payments for environmental services and carbon finance.

Source: IDA (2007). Agriculture: An Engine for Growth and Poverty Reduction, IDA SECTOR Note on Agriculture. World Bank, May, p8.

Annex 63: Diversification as part of a private sector development strategy in Kenya

Over the past years, Kenya's trade performance has been mixed. On the one hand, the country has increased its share of trade within the East African and COMESA regions. On the other hand, the country's share of trade with the rest of the world is about half what it used to be in the mid-1980s, whereas the ratio of trade to GDP has dropped sharply from 71 per cent in 1995 to the current level of about 56 per cent. This declining share of trade with the rest of the world can be attributed to the country's inability to diversify its exports away from primary products, to manufactured and value-added goods coupled with its inability to access new markets.

In response, Kenya has developed a *National Export Development Strategy* to increase the competitiveness of Kenyan products in external markets, by addressing limitations caused by supply-side constraints. The strategy also addresses the issue of regional preferences, limited range of exports and concentration in traditional markets, foreign exchange risks and uncertainties and labour problems associated with low productivity and high costs.

The export strategy is in the context of the country's *Private Sector Development Strategy* (PSDS) that outlines specific policies and strategies that need to be pursued in order to enhance private sector growth and competitiveness in the country. The overriding objective of the PSDS is to set out a roadmap that would help the country build a strong, thriving private sector over the next five years. It acknowledges the Government's principal role of providing the necessary, enabling environment for the growth and the development of the private sector. Presently, Kenya's private sector accounts for approximately 80 per cent of GDP and provides more than half of the wage employment. As of 2005, ~~agriculture~~ and forestry contributed 24 per cent to the GDP, while manufacturing and trade accounted for 10 per cent and 11 per cent, respectively.

There are five key goals that have been identified by the Kenya Government as having a direct bearing on the overall realisation of the PSDS.

- Goal 1: Improving Kenya's business environment. The expected outcome under this goal is rising confidence, long term planning and investment in the private sector and a globally recognized country-investment grade rating.
- Goal 2: Accelerating institutional transformation within the public sector. The expected outcome is more efficient public institutions with a proven record of accomplishment of service delivery.
- Goal 3: Facilitating growth through greater expansion of trade. This goal's expected outcome is sustained growth of at least 20% annually in exports.
- Goal 4: Improving the productivity of enterprises.
- Goal 5: Supporting entrepreneurship and indigenous enterprise development.

The strategic policy actions and expected outcome under each of these goals mesh almost seamlessly with the policies for diversification that this report outlines, presenting Kenya as positive in responding to the challenge of diversification.

Source: Government of Kenya: Ministry of Trade and Industry, 2006, *Private Sector Development Strategy*; 2006-2010, Nairobi.

Source: UNECA (2007). *Economic Report on Africa 2007: Accelerating Africa's Development through Diversification*, United Nations Economic Commission for Africa, p125.

Annex 64: Promoting vertical diversification in Ethiopia: the case of the leather industry

Ethiopia, like other commodity-dependent economies, is extremely vulnerable to abrupt variations in export earnings due to volatile terms of trade for its major export products. Recognizing this, the Government is making considerable efforts to diversify the economy, through introducing new products (horizontal diversification) and/or diversifying out of traditional products by moving towards the high end of the production chain (vertical diversification). The latter strategy has been used successfully in the leather industry. Given its large livestock population, Ethiopia has been traditionally one of the major exporters of hides and skins in Africa.

The leather industry developed in the early 1970s on the basis of import-substituting industrialization. However, the industry was marred by inefficiencies and lack of competitiveness. By early 1990s, only 45 per cent of total leather exports was in processed form with the remaining 55 per cent in raw form. In recent years, considerable efforts have been expended to make the industry more competitive and increase value addition. This is bearing fruits. Twenty new tanneries and leather-processing industries have been setup in recent years and, as a result, the value-added of leather-exports has increased to 95 per cent. More importantly, these firms combined have generated more than 6,000 jobs. After temporary set-backs due to cheap Chinese shoe imports, more than 30 new shoe-manufacturing industries are operational currently, employing more than 9000 workers. The Government envisages that by 2010 all leather exports will be in processed form, contributing between 8 to 10 per cent of total foreign exchange earnings.

A good macroeconomic environment, favourable investment climate, development of the domestic financial sector, trade policy and appropriate exchange rate policies are considered critical in the promotion of economic diversification, both horizontal and vertical.

Source: Federal Democratic Republic of Ethiopia: Ministry of Industry and Trade.

Source: UNECA (2007). Economic Report on Africa 2007: Accelerating Africa's Development through Diversification, United Nations Economic Commission for Africa, p160.

Annex 65: Horizontal diversification strategies in Tunisia

Tunisian authorities are engaged in a process of restructuring the economy to transform it from an emerging to a developed one. This restructuring policy is summed up in the *Directive Document for the 2007-2017 Decade*. The document presents a package of social, macroeconomic and microeconomic policies that can allow the country to catch up with OECD countries by emphasizing economic transformation. The document makes three recommendations to foster economic transformation:

- The development of the agro-food industries by the diversification of their products and to create complementarities between agriculture and the agro-processing industry to limit exports of unprocessed commodities.
- The exploitation of the potential offered by existing manufacturing activities such as leather, wearing and textile sectors by introducing highly intensive technology products and the development of services related to these industries such as consulting services or information technology services.
- Taking advantage of the new technologies in order to develop financial, social and ecological services.

The government projects that the share of agriculture in the economy will decrease from 12.8 per cent in 2006 to 9.6 per cent in 2016 while that of services will increase from 56.6 per cent to 64.2 per cent over this period. The share of the textile and leather will decrease from 5.2 per cent to 3.8 per cent.

In a second step, the Quantitative Studies Institute was charged to identify sectors in which the Tunisian economy should specialize in order to realize its development objectives. The criterion defined by the Institute was the knowledge intensity. The Institute finds that the share of knowledge-intensive activities in the total production has increased from 10.3 per cent in 1997 to 12.4 per cent in 2004 whereas the share of other industries slightly decreased from 40.9 per cent to 39.7 per cent over the same period. This transformation has been attributed to the increase in the share of investment allocated to knowledge-intensive sectors, from 17.4 per cent in 1997 to 18.5 per cent in 2004, whereas the share of investment allocated to activities with very low intensity in knowledge declined from 28.3 per cent to 26.5 per cent. The Institute recommends increasing the budget allocated to research and development activities as a means of supporting a knowledge-based diversification strategy as a corner stone of the private sector development agenda.

Sources: Institut d'Etudes Quantitatives, 2006. *Rapport Annuel sur l'Economie du Savoir. Tunis*; Government of Tunisia, 2006. *The Directive Document for the 2007 - 2017 Decade. Tunis*.

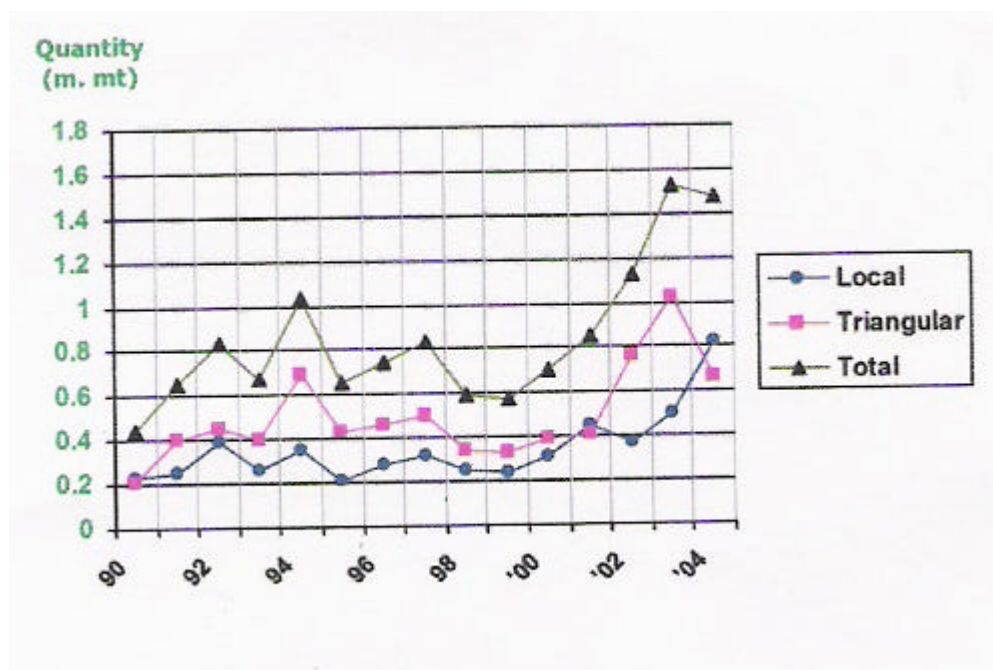
Source: UNECA (2007). *Economic Report on Africa 2007: Accelerating Africa's Development through Diversification*, United Nations Economic Commission for Africa, 129.

Annex 66: CGIAR Priorities and Strategies (2003)

Themes	Latin America	Africa	CWANA	Asia	Global	System
Germplasm conservation and improvement	36	47	25	37	31	35
Production systems and natural resources	29	26	61	24	40	36
Policy and institutions	35	26	15	39	30	29

Source: CGIAR website: http://www.cgiar.org/enews/july2003/story_17.html

Annex 67: WFP food procurement from developing countries, excluding Iraq: trends in local and triangular purchases (quantity)



Source: WFP/EB.1/2006/5-C