DAC Network on Poverty Reduction

DISSEMINATING AND CONNECTING POVNET MESSAGES TO RELATED ACTIVITIES: AGRICULTURE, PRO-POOR GROWTH AND FOOD SECURITY

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I. Background

1. With the sharp rise in world food prices in 2007 and 2008, the Secretariat started to examine the implications of POVNET policy messages on agriculture and pro-poor growth in relation to the issue of (initially) high food prices and (now) global food security. Collaborating in an OECD horizontal project, the OECD’s Development Co-operation Directorate (DCD) carried out a survey on donor response to high food prices and organised a Donor Policy Dialogue on High Food Prices in February 2009. The meeting addressed how donors should best respond in the medium and long-term to foster pro-poor agricultural production to sustain access to affordable food in developing countries. It focused on two questions concerning donors’ approaches – are they doing the right things and are they doing them well? To prepare this event, we prepared an Information Sheet, “POVNET at Work: Responding to Food Insecurity, Pro-Poor Growth and Agriculture”. This 4-page document connected the earlier POVNET policy messages on pro-poor growth and agriculture to the mid-term responses to promote food security.

2. A joint OECD-FAO meeting was organised in May 2009 as part of the preparations towards the World Food Summit to be held in Rome in November 2009. The meeting concluded that a crucial issue is that of political leadership in making investment in agriculture a government priority. There is a major need to invest in effective institutions for agricultural inputs, product marketing and regulation, and in rural development and the rural economy as a whole, enabling productivity increases for smallholder farmers and the movement of people into more productive sectors in rural areas. Investments in rural roads and agricultural research and development yield high returns in terms of poverty reduction.

3. With the financial crises and the global economic crises, food security and nutrition has now become a global issue. In the 2009 DAC-HLM, members were extremely aware of the importance of food security and its relationships with poverty and the MDGs. The issue is now very much centre stage on the international development agenda.

II. DCD contributions

Multilateral level

4. DCD and TAD (Trade and Agriculture Directorate of the OECD) participate in the regular video-conference meetings of the UN HLTF (High Level Task Force on the global food security crises) chaired by UN Secretary General Ban Ki-Moon. Our main thrust has been to encourage increased attention on the medium and longer-term responses to promote food security.

International level

5. The 2009 G8 meeting in L’Aquila resulted in a joint statement on global food security with “a goal of mobilizing $20 billion over three years ... focused on sustainable agriculture development, while keeping a strong commitment to ensure adequate emergency food aid assistance.” In subsequent follow-up meetings (The road from L’Aquila) the OECD/DAC is involved in work to develop a mechanism to track
the commitments made. This work has started together with IFPRI, UN HLTF, the World Bank and the Global Donor Platform for Rural Development.

6. To promote a substantial increase of investment in agricultural and food security (from all sources – public and private, domestic and international) there is value in looking into aid effectiveness issues and in-country donor mechanisms, particularly in Africa. Following a CAADP\(^1\) donors’ meeting in Addis Ababa, a number of issues have been identified where OECD and DAC might add value. These include the need to strengthen frameworks to promote private investment in agriculture (and how ODA could be used to mobilise that), the urgent need to invest in capacity development to increase the aid absorption capacity of developing countries and their ability to prepare sound and country led strategies, and the need to strengthen ‘evidence based policy development’. How to deliver aid for agriculture and food security effectively, in line with Paris Declaration principles, and aligning around country-led strategies and plans, is another worthwhile and badly needed task.

III. Outlook

7. Reflections within the POVNET Task Team on Implementation suggest we need to embed POVNET policy guidance in ‘the bigger picture’, i.e. wherever there are links with those issues at the centre of the international political and policy agenda. In the OECD events reported above, three major outcomes had been identified: (1) food security and agriculture is a very complex subject and needs to be “unbundled”; (2) agriculture is a particularly knowledge-intensive activity; and (3) donors are in favour of “sector-wide” processes like CAADP to strengthen aid effectiveness. Based on these insights, DAC/POVNET should look into developing a work programme to help define the future donor agenda on agriculture and food security.

De-sectoralize agriculture and food security and identify entry points for development investment

8. While OECD countries have based their agricultural development on an overall agricultural policy or vision, developing countries often have no overall policy, but move straight to an investment plan that donors should fund. This approach tends to result in long shopping-lists of special projects, such as: policy design, agricultural advisory services, production inputs, micro-credit, research, markets, productive infrastructure etc. But this approach does not consider the need for the accompanying capacity development of basic institutions. Trying to establish all-inclusive plans is complex and heavy to coordinate, especially if the ownership is distributed amongst many different ministries. This suggests we need to find ways to structure the agricultural environment in “clusters” that require a similar technical expertise and can be coordinated in sub-groups.

Move beyond processes to achieve aid effectiveness in agriculture

9. There is growing awareness that agriculture is an economic sector rather than a “development” sector. Supporting agricultural development, where governments often have a difficult role to play, is not like other development sectors, such as education or health, not least because agriculture is essentially a private sector activity. Nevertheless, donors often continue to persist with similar and rather heavy processes, with not always encouraging results. Often, a large number of ministries claim ownership of “agricultural development and food security”, making a sector-wide approach unmanageably large. Because of its context specificity, there is often no clear-cut agreement to define and delineate public sector responsibility within this predominantly private sector activity. It might therefore be instructive to review the processes towards “sector-wide approaches”, and identify how aid effectiveness in agriculture and food security can be promoted.

\(^1\) Comprehensive Africa Agriculture Development Programme