

DFID Agriculture Policy Paper

Response to the consultation process, closed 30 Sep 2005

Although the primary audience for this paper is DFID's country programmes, its preparation has benefited greatly from the contributions of a range of people from NGOs, the private sector, research institutions, international development organisations and governments.

We appreciate the efforts of all those who have engaged constructively and challenged our thinking during the latest 8 week phase of our consultation process on the draft paper. This has included a range of individual submissions, and group feedback generated from our 8 September feedback event in London.

Feedback was requested in four main areas. The following summary indicates the overall trend of response:

1. Does it present a clear rationale for DFID to support agriculture?

Response: on balance, yes.

The fact that DFID is making a strong statement about agriculture's important role in growth and poverty reduction was overwhelmingly welcomed. Some respondents agreed that it was clear, but had reservations about certain aspects of the argument or identified other issues that we dealt with under 'gaps'.

2. Is the text likely to be useful to you in the work you do?

Response: yes

Feedback showed that the text is a useful source document and point of reference. Some respondents underlined the additional detail to be found in the accompanying working paper series, all of which are referenced in the paper.

3. Is the text accessible to a wider audience?

(although DFID country offices are identified as the primary audience for the paper, the paper is also intended as a useful reference for development professionals in other organisations.)

Response: mixed – on balance, yes

The response from the 8 September feedback to this question was 'no'. This contrasted with individual submissions, which stated that the paper does a good job of tackling a difficult task, provides sound and useful analysis and recommendations, and is logical and clear in its presentation. Some said that the paper was too long; others that its length was not a problem since it was easy and engaging to read. Nevertheless, there were concrete suggestions that indicated where specific language was ambiguous, unclear or ill-defined. These will help to improve the final text.

4. Does the paper miss any important aspects of agriculture's role in growth and poverty reduction?

A range of detailed comments broadly falling under this category was gathered. Key issues and themes arising from this feedback are summarised below, together with our response to points raised, clarifications, and an indication of how we will deal with comments in the final text.

Has DFID abandoned pro-poor policy? Is it 'a return to trickle down'?

- All of DFID's policies pursue a central objective of poverty reduction, and this paper is no exception.
- The paper looks at both the direct **and** indirect ways in which agriculture reduces poverty. In terms of indirect links, there is good evidence that the agricultural sector is special in that it has particularly strong multiplier links to the rest of the economy, and this is one of the most powerful ways in which it generates overall growth and reduces overall poverty.
- It focuses on the sector as a whole and its overall contribution to economic growth and poverty reduction. It does not focus primarily on the role of agriculture in livelihoods, since DFID's 2002 paper '*better livelihoods for poor people: the role of agriculture*' already covers this ground. The reason for this is that agriculture's sectoral contribution to growth and poverty reduction has been overlooked. Agriculture is starting to gain greater prominence – e.g. in the recent G8 communique, Commission for Africa report and the NEPAD Maputo declaration - and it is important that DFID has a clear approach to the sector that allows it to engage in these debates, improve policy thinking and dialogue, and work to strengthen agriculture's position in national growth and poverty reduction strategies.
- 'Pro-poor' is interpreted by some as direct, technical interventions on the ground. We maintain that the focus of this paper on policy interventions is no less pro-poor. Our understanding of livelihoods has shown that policies and institutions can act as one of the key constraints on agriculture's effectiveness. DFID has a certain comparative advantage to engage at this level, to complement the more technical interventions of others.

How will the paper be operationalised?

The paper offers guidance, not a prescription. How countries' choose to apply the principles of this paper and balance them against other objectives and priorities is a locally-owned decision. Policy Division's Renewable Natural Resources and Agriculture Team will generate evidence on key dimensions of agricultural markets, public expenditure, science and technology, land, supermarkets and informal product standards, and agriculture's linkages with social protection; share lessons; and support policy dialogue at country level on these issues. Policy Division's Financial Services team will provide support on rural finance, and the Sustainable Development Group will continue to lead work on water, infrastructure and environment. International Trade Department will take forward DFID's engagement on agricultural trade and commodities issues. Central Research Department will take forward DFID's work on agricultural research.

Is the focus just on high potential areas?

The paper does not argue for a focus on 'high' or 'low' potential areas. It advocates working in areas where greatest **increases** in productivity can be achieved. This is not necessarily the same as areas where productivity is

currently highest. In some contexts, the greatest rate of change may still be possible in traditional high potential areas. In other contexts, only marginal additional increases may be likely in such areas – greater rates may be achievable in various other parts of the ‘potential productivity spectrum’.

The paper would be clearer if placed in the context of other policies

This is a useful point. Agriculture inevitably extends into many areas of development that are examined in more detail by other DFID policy statements, and we will provide better signposts to these in the final publication.

Which farming group is DFID targeting in this paper?

- Some commentators felt that the paper was advocating only supporting larger commercial farms. This is not the case. The paper does not argue for support to focus on any particular farming group. We have amended the language to ensure that the focus is on enhancing the participation of the poor in growth processes and ensuring they benefit from growth, for example through increased employment opportunities.
- For people and areas that have limited potential to increase productivity or are not integrated, agricultural interventions may not be the best development tool for an agency like DFID, and other complementary policies and interventions will be more effective. Agricultural strategies will be more efficient in delivering poverty reduction in some contexts than others, and DFID should prioritise in order to deliver greatest aggregate impact on poverty. A strong role for agriculture in economic transition will improve outcomes for poor people, but a broader package of policies outside agriculture is also needed.
- This paper provides guidelines for stimulating overall growth and poverty reduction through agriculture. While national decision makers may have a variety of other policy priorities, our concern is to ensure that decisions about policy trade off are made in an informed manner, and that decision-making processes include mechanisms to mediate different interests in a democratic way .

New technologies are presented disproportionately relative to useful existing technologies and traditional knowledge. There are specific concerns regarding biotechnology/GMOs

- We agree that better access for poor people to a range of affordable, appropriate and safe technology is required. The paper mentions the importance of both new and traditional technology. New technologies, including biotechnology, currently receive more space since they are the focus of greatest debate – we will review the balance. Also, in many parts of Africa, poor access to ‘existing new’ technologies has been a major barrier to progress.
- We note that innovation networks, comprised of a range of institutions including those that represent the voice of poor farmers, are needed to help set research priorities. This point is elaborated in DFID’s forthcoming agricultural research strategy.
- We note that new technologies may exert greater demand on the natural resource base and will flag this in the text together with policy implications.

- On biotechnology issues our approach is precautionary. The UK position (led by Defra) reflects the Cartagena protocol on biosafety. We will provide a link to the Cartagena website in the text for readers that require more information.

Market-based production and growth is emphasised at the expense of food security

The focus of this paper is on economic, market-based growth: the content and language reflect this. The paper discusses the role of staple foods production for local markets. Links to DFID's complementary paper 'Eliminating Hunger' are made for those requiring more detail on DFID's approach to food security, which emphasises access to rather than just production of food.

Greater emphasis needed on politics and the role of civil society

We believe that the role of civil society as a service provider and as a means to represent the voices of poor people in policy making processes is described in the text, but will attempt to make this clearer. We will make reference to the political context in which agricultural decisions are made.

Gender issues are poorly represented

This is a helpful observation –gender analysis will be strengthened in the final version.

Issues of sustainability are not strong enough.

The inclusion of sustainability as a core principle indicates that it underpins the subsequent priorities and is therefore of central importance. We agree that issues of soil and water management can be stated more explicitly in the text (the 2002 agriculture paper provides more detail on these), as can the complementary linkages between measures to ensure sustainability and measures to improve productivity. Nevertheless, despite these complementarities, we maintain that decision-makers will need to make difficult choices and manage trade-offs between economic efficiency of output, the ecological integrity of the resource base and the socio-political needs and expectations of stakeholders.

'Agriculture' and 'productivity' is poorly defined

The final publication will define agriculture more clearly. Land, labour and total factor productivity are defined at the beginning of chapter one.

The role and capacity of the state needs to be developed

We agree that the state needs to be capable of delivering certain core functions effectively, and that many governments lack essential capacity. There is a role for donors in helping to build this capacity. However, we also note the importance of removing constraints on the private sector, which has great potential to deliver change.

Wage labourers are not mentioned

The importance of employment and labour is mentioned in the paper, but more specific reference will be made to DFID's complementary work on core labour standards and our support to the International Labour Organisation.

The abuse of corporate power is a concern

The paper mentions the rise of the supermarket in developing countries as a potential constraint to smallholders. The risks and opportunities associated with increasing concentration in supply chains is discussed. DFID's commitment to work with the agri-food industry to minimise adverse impacts and enable access to markets is highlighted. Improving poor people's access to technologies held by the private sector is also highlighted in the text.

Renewable Natural Resources and Agriculture Team
24 October 2005