

**UK Department for International Development
E-Forum on New Directions for Agriculture in Reducing Poverty**

Synthesis Report

**Part 1
Summary and Key Messages**

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SUMMARY

The UK Department for International Development (DFID) held an E-forum on *New Directions for Agriculture in Reducing Poverty* to guide the preparation of their future strategy for agriculture. This strategy is due to be completed in 2004.

The process was launched by two invited contributions¹ and underpinned by the current DFID policy and guidance papers of 2002² and 2003³. The process was planned and guided by an Oversight Committee and six theme moderators⁴. Each Theme was launched with an introductory note prepared by Theme moderator. Regular progress summaries were prepared which together with archives of the individual contributions will remain available on the website <http://dfid-agriculture-consultation.nri.org/> until March 2005. Part 2 of this report contains the overall summaries of each of the six Themes and provides the web links to all other key products of this forum.

560 people registered for the consultation. The highest subscribing regions were sub Saharan Africa (99), OECD countries (81), and South Asia (64). The highest represented organisation types were academic and policy centres (120), NGO and Civil Society Organisations (115), and public policy makers (70). Overall private sector participation was low, as was participation from the Middle East and North Africa, and East Asia and Pacific regions. The high public policy representation from OECD countries was thought to represent donor and related agency participation. Around 600 written contributions were offered together with sixteen resource papers (latter listed in Part 2). Other papers and working source material was referenced within written comments. A full analysis of the process, including a details of subscribers grouped by region and type of organisation together with details of website activity can be found in Part 2 of this report.

Overall, the contributions were rich in content. There was much emphasis what might be done to enable the poor to derive increased benefits from agriculture, and case studies were offered built from practical and first hand country level experience. The questions of how

¹ Prepared by Simon Maxwell, Overseas Development Institute, and Michael Lipton, Poverty Research Unit, University of Sussex.

² [Better livelihoods for poor people: the role of Agriculture](#)
DFID, 2002 [PDF, 185Kb]

³ [Agriculture and poverty reduction: unlocking the potential](#)
A DFID policy paper, December 2003 [PDF, 339Kb]

⁴ T1 Growth and Poverty - Gareth Williams and Alex Duncan; T2 Economic Growth - Colin Poulton; T3 Risk and Vulnerability – John Farrington; T4 Global Trade – Duncan Green; T5 Science and Technology – George Rothschild; T6 Public Policy and Expenditure – Stephen Akroyd.

DFID, or other development agencies, might improve policy and intervention was addressed but to a lesser extent. Lastly, there were some explicit and implicit recommendations to DFID on what DFID should do in the future. Commentators called for DFID to use the findings of this consultation, and the resource material offered, to guide further dialogue at country and regional levels and thereby to build up consensus on the new DFID strategy.

It was felt that DFID should:

1 Give greater priority to agriculture and reverse the current downward trend of policy and investment support by DFID for agriculture and food in particular in sub Saharan Africa.

The consultation asked that DFID, and the UK government more widely, clarify its position on Agriculture and Food in international development, and reaffirm the GoUK's commitment to the World Food Summit. DFID should make a high level of commitment to agriculture and back this with long term investment. Country Departments should be held accountable and there were calls for the setting of spending levels in order to secure a reversal of this downward trend.

2 Work with others to clarify the true value of agriculture in development including its contribution to the MDGs

75% of the poor live in rural areas and have a high dependence directly and indirectly on agriculture for their livelihoods and food security. Further, agriculture was seen to be undervalued in its contribution to GDP and in its role and impact on a range of the MDGs. The value of agriculture in development should be reassessed and its profile raised in DFID, within the international development community, and at the country level. Evidence and stylised facts on the relationship between agriculture, poverty reduction and growth were provided.

3 Seek to strengthen donor coordination and aid management for agriculture at both international and national levels

DFID should seek to strengthen donor coordination at international and national levels and deepen the current wide range of partnerships for agriculture and food in order to promote agricultural development, secure optimal instruments for investment support and policy reform, and enhance aid effectiveness. The consultation cautioned against blue print approaches and called for better understanding of specific regional and country level differences and thus requirements. At country level specific efforts are required to secure adequate levels of public sector funding.

4 Review the investment instruments used for agriculture and strengthen its internal operational capacity

A twin track approach offering direct support for agriculture together with securing commitment within Direct Budgetary Support for agriculture was advised. DFID should strengthen its in-house staff capacity in order to deliver the agriculture agenda including its capacity to provide sound policy advice. DFID should build stronger and more transparent monitoring and evaluation systems for its agriculture programme.

5 Take into account, in investment policy and planning, the dynamic and changing nature of agricultural markets and other longer term trends

Recognize the dynamic and changing nature of the international and national agricultural markets and other longer term trends including demographic trends and address the

implications for agriculture and food. This calls for DFID to build-up its own capacity and that of developing countries in order to monitor, adjust and respond.

6 Strengthen the voice of communities whose livelihoods depend upon agriculture in guiding policy and investment choice

DFID should help to build a sustained and enhanced mechanism for the rural voice and that of the wider agricultural community to be heard at national and international levels and ensure that this voice can inform policy and intervention. This should be backed by long term support to strengthen national capacity to enable developing countries to undertake economic, social and political policy analysis on issues related to agriculture. This would both build capacity and help to strengthen national dialogue.

7 Understand the political dimensions of rural and agricultural reform

DFID should aim to understand the political dimensions of rural and agricultural reform and help to support reform processes at country level that will achieve better outcomes for the poor. There is a need to understand better the interests at stake and the incentives both at national level and within and between donor agencies.

8 Support the reform and strengthening of public institutions

DFID should support reform processes, where necessary, and strengthen public institutions in particular Ministries of Agriculture to enable them to play a more strategic role in national policy influence, to improve policy and interventions that support better pro-poor agricultural growth, and foster private sector development. The means to tackle gaps left by privatisation (e.g. marketing boards) need to be addressed. Risk reduction interventions should be mainstreamed into national programmes.

9 Focus support on smallholder production and productivity increases

DFID's future strategy should focus on the smallholder and productivity increases which address production through to the market. However such an approach must be complemented by actions to encourage agricultural diversification, agro-processing and the development of the commercial sector. Heterogeneity within the smallholder community, and within and between countries should be recognized and responded to accordingly. The promotion of commercial agri-business by DFID could be justified where appropriate.

10 Build new mechanisms to support rural market systems and agribusiness

DFID should seek to understand better and respond to the entire market chain in order to secure maximum benefits for smallholders. This should include finding new mechanisms and instruments to help to fill gaps left by privatisation. New models to strengthen market chain linkages were proposed. The consultation called for DFID to consider the establishment of an investment fund for agriculture.

11 Take a broader view of agriculture and recognise its linkages with the non farm sector and between the rural and urban economies

The linkages between agriculture and other economic sectors and between local and national planning processes need to be recognised. Support to, and the implications of, a movement out of agriculture requires DFID's attention. The role of urban agriculture should be mainstreamed in DFID's policy and into the support offered to national processes.

12 Assist Governments, the private sector and civil society to address the needs of the poorest and to enable the poor to engage and invest in agriculture.

DFID should seek to assist in the coordination of interventions aimed to support the poorest and those most vulnerable. It was proposed that there should be better linkages made between social transfers and support to the productive economy. DFID should increase support to participatory vulnerability analysis. A series of specific interventions to address the poorest and most vulnerable were offered.

13 Reform international market mechanisms to increase the benefits to poor commodity producers and countries

DFID should, together with the international community, help to re-establish mechanisms to address issues of oversupply and market concentration. The impact of agricultural subsidies on the poor should remain at the political forefront. Research work on understanding fully such impacts and the resulting policy implications needs to continue to be supported by DFID. More latitude should be given to enable countries to protect their smallholders' interests.

14 Help to secure and build-up the natural assets of poor people who are dependent on the agricultural sector

DFID should focus effort on helping to secure and build-up the natural assets of poor people who depend on the agricultural sector including in particular the assets of land and water. This was seen as an essential pre-requisite for sustained reduction in poverty. Wider environmental considerations should be mainstreamed into agricultural strategies. The consultation called for DFID to strengthen its internal capacity to address these issues.

15 Support knowledge management, and the validation and sharing of good practice

DFID should strengthen its own internal knowledge management systems, and should play an increased role within the international community including with developing countries, in the validation and sharing of good development practice for agriculture. DFID should finance such learning processes.

16 Strengthen the Science – Development continuum to derive maximum benefits from Agricultural Science and Technology (AST)

The linkages between research programmes funded by DFID and DFID's bilateral programmes must be strengthened in order to improve the effectiveness and impact of DFID's overall investment in agriculture. DFID should further assist developing countries to also mainstream the science-development continuum within national processes including Poverty Reduction Processes and subsequent public expenditure allocations. DFID must adopt both a multisectoral, for example building links between health and agriculture, as well as a multidisciplinary, i.e. technical, social and economic, approach to its research investment.

17 Strengthen and increase support to Agricultural Science and Technology (AST) at international and national levels.

DFID should aim to derive its own knowledge base and that acquired for developing countries from a wide range of sources both through direct commissioning and through networks and lessons sharing. DFID should foster new structures of international relationships between suppliers. DFID should secure a long term commitment to funding AST and support developing countries to secure long term funding of national programmes. Concern was raised over the decline of the UK's own AST base and its implications to DFID and the UK more generally. Some priority areas for further research were identified

The consultation felt that there was some urgency for DFID to focus on both the sharing of new models for rural extension and advisory service provision, and on helping governments to meet smallholders advisory needs. This requires both better use of donor and national funds and as well as the application of new models which engage a wider range of service suppliers including the private sector, NGOs and agribusiness.

KEY MESSAGES

The following key messages and recommendations to DFID emerge from the contributions and deliberations of the E-forum and are derived from both single and multiple Theme sources. Sources are indicated by Theme numbers (see footnote 4, page 1).

Readers who wish to explore the background are encouraged to read the summaries given in Part 2 and to draw upon the wealth of contributions and weekly summaries of the debates which are to be found in the E-forum archives. Specific examples of good practice and evidence based contributions shared with this E-forum, remain held in the archives.

There were differing points of view from commentators on some issues and these are noted in the text where applicable.

<p>1 Give greater priority to agriculture and reverse the current downward trend of investment support by DFID for agriculture and food in particular in sub Saharan Africa.</p>

Whilst DFID is not alone in the international donor community in reducing the level of its support for agriculture, there was a strongly held view from the consultation that agriculture, food and hunger continues to be marginal within DFID's agenda.

The consultation noted that DFID's current Public Service Agreement (PSA) exerts authority on aid management instruments and DFID's policy over the period 2003-06. The PSA states as a primary objective the eradication of poverty and extreme hunger in developing countries through achieving the Millennium Development Goals (MDGs) by 2015. However it was noted that the PSA makes no mention of the elimination of hunger anywhere else in the document. Hence, while hunger appears to hold as much importance as poverty eradication, it appears to have been given no priority in DFID's medium-term strategy. Furthermore, the word 'agriculture' is not included in the PSA and its relevance in alleviating poverty and affecting key indicators is only implied indirectly. (T1, T4, T6) The consultation urged DFID to address this apparent lack of coherence and the implied implications.

Further to the above point, there is a need for DFID to establish and articulate firmer linkages between agricultural policy and hunger eradication (T6) in particular in light of the PSA and related MDG on poverty and hunger.

DFID should reaffirm its commitment to the World Food Summit and elaborate upon and make public the resulting DFID action plan. Specifically, DFID is encouraged to engage more proactively in supporting the development of pro-poor agricultural policy and programmes in developing countries – for example, through the NEPAD Comprehensive African Agricultural Development Plan (CAADP). (T6) The forthcoming UK Presidency of the EC is seen as an ideal opportunity to promote the agriculture agenda and to encourage wider support to such initiatives as the CAADP within the EC. (T6)

The consultation called for DFID to work with others to address shortcomings in international Food Aid policy and practice in particular where interventions are felt to hamper local and regional food production and market development. (T3)

Long term and consistent DFID commitment to agriculture is required recognizing that changes to agricultural systems take considerable time to become embedded and to show impact. DFID is invited to consider how it can commit to a longer term time horizon of investment in agriculture (T4) including that for agricultural science and technology. (T5)

There is a call for DFID to set targets for its level of investment in agriculture and a suggestion that each DFID country office be invited (through the Country Assistance Paper) to make a statement its commitment to agriculture, its funding allocation and plan, and the rationale for support in the context of the MDGs.

Whilst many commentators called for the priority focus for agriculture to be reinforced as a key entry point in the battle against poverty, hunger, malnutrition and to support economic growth, it was felt that agriculture should not be seen either in isolation from other social sector (e.g. health, education) and non agricultural economic activities and investments. Policies and investment that support broader economic development such as infrastructure (T1, T3), macro policy, and good governance etc, were considered to be necessary elements of a healthy agricultural (and national) economy.

Until there is a clarification and the securing of commitment at the highest level within DFID, then advice on optimal development assistance for agriculture and food as derived from, for example, this E-forum will be of limited value. Many contributors expressed a frustration that critical entry points for agriculture have already been formulated by DFID as expressed in the 2002 and 2003 policy papers but that these have themselves not been converted into action. (T1)

2 DFID should work with others to clarify the true value of agriculture in development including its contribution to the MDGs
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The group felt that poverty reduction strategies especially for sub Saharan Africa, outside of agriculture cannot exist. It was noted that some 75% of the poor live in rural areas where typically farming predominates and where non farm activities are often associated with agriculture. Rural populations are dependant therefore to varying degrees on agriculture for their livelihood and household food security. Growth requires agriculture to become more productive and for non agricultural opportunities to open up. Thus increased productivity, the diversification of agriculture, and the development of non farm activities are in most instances, necessary components of poverty reduction strategies.

Evidence and stylized facts on the relationship between agriculture, poverty reduction and growth were offered throughout the consultation (T1).

DFID should strengthen and support the case for policy and investment to agriculture for use by donors and governments. To help to build this case DFID should note:

- Current methods of valuing agriculture's contribution to GDP are based on production and tend to be an underestimate by not taking account of agro-processing and related industries (T1) and other up and down stream linkages
- The cost of malnutrition, poor health and low human productivity and the relationship of these outcomes to sound agricultural policy should be taken into account in

national/donor planning. (T1) Research evidence on the links between improved nutrition and economic growth has been presented by the E-forum. (T1)

- Improved nutrition and food security are seen as important goals in their own right – and the role of agriculture in contributing to these goals need to be more explicitly drawn out
- Agriculture should be mapped to all MDGs. DFID needs to recognize for example that agriculture can make inroads into, for example, the under-5 and maternal mortality MDG indicators. There is a need to build up the empirical evidence base.

In addressing linkages and interactions specifically in the context of food insecurity, it was noted that the Sen analysis pointing to food insecurity as a lack of demand, was felt to be incomplete. A commentator felt that major supply side problems and opportunities also need to be addressed.

It is recommended therefore that DFID strengthen its support to economic and social analysis (at national and international levels) on the role of agriculture in poverty reduction, elimination of hunger and malnutrition, and in economic growth. Outputs from such work should inform national processes including national dialogue and PRS processes. DFID should work to build-up national capacity in such policy research (T5).

3 DFID should seek to strengthen donor coordination and aid management for agriculture at both international and national levels

At international level:

Several contributors emphasised the importance of DFID working in partnership with a range of organisations (e.g. governments, EC and EU donors, multilaterals, UN system, G8, CGIAR and other north and south based research institutes) in order to promote agricultural development. It has also been argued that DFID should engage more actively with private sector and civil society organisations on agriculture. (T1, T5)

The importance of DFID consulting with a wide range stakeholders (especially NGOs) on new policy initiatives was highlighted. DFID was invited to use the findings from this e-forum as a basis for dialogue with government and other partners. (T1)

The ongoing work of the OECD POVNET on agriculture was also noted and considered to offer a particular opportunity for a bilateral donor such as DFID to contribute to and influence the wider donor and IFI consensus.

It was noted that agriculture is not static and the extent of the changes e.g. in global markets, market structures, climate change, and the (increasing) depth of poverty of agriculture based communities, calls for new ways of donor and national governments' thinking and for increased flexibility. In particular the role of the private sector (internationally and nationally) needs to be better understood and integrated into policy and the alignment of intervention.

It was felt necessary to recognize that different approaches to, and levels of, support for, agriculture will vary between countries. The contributors noted that one-size-does-not fit-all in defining policy and interventions for agriculture at country/regional levels and that there are few blueprints. Many expressed concern about the pressure to find easy answers and noted that past failures were often generated by blueprint approaches. They urged donors and IFIs to remove the international tendency, often lead by IFIs, to follow prescribed mechanisms and policies. There was further a deep concern over the power of vested (donor, IFI and national governments) interests in both continuing with large loan programmes despite their poor track record, and in the influence such vested interests exert at policy and

strategy levels. DFID should consider its role at national and international levels in the mitigation of the negative effects of some of these international actions. This calls for increased efforts by donors and governments to open themselves to wider debate, to build broad based consensus, and share good practice. It was noted that many examples cited in this consultation of good practice often drew from experience from Asia. The relevance of the Asia experience to other regions and in particular to sub Saharan Africa has to be demonstrated and should not be assumed.

Whilst recognizing the need to get away from donor driven uncoordinated projects, there was deep concern by many contributors about the current move towards Direct Budgetary Support and a concern that donors are re-inventing the SAP wheel under the PRSP. (See also Point 4)

DFID should utilize the UKs international leverage to avoid actions which may harm countries in the south e.g. through agricultural protection and subsidy.

At country level:

DFID should in collaboration with other large, international donors offer to support the public sector to develop coherent pro-poor agriculture policies and intervention strategies. (T3) There was felt to be inadequate earmarking (by donors and Ministries of Finance) for agriculture within the framework of the national poverty reduction and growth agendas. Problems were felt to be exacerbated by weak Ministries of Agriculture (MoA's) (see also point 8). DFID could be proactive in strengthening the case for agriculture within the PRSPs/national processes and in strengthening the capacity of MoA's to define and cost appropriate interventions.

DFID should support improved management of public expenditure in agriculture and offer assistance in improving public accountability. (T1, T6)

The building of national analytical capacity to inform sectoral choice was seen as paramount as was the need for donors to work together to support ongoing processes of consultation and dialogue with a broad base of stakeholders at national level (see also point 6). DFID should increase its investment and support to such capacity building and dialogue.

4 DFID should review the investment instruments used for agriculture and strengthen its internal operational capacity
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DFID was invited to reconsider its current strong support to Direct Budgetary Support (DBS) in the context of investment for agriculture. In countries where DBS is the principal instrument for DFID engagement, but where governments are failing to deliver pro-poor agricultural growth, a twin-track approach could be considered involving DFID support for interventions specifically targeted towards agriculture. (T6) This would include continued use of bilateral projects but with efforts made to ensure coherence with other investment instruments. DFID should support the strengthening of the alignment of HIPC financing to issues of agriculture, food and hunger.

The pitfalls noted include: inappropriate interventions; waste and poor results; and attempting to disburse increasing volumes of funds with fewer (DFID) staff. (T1) DFID staff capacity should be appropriately aligned to match funding flows and country needs. Agencies, including DFID, were invited to examine the incentives operating within their own structures for sector prioritisation and disbursement.

DFID should continue to make efforts to improve the quality of its policy advice and investment in agriculture and food and to increase the monitoring of levels of funds and outcomes as well as overall transparency.

DFID is urged to obtain better value from, and to ensure accountability for, the use of funds that it provides to other organisations (the CGIAR was noted in particular –T5), and to both national governments and multilateral development agencies. (T2)

Environmental audits of all DFID activities and programmes should be undertaken. (T4)

Several contributors emphasised the importance of strengthening DFID's internal staff capacity and skills through training to increase awareness of the wider agricultural development agenda (T1) including market intermediation and trade. (T4) DFID should offer support to its own sectoral advisors and also sectoral ministries to help to mainstream the linkages between agriculture and the multiple MDG outcomes e.g. between health outcomes and agriculture. (T2)

Further, there was a view that there is inadequate capacity (numbers and skills) at the centre and within DFID country offices to support the agriculture sector including agricultural science and technology. (T1, T5) The consultation highlighted the adverse effects of recent staff erosion of such capacity *inter alia* the decline in capacity to address land and water issues was noted (T1, T2,). Contributors felt that DFID should consider increases in staff numbers of professionals and /or make better use of outsourcing to meet these needs.

5 Take into account in investment policy and planning the dynamic and changing nature of agricultural markets and other longer term trends

Commentators across all Themes expressed the recognition of the dynamic changes and emerging tensions taking place in agriculture within the wider rural, national and international agricultural market economies. These including impacts of world food supply and prices, globalization of the food and agriculture industry, urbanisation and changing consumer demand, changing structures of whole and retail market structures, the uncertain and insecure future role of smallholders, population density increases in rural areas, limitations of water resources, land and natural resource conflicts, environmental degradation, and developments in (and access to) technology, and information and communication. (all Themes) This gives rise to ever increasing complexity in investment strategy and choice. There was not always consensus within or between the Themes on optimal approaches given this changing environment.

The forum calls for DFID to deepen the understanding of the multiple livelihood activities of households and the linkages between urban-rural policy and planning. Whilst agriculture including agricultural diversification and agri-business was recognised to be a mainstay of the rural economy providing opportunities for growth and income, agriculture alone may not be able to sustain the levels of output required to achieve poverty reduction objectives and to meet the aspirations of the rural populations. A balance must be achieved between maximizing agricultural opportunities and the processes of urbanization and diversification out of agriculture. Agricultural policy must therefore be set within the wider regional economic contexts of understanding rural and urban linkages, employment diversification and migration.

Agriculture is the main source of livelihood for the majority of people affected by HIV/AIDS and is a sector particularly threatened by the pandemic with implications to labour and skilled service support. DFID, with other donors and governments alike should pay particular attention to HIV-responsive agricultural strategies that include broad based prevention as well as mitigation aspects. (T5)

One contributor commented that “predictions are becoming much more uncertain. Donors will have to accommodate growing uncertainty by [demonstrating] more flexibility and increasing the speed of reaction to unexpected developments.” DFID is invited to build its capacity (including the development new modelling techniques (T5)) and that of partner countries to examine more critically the implications of the dynamics of such changes and their interactions, and thus develop the means to address alternative strategies more effectively. The selection of preferred strategy alternatives requires broad consultation and consensus building at national levels.

Critical studies need to be funded in order to understand the implications of trends and to feed into policy formulation. These might include support to e.g. FAO Commodities Division and the ITC for market studies, (T4) and scientific assessment of risks based in natural phenomena (especially weather events). (T3)

Mechanisms to finance exit strategies for small farmers should be developed and applied where appropriate. (T4)

6 Strengthen the voice of communities whose livelihoods depend upon agriculture in guiding policy and investment choice

DFID should encourage open and inclusive policy debate about the role of agriculture (especially smallholder agriculture) in economic growth and poverty reduction. The debate should be evidence-based and focussed around an understanding of the political economy for change, and public and private sector roles in making markets work. (T6)

It should rise above sectoral and vested interest and involve governments, donors, private sectors, civil society and specifically seek the voices of the poor and the grass root level NGO community. Recognising that farming and agribusiness more generally, is essentially a private sector activity, such consultation processes should include the private sector with an aim to improving the environment in which market development and business takes place (e.g. reform of institutions, tax regime etc). (T2)

It was felt that DFID could play a key role in fostering consensus building at the national level. It was further noted that this would help government to not be pressed into large loans that may be inappropriate. Aid effectiveness should therefore be part of such debate.

It was noted that policy processes that exclude the poor are unlikely to be relevant to their needs. Local empowerment must underlie planning and the resulting resource allocation. DFID should offer support for capacity building among local community organisations to strengthen their capacity to better articulate their needs and to resist potential elite takeover. (T3)

DFID needs to promote agricultural policy reforms that are inclusive of the poor and that take account of gender implications (e.g. support to public policy in agriculture that addresses the endeavours of women farmers). (T6)

7 DFID should aim to understand the political dimensions of rural and agricultural reform and help to support reform processes that will achieve better outcomes for the poor

There was a deep concern that donors including DFID support technical, economic and fiscal prescriptions for policy change and have largely ignored or not understood the political dimensions of the reform processes. Aid can be counterproductive where it strengthens the

power of the bureaucrat and politician who may have little incentive to address the needs of small farmers and investors. It was felt that budget support may (as cited in the case of Tanzania) weaken the incentive for reform. (T1, T2, T6)

There is a need to address political will in support for reforms in agriculture, to unpack the interests at stake, and to seek means to ensure that aid programmes strengthen rather than undermine desirable policy change. One element within such an assessment is the choice to provide for and facilitate secure land and property rights. The issue of land redistribution and pro-poor agrarian change in counties with high inequality of land distribution was noted and calls were made for a mix of involvement by both the state and the market – such distributive measures must however be backed by support to social and economic services. (T1)

The incentives operating with and between donor agencies need also to be unpacked. (T1, T6)

DFID should give greater attention within its agency, and at national and international levels, to attitudes, beliefs and behaviours which lead to gender based discrimination and power inequality between women and men (T3) and seek to remove such discrimination and inequality.

DFID is encouraged to offer support to rights-based approaches in respect of access to and power over resources, entitlements to food, and protection from hazard, access to safety nets and social protection. DFID should focus effort on the more vulnerable rights-holders. (T3)

There was some divergence of opinion between contributors arguing that DFID should restrict its support to countries with a good policy and governance environment, and others who pointed to the need for DFID to engage in countries with difficult governance (e.g. post-conflict situations) where poverty and malnutrition is rife.

8 DFID should support the reform and strengthening of public institutions in particular Ministries of Agriculture

Ministries of Agriculture (MoAs) were not considered to be the strongest and most influential of the sectoral Ministries. As a result they were felt to be in a weak position to influence key national and strategic processes such as the PRSP, and subsequent public expenditure allocations for agriculture. Problems include: unreformed structures not aligned to current needs; an inadequate commitment to poverty reduction; and a lack of appropriate models/instruments for use by MoAs and other public institutions involved with agriculture. MoA's capacity to present the case of the role of agriculture in poverty reduction and economic growth was felt to be limited. (T1)

DFID could play a greater role in the strengthening and where appropriate provide support to the reform of such ministries. This would not imply an increase in size of the public administration but the further definition of their core role and function in support of agriculture – which itself is essentially a private sector activity. It would take into account a portfolio beyond the current production-only focus, build MoAs capacity to work effectively with the private sector and organisations of civil society, and assist MoAs to adapt to ongoing decentralization processes. The need for reform (re-engineering) of public extension services was also seen to be a priority. (T3, T4) (see also point 18)

With the privatization of publicly supported marketing boards and public sector intervention in various points of input and output marketing, the core role of MoA's in guiding and supporting agriculture has yet to be redefined to meet today's needs. DFID could play a greater role in support to these change processes. (T2).

DFID could further assist MoAs to develop and promote agricultural policy reforms that are inclusive of the poor, more responsive to locally identified priorities of the poor and which take account of gender implications. (T6) Contributors also called for risk reduction interventions to be mainstreamed into national agricultural sector policy processes and planning and not to be considered either as a separate agenda or an afterthought. (T3)

There was a call for greater accountability of expenditure by MoAs. (T3, T6) Examples were given of the successful application of participatory budget analysis in improving overall public sector governance and in holding governments' accountable for their actions. (T6)

DFID should therefore work in collaboration with other donors, IFIs, and national agencies to help to develop coherent pro-poor policy and intervention strategies which offer an appropriate level of support to agriculture, promote and support public sector reform processes where necessary, and seek to ensure adequate staffing and operational capacity of public institutions. (T3) Support to the public sector in reaching the objectives of the previous points, include formal and informal training for public sector staff, is seen as an essential component.

The importance of evidence based policy making and research was emphasised by several contributors. The need to support developing country public sector and non public sector policy researchers and policy makers was recognised. (T1)

DFID should reinforce its commitment to publicly funded agricultural science and technology (AST) recognising that to address the needs of smallholders, AST remains a largely public good. (T5)

Finally, there was felt to be an essential and largely under-developed role of the public sector in the provision of an enabling legal and regulatory framework for the private sector in all aspects of input and output marketing and in the wider support to the agri-business. It was noted that in the UK regional development agencies function to support the private sector and one commentator questioned why there was such reticence in the development field.

The development of independent farmer organisations should be promoted both for the role they can play in policy advocacy and for their "economic" roles. Care should be taken in promoting such organisations in order that mistakes of past promotional efforts are avoided and that adequate attention is given to leadership development and accountability. The relationships with private market agents (negotiate or compete) should be carefully considered according to local market circumstances. (T2) A number of case studies on producer/farmer organisations and factors which lead to their sustainability were offered. (T1, T2)

There was specific debate on the need for the public sector to strengthen the regulatory framework for safe pesticide use by private sector importers and service providers and for development agencies (including DFID) to provide support to ensure adoption and uptake of international codes of practice on the pesticide trade.

9 Focus support on smallholder production and productivity increases

There was overall strong support for a future DFID agricultural development strategy that focuses on the small scale farmer (T1, T2, T5), with an emphasis on increasing yield and reducing the variance of yield (i.e. as an example of risk reduction) through the adoption of appropriate technology and labour intensive technologies. A wider perspective on production is required to address productivity along the entire market chain, and to tackle issues that influence productivity gains such as control over productive resources, power and entitlement.

(T1, T2) Such an approach should be complemented by actions to encourage agricultural diversification, agro-processing and the development of the commercial sector.

However commentators also noted some limitations of such an approach (T1) and the need to mitigate negative effects e.g. where labour is a key constraint, then labour saving technologies are required.

Some contributors felt DFID should adopt a twin track approach which supports both the smallholder sector as well as promoting agri-business – handled properly these were not felt to be mutually exclusive.(T1)

The small scale farmer should not be treated as a single homogenous group. Policies and interventions need to be adapted to suit the differing needs and recognise the diversity of agricultural production systems, farmer types, and spatial locations. A number of typologies were offered from work in West Africa, Latin America and Nepal. (T1 and T2) The use of such typologies has been applied successfully in guiding development strategies and responsiveness capacity. The variation in development contexts, even within countries, needs to be recognized and work from FAO <http://www.fao.org/farmingsystems> has contributed to this understanding. This re-enforces the need for country and location specific understanding.

Some commentators focussed on the importance of intensification of cereals whilst others supported a move toward higher value crops, and products including horticulture, livestock, and aquaculture. (T1) The importance of agro-processing in particular on bringing greater value-addition nearer to the point of production and strengthening smallholder participation in this sector was noted. With agro-processing and agribusiness more widely, DFID should seek means whereby the linkages between the private sector and smallholders can be fostered and strengthened. Specific recommendations for DFID action to support agribusiness were offered including enabling regulations, development of new financial instruments to stimulate private investment, strengthening of the incentive to foster linkages between smallholders and agribusiness, and support to rural business development services including microfinance and agricultural credit. (T1, T2, T3)

DFID is encouraged to give more attention to Low External Input Agriculture (LEIA) in appropriate circumstances (T1)

10 Build new mechanisms to support rural market systems and agribusiness

The importance of understanding market structures and systems and how processors, traders, input suppliers can be encouraged to support small farm development are seen as essential elements of a future DFID strategy. Coordination of these transactions is a key to strengthening the rural market system. In order that development approaches are genuinely “market-driven” one commentator called for “every project or DFID intervention to include markets and marketing as a central concern.” (T2).

Given the constraints, both political and technical, on private sector development in agricultural markets, DFID and other donors should be willing to commit to a long-term market development agenda within individual countries (T2), and to develop new and innovative approaches. They should seek to identify the policies and interventions which strengthen the relationship between the smallholder and the market including large scale agribusiness. Measures to stimulate domestic agricultural markets may need special and different consideration and intervention to those focussing on international trade. (T4)

It was felt that liberalization has in part created a vacuum where the state has withdrawn the interlinked structures it once operated. The private sector has not fallen into place in a

coherent and coordinated manner. It was felt that liberalization has/may thus lead to falling market volumes and in part a retreat to subsistence. Examples of negative impacts of liberalization were reported.

It cannot be automatically assumed that smallholder farmers will establish secure and/or remunerative links to liberalised markets. Additional interventions to help them establish such linkages were proposed and include: strengthening of producer and farmer organisations; promotion of contract farming; building of rural business development services and market-oriented extension advice (T2); emphasis on appropriate services for identifying market opportunities; stimulating the formation of small-scale farmer business associations; and coaching business organisations (T3, T4). In countries where Direct Budgetary Support is the principal instrument for DFID's engagement, but where governments are failing to deliver pro-poor agricultural growth, a twin-track approach should be considered involving DFID direct support for interventions specifically targeted towards agriculture and production-market linkages. (T6)

There has in particular in sub Saharan Africa been a decline in investment in commercial agriculture and agri-business largely attributed to the level of investment risk. New models to strengthen linkages and reduce risk should be considered including funding incentives that can promote alliances between the private sector and small farmers. (T4) DFID funds might be used to assist the coordination of market transactions including strengthening farmer organisations, and temporary (helping to build capacity to coordinate transactions) or permanent (acting as buyers or sellers) government intervention. (T2)

DFID, possibly together with others donors, may wish to consider setting up an investment fund for agriculture and agro-processing. (T1) It is suggested that such a fund would mainly be financed from private sources, but that DFID could support the process by (i) providing loan guarantees and underwriting debt, (ii) committing equity and grant funds, and (iii) providing grants for the provision of social infrastructure and community projects.

There was felt to be considerable scope to foster models and share good practice of large scale farming/agri-business linkages with smallholder e.g. contracting models, service provision. (T1)

Investment in improved transport systems - encompassing port infrastructure, roads, tracks and efficient use of vehicles, was felt to be another priority area, to assist not just agricultural marketing, but also a range of rural non-farm activities. (T2)

11 Take a broader view of agriculture and recognise its linkages with the non farm sector and between the rural and urban economies
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Many contributors recognised that there will continue to be a movement out of agriculture and that over time agriculture will offer a lower proportion of the wider household income. Efforts should be made to enable people to capture non agricultural based opportunities (e.g. access to information, transport, skills training, etc.) (T1, T2) The implications of this to both local and national level planning needs to be taken into account, in particular agricultural policy cannot be viewed in isolation from other economic sectors and income earning opportunities.

Agriculture should no longer be seen as a uniquely rural occupation but as a valid livelihood strategy for the peri-urban and urban poor as well. Many poor people living in urban and peri-urban environments pursue a mix of livelihood strategies with farming being one component. They face particular and sometimes differing challenges to the poor in rural areas; access to assets, competition for and over use of resources, conflicts with neighbours, and

access to knowledge and services. (T1, T2) Agricultural policy should therefore take into account the spatial needs of these diverse interest groups.

DFID should therefore give due attention to agricultural production, processing and marketing activity in urban, as well as rural, areas (T2)

12 Assist Governments, the private sector and civil society to address the needs of the poorest and to enable the poor to engage and invest in agriculture.
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Contributors considering the needs of the poorest, and those most vulnerable, recognized that policy and interventions aimed to meet their needs require to be nested and coordinated to enable the poorest to benefit from growth through market mechanisms. (T3) There was a strong call for efforts to mainstream risk and vulnerability considerations into national policymaking at macroeconomic and sectoral levels, and to have social protection planning specifically take into account potential impacts on production. (T3)

Interventions include:

- Macro policy (fiscal and monetary issues, exchange and interest rates, sectoral public sector allocations) can be more or less risk reducing for particular groups of farmers depending on how it is formulated.
- Policy and investment choice within the productive sector e.g. tackling the trade off on growth only or poverty and growth with impacts on crop selection/ types of technology
- Innovation through insurance (with public support but eventually through the private sector)
- Tackle missing or failed markets – need to go beyond regulation and facilitation to market intermediation and segmentation
- Understand the nature of agri-business and rural market systems and the means whereby MSMEs can be encouraged to service the needs of the smallholder
- Growth promoting and asset accumulating including better use of social transfers
- Building coherence between the welfare sectors and the productive sectors to strengthen innovation and develop and apply new approaches
- Mainstreaming risk mitigation and reduction into high level economic management and the productive sectors

The entry points for such nested and linkages policies were felt, as with agriculture more generally, to be the PRSP and MTEFs inputs and the associated dialogue. In addressing the role of the private sector more widely in such areas as insurance, market intermediation, effective market regulation, etc the particular needs of, and services for, the poorest should be taken into account.

DFID should consider increased support for participatory vulnerability analysis, and identification of critical interactions with other rights and vulnerabilities for example in relation to education, HIV/AIDS, and conflict. (T3)

There was a call for the development of transfer schemes (in cash or kind) that impact on the productive economy either directly (such as food for work) or indirectly (by strengthening the demand for agricultural products of those unable to engage fully in the productive economy). (T3) Agriculture in some instances should be seen as an essential social safety net and be supported in that light. Where possible, risk and vulnerability reduction should be undertaken in productive and domestic spheres in a coherent manner. (T3)

13 Reform international market mechanisms to increase the benefits to poor commodity producers and countries

The issue that attracted the most attention was that of improving the functioning of international markets to deal with market oversupply and excessive market concentration. Issues such as the multilateral trade negotiations attracted less comment, perhaps because there was a broad level of agreement among participants.

It was noted that there are limitations to the ability of international trade to reduce poverty, especially when environmental impacts are factored in. Notwithstanding that view, considerable emphasis was placed on the growing importance of standards as a barrier to trade and a challenge for small producers' participation in markets, the benefits of Fair Trade, and the importance of helping to enable small producers to participate in international, regional and national markets.

There was deep concern over the crisis of tropical commodity markets (T4) including the instability of prices (T3) which led to call to re-establish international mechanisms to deal with oversupply. DFID was invited to investigate Supply Management for a selected number of commodities and to promote further dialogue within the framework of the Intergovernmental Groups at FAO. Future international Supply Management schemes should seek production curbs, perhaps through export taxes or production quotas, rather than approaches such as buffer stocks and export quotas that have failed in the past. Design of such schemes should involve greater participation by farmer representative organizations. Some commentators however expressed scepticism on such national schemes based on past failures. Further, emphasis was placed on balancing such approaches with the need to increase efforts in crop diversification and value-addition. Related to this debate, was concern raised about the usefulness of market based risk management mechanisms currently being fostered by the World Bank and called that DFID encourage a deeper understanding of their potential application and value (or otherwise) to be understood. (T4)

There was growing concern over the rise in market concentration among a small number of global companies and a recommendation that DFID, with other partners, explore the feasibility of a global anti-trust policy. (T4) There was a related concern over the impact of intellectual property laws and its impact on genetic diversity, access to and use of plant material and seeds by smallholders. DFID was encouraged to explore farmer-controlled seed development. (T4)

On fair trade, DFID should offer additional support to the Fair Trade movement to help to increase its share in world trade (T3, T4)

DFID should support and disseminate comprehensive studies to show the impacts (felt to be strongly negative) of the North's agricultural subsidies and trade policy on rural livelihoods in the South (T3). Whilst there was a call to abolish all agricultural export subsidies; (T4), and to reduce developed country domestic subsidies, even those that are claimed to be 'non-trade distorting' such as decoupled payments (T4), there remained strong views that developing countries be given more latitude to protect their own small farmers as part of a broader food security policy. (T4) DFID should seek to engage with other donors, IFIs and the WTO together with developing countries, to define appropriate modalities.

Several contributors raised concerns over the significant growth in barriers posed by international and increasingly regional and national standards (quality, plant and animal health, etc). There were calls for capacity building of producers and their market intermediaries, support for greater participation by producers in negotiating standards, and possible special and differential treatment to some rules within the WTO. (T4)

DFID is urged to consider the impact of food security as a criterion in defining and articulating its position in international trade and aid negotiations. Concerns were also expressed at the lack of attention to issues of sustainability and environmental impact, for example, in arguing for intensification, or promoting input-intensive agro-exports.

Finally, there was a call for a more rational system of preferences based on economic need (poverty, low human development or remoteness from markets), rather than historical accident. (T4)

14 Help to secure and build-up the natural assets of poor people who are dependent on the agricultural sector

Securing and building-up the natural assets of the agriculture dependent poor is an essential pre-requisite for sustained reduction in poverty. (T3) Protecting and extending the land and property rights can secure a key asset base for livelihoods and economic opportunity for the poor. Clear, transparent and equitable frameworks for property rights can also confer the required incentive for private and inward capital investment. It was noted that poorly conceived and inappropriate titling programmes have been damaging and there is a growing wealth of experience that can support more appropriate models of land administration (T1). The importance of investment in appropriate systems of dispute resolution is noted.

There was therefore a strong call for support to institutional frameworks and for long term moderate and sustained investments in assisting land and property rights to evolve consistently with economic, social and technological change. DFID was invited to rebuild its capacity in this area and to play a greater role in this policy agenda. (T1, T2)

Agricultural and non agricultural uses of water are increasingly becoming a source of tension between users. (T2) DFID is encouraged to strengthen its work on water and water management and share lessons of good practice on improved water allocation and control. There is need to address legal and institutional barriers. Whilst a case was made to strengthen small scale water control technologies, commentators also recognized the importance of rehabilitating existing large scale schemes where appropriate – and perhaps also in some places developing new large scale schemes. A number of case studies of good practice and experience in particular from Asia on small scale irrigation were given, and examples of the positive interrelationship between productivity, equitable land access and water use were provided. (T2)

There was a strong call for environmental considerations to be integrated into national and donor agricultural strategies. It was noted that there is a dearth of reliable information on the current state of land use and natural resources.

15 Support knowledge management, and the validation and sharing of good practice

It was emphasised that there are no ready solutions, and that agricultural development is a learning experience. Almost every topic and sub-sectoral theme across the E-forum from land and water (T1, T2), to replicable models of sustainable seasonal credit provision (T2), to new models and methods for market intermediation (T4), called for the strengthening of effective means of validating good practice and sharing of lesson learning.

Several contributors have implied that DFID and other donors are weak as regards validating good practice and sharing knowledge. It was felt that institutional memory is also lacking. One contributor lamented that “we (the international development community) have access to a vast treasure of project progress reports, internal, external and even impact and ex-post

evaluations of every kind of measure which show us what does work and why, and what does not. But these treasures lie dormant on millions of computers, because we have not found suitable methods to institutionalise learning processes.” (T1) In order to strengthen lesson learning, DFID needs to support the validation and sharing of good practice within DFID itself but also between agencies and across country programmes. There were felt to examples of good practices held with other agencies that DFID and the wider development community could also draw upon.

The gap between agricultural science and technology and extension called for DFID to put in place concrete measures to strengthen the linkages both within its own organisation but to also support such processes at country level. It was recognized by a number of correspondents that the gap between the available knowledge and its application in the field was large and that skills in adaptive research were as important as the “pure” research – whilst knowledge may already exists – its adaptation in particular in a changing world is seen to become ever more important.

DFID could finance learning processes (e.g. methods, instruments, information) among development agencies to improve pro-rural poor interventions; one contributor felt that such processes could be facilitated by international research organisations. (T4)

16 Strengthen the Science – Development continuum to derive maximum benefits from technology

It was felt that DFID should integrate more fully its research effort with the bilateral development programme at both central policy as well as country programme level in order to secure maximum returns from DFID’s investment in agricultural science and technology (AST) and to enhance the potential for poverty reduction impacts through the bilateral aid programme. This should include also supporting Governments’ to build such an alignment within their national frameworks (T5) including within national strategies and PRSPs. This weak integration was seen as a system wide failure and DFID could provide leadership and innovation in taking forward such an approach. There were lessons to be learnt from DFID’s Renewable Natural Resources Research Strategy (RNRRS) resulting from innovation applied by the programme managers at country level.

To address poverty and to meet the MDGs requires essentially a multidisciplinary and multi sectoral approach. There was deep concern that DFID has failed to address the inter-relationship between for example health and agriculture and key areas of research and their application in development are being missed. (T5) Multiple technical, social and economic inputs are required to address complex livelihood requirements of the poor.

17 Strengthen and enhance support to Agricultural Science and Technology at international and national levels.

It was emphasised that Agricultural Science and Technology (AST) requires a long term commitment. DFID was commended for its long term commitment to the Renewable Natural Resources Research Strategy (RNRRS) and contributors hoped that both lessons learnt from the RNRRS will be taken up and such long term commitment will apply in the future. DFID was encouraged to place a high priority of support to the strengthening of national research and extension systems and to give priority to appropriate technology development and diffusion for small rural producers. (T4) The importance of securing and maintaining science as a public good in key areas was highlighted.

It was felt that AST for development benefits from being sourced by DFID from a diverse and wide range of providers through direct commissioning and through networks and lesson sharing. Strategic and additional support is required to enable such networks to function effectively in order to value add and to optimise on the potential for impact. (T5)

DFID is encouraged to continue to support its own commissioned research, however contributors felt that efforts should be made to foster greater equality in the partnerships between DFID and her suppliers. (T5)

Opportunities should be taken by DFID to strengthen the linkages between European institutions and between such institutions and the DFID and EC/European donors' development programmes at country level. Opportunities to support enhanced inputs through such structures should be considered in the interests of gaining maximum value from research outputs and securing the research – development continuum.

There were mixed views over the recent increase in DFID's support to the CGIAR and a request that firstly, the basis for such inputs be built on rigorous evaluation, and secondly, that such support should not be made at the expense of other bilateral programmes.(T5)

It was generally felt that more effort should be made to secure the knowledge already generated and ensure that it is accessible to all users. This may involve the development of new electronic communication channels and securing proper libraries and data bases within developing countries.

Opinion was divided on a couple of key issues. Firstly, whether priorities for pro-poor research should be based on demand "pull" or supply "push", and, secondly whether there was adequate research already undertaken and its application was now the priority or whether new areas to meet emerging challenges should be given focus? The outcome of most of such debate was that a twin tack approach is both necessary and desirable. Not unexpectedly there were diverse views on the use of GMOs. However the balance of the argument saw specific opportunities where development was aligned to particular smallholder needs e.g. drought tolerance. However there was a concern over large agribusiness and multinational groups marketing products within developing countries that may have negative impacts on the smallholder.

Specific areas of research need were identified. These included: agriculture – health linkages, water resources management, increasing the productivity of water use in particular in semi-arid areas sustainable land use, livestock including pastoralism, inputs to strengthen the commodity value chain, increasing competitiveness of tropical commodities marketed internationally, enhancing smallholder competitiveness (T5); sustainable agriculture practices; improving water retention and water productivity; reducing soil erosion, and preventing the loss of diversity through the use of locally adapted landraces and varieties. (T3) Socio-economic research was seen to be of equal importance with technology and combined approaches drawing on a range of skills were felt to be necessary to address the majority of research issues.

DFID was urged to restore its competence and support to land use assessments as being a necessary part of national development and planning.

There was a deep concern over the decline in funding to support the training of scientists from developing countries and in the decline of the UK's own science base for development. A view was given that the UK will lose its position as an international recognised leader on AST. DFID was called upon to address its own in house capacity to support AST and to take forward an integrated research-development continuum.

18 Develop and support improved models for the provision of rural advisory services

It was felt that rural extension providers must offer services beyond technologies to enhance production to include support to the entire production and market value chain as well as broader enterprise development. (T1, T5)

New models should be piloted and include the means to support farm and off farm services engaging a range of service providers. (T5)

Contract farming and linking smallholders to agribusiness offered further means of farmer service provision and these should be developed and supported. (T5)

The need to address new and innovative approaches, applying a range of media and new communication technologies to disseminate extension messages was called for. (T1)

DFID is encouraged to re-engage with government, private sectors and other service providers to take forward as a matter of considerable urgency the development and adoption of improved approaches to the provision of national advisory services and knowledge transfer programmes.

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