

**POVNET**  
**Agriculture and Pro-Poor Growth Work Programme**

**Background**

*First proposal (POVNET meeting, June 2003)*

In early discussions of the draft Terms of Reference there was a general interest in a need for getting a shared overview of the emerging global agricultural situation and its potential effects on development programming. Focusing on a few key emerging issues that are of particular importance to pro-poor agriculture policy, practice, and planning, in terms of both constraints and opportunities, this approach allows for the selection of definable issues that directly address and/or impact pro-poor agriculture.

The work programme is organized around focal clusters under which there are a series of identifiable emerging issues that: (1) are of critical significance to recommend careful consideration in future agriculture sector programming – pro-poor policy, planning, and implementation; (2) on which there is already sufficient information for taking a critical look and providing initial guiding understanding; (3) on which the participating donors can access and provide access to expert understanding; and (4) are amenable to meaningful donor as well as LDC response.

<u>Focal Area</u>	<u>Emerging Issues</u>
Assets and Poverty Traps	Remittances Increasing internal investments Safety nets Input markets
Markets and Products	Global supermarkets Changing commodity markets New production realities Future of the small farm Taking “poor” markets seriously Environmental services <ul style="list-style-type: none"><li>• Growing pharmaceuticals</li><li>• Other new products/services</li></ul> Identity preserved commodities
Labor and Technology	Changing labor demographics Rethinking producer group dynamics New technologies/technology infrastructure
New Regional Dynamics	Developing mega cities Changing relations between city/countryside Role of growth corridors

Link areas are secondary to focal areas, but have consequences that affect and are affected by the focal areas.

<u>Link Area</u>	<u>Emerging Issues</u>
Resource Competition/ Sustainability	Changing demographics Changing consumption patterns Assuring resource rights of the poor Options for marginal areas
Health/Nutrition	Morbidity (HIV/AIDS, malnutrition) Diet adequacy Agriculture-related environmental health <ul style="list-style-type: none"><li>• Water borne diseases</li><li>• Pesticide exposure</li></ul> Occupational safety

Cross-cutting issues are of critical concern and need to be given adequate consideration in each focal and link area. Many of the cross-cutting issues are handled by other DAC groups or OECD Secretariats. It will be necessary to link with these groups as the work progresses.

- Gender
- Private, public and non-profit roles
- Millennium development goals
- Environmental sustainability
- Equity
- Efficiency
- God governance
- Conflict
- Corruption

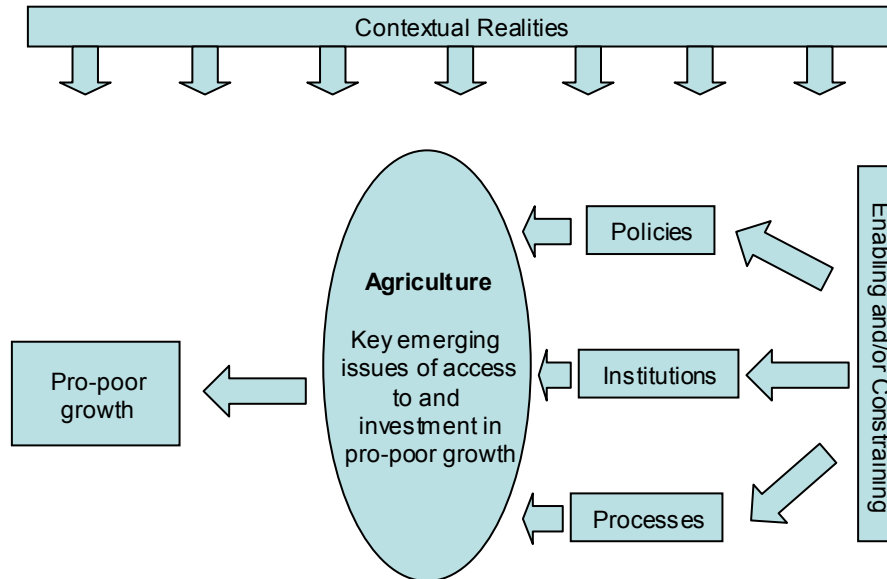
### ***Second Proposal (Florence meeting, October 2003)***

The enabling pro-poor agricultural growth analytical framework approach adapts the Sustainable Rural Livelihoods Framework to guide the work on agriculture and pro-poor growth, first, by presenting an analytical diagram (Annex A) and second, by translating this diagram into a specific work programme through a matrix approach. This adaptation highlights the policies, institutions, and processes that enable or constrain the agricultural sector.

The framework and the work programme proposed will take place in the context of the rural economy, recognizing the multitude of income streams for the rural poor. It includes a full appreciation of the contextual realities of rural development, such as governance, equity, gender, indigenous people, socioeconomic minorities, HIV/AIDS,

conflict, failed/failing states, corruption, environmental change (climate change, biodiversity and desertification), vulnerability, asset distribution, exchange rate structure, trade liberalization and increasing regulation. These contextual realities can also be regarded as a third dimension of the framework.

### Adapted Sustainable Rural Livelihoods Framework



In order to translate this framework into specifics, the diagram above is translated into a matrix that identifies the key emerging issues as they relate to policies, institutions, and processes. These emerging issues may be played out at the local, national, and international level(s). The policy, institutions, and processes columns comprise the economic, social and institutional context. Here rural households (men, women and children) derive a living from agriculture and construct and adapt their livelihoods. It is the objective of this work programme to analyze how pro-poor growth is constrained and/or enabled within this economic, social, and institutional context. The rows identify the emerging issues as they relate to access to assets, markets, innovation, and social protection/risk management. Access in this context is understood widely and can include control or rights.

- *Assets* include physical capital such as natural resources (land, water, forests and coastal regions and other common property resources), human capital (nutrition, water, health and education), financial capital (investments and credit), social capital (infrastructure services, institutions, research and extension), and political capital (inclusion and empowerment).
- *Markets* include input markets (seeds, fertilizers, water, labour, and capital), output markets (local, regional, global), as well as issues affecting market performance (regulatory, trade).

- *Innovation* includes science and technology research, technology adoption and transfer, dissemination of knowledge and training, as well as the organization of innovation. It also includes information communication technology (ICT) and information communication management (ICM).
- *Social protection/risk management* includes providing adequate health and protection for illness and injury, old age, crime and domestic violence, unemployment, widowhood, and family cycle. In addition it includes ways of insuring (both formally and informally) against environmental and market related risk, such as harvest failure and basic commodity price fluctuations.

Questions used to help identify emerging issues include what could happen in the next 10 years in agriculture; what effect could it have on the rural poor and their enabling capacity and livelihood systems; where are the opportunities and problems/constraints?

Emerging issues do not exist in a vacuum, nor are the rural poor a homogeneous population. Within the context of agriculture and pro-poor growth, there are a number of typologies that have been developed. One such typology is “three rural worlds”.

- *Rural World 1*: Globally competitive, market oriented farmers, mainly producing cash crops.
- *Rural World 2*: Local orientation, landowners, “shrinky/messy middle”, farmers able to balance food and cash crops, and
- *Rural World 3*: Fragile entitlements, income and education-trapped, self-exploitation, unwaged family labour, redundant relative to food and fibre production. This rural world includes subsistence agriculture. These farmers are oriented to produce for household needs, only a small part of the harvest is sold to raise cash.

These three rural worlds differentially impact on poor people, requiring different strategies to meet needs and priorities.

The description of each of these rural worlds will be used to further characterize the agricultural sector defined earlier. Each of these rural worlds embodies a different level of risk and vulnerability. The proposed work will explore policy implications of strategies addressing the needs and priorities of poor people in each of the above “rural worlds”.

Secondly, IFPRI has developed a useful typology that illustrates how the potential for pro-poor agricultural growth differs according to the context and setting. The questions below identify a country’s contextual location.

- Is the region located in a low or middle income country?
- Has the country liberalized its market and trade policies?
- Does the region have low or high agro-ecological and agro-climate potential for agricultural growth?
- How good are the rural infrastructure, service provision and market access conditions?
- Are wages low and labour abundant or is labour scarce?

- How enabled/empowered are the regions' poor?

Location in the table below can be used as a first step in setting priorities in interventions.

Country Setting/Regional Characteristics	Good Infrastructure				Poor Infrastructure			
	Surplus Labour		Scarce Labour		Surplus Labour		Scarce Labour	
	High Potential	Low Potential	High Potential	Low Potential	High Potential	Low Potential	High Potential	Low Potential
<b>Middle Income</b>								
Markets Liberalized								
Markets not Liberalized								
<b>Low Income</b>								
Markets Liberalized								
Markets not Liberalized								

### ***Third proposal (Paris meeting, December 2003)***

The second proposal was further refined and narrowed at the December meeting. The discussion focused on (1) two of the four access areas identified at the Florence meeting – markets and risk/vulnerability; (2) the need to identify challenges and opportunities in all three rural worlds and to capture the linkages between them; (3) the contents of an introduction which will expand the concept of rural worlds and provide a conceptual framework for the work programme; and (4) scoping papers on markets and risk/vulnerability.

- The *market* scoping paper will highlight opportunities and constraints related to the change in market structure for agricultural producers. The focus will be on both the supply side (e.g., how to guarantee continued supply and improve the negotiating position of small producers through associations) and the demand side (e.g., by working with supermarkets on overcoming “cosmetic” standards). The paper will then highlight the asset, innovation and risk/vulnerability access issues that can impede market-led pro-poor growth.
- The *risk/vulnerability* scoping paper will focus on the challenges and opportunities in risk/vulnerability. This newer title emerged from the discussions around the former access issue of social protection/risk management. It will include not only social issues but also economic aspects, and in particular, the linkages and synergies between them which are often overlooked. Issues that will be highlighted include the sequencing of steps, old age pension schemes, and cash transfers. Again, the paper will then focus on the asset, innovation, and market access issues that can impede reducing risks/vulnerability and inhibit pro-poor growth.

Three other draft papers are anticipated:

- A conceptual framework paper that elaborates on the “three rural worlds”.
- An analytical paper detailing agriculture’s contribution to pro-poor growth.

- A country typology paper that builds on the IFPRI country-level policy typology, the World Bank country study on pro-poor growth and inequality, and IFPRI's cross-country typologies and development options for ending hunger in Africa.

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