

Summary and proceedings of the workshop

“Agricultural Development as Precondition for and Contribution to Poverty Reduction: Framework Conditions, Experiences and Opportunities”

AAI, 18.06.2008

Background information:

While agricultural development is one of the most important components of poverty reduction strategies in developing countries and crucial for pro-poor growth as well as for achieving the Millennium Development Goals, agricultural support and investments – both from partner countries governments and donors – have been inadequate during the last two decades. However, due to recent developments – especially the global food crises and rising food prices – agriculture is back on the agenda in international debate and scientific discussion.

Linked to the presentation of the World Development Report (WDR) 2008 “Agriculture and Development” in the course of a public event organized by the Federal Ministry of Finance (17. June 2008) the workshop served as an opportunity for the exchange of experiences and information between experts in various fields, government officials, NGOs etc. as well as to raise general awareness and political interest for agriculture and rural development.

Three questions served as framework for presentations and discussions during the workshop:

- Agricultural research and development: How to ensure poverty reduction, food security and sustainable natural resource management in a rapidly changing environment?
- Demand-driven social and economic services in rural areas: How to ensure sustainable demand driven provision of information, extension and social services for poor and marginalised farmers and enable their participation in markets?
- Assets and resources requirements in marginalised areas: How to ensure pro-poor orientated investments (by public and/or private sector) in a situation of deteriorating environments, failing markets and weak governance?

Summary of the keynote presentation and inputs from the side of Austrian participants:

The workshop has been opened by a presentation from Regina Birner¹ (IFPRI) focusing on the challenges and opportunities in supporting sustainable agriculture development, ensuring service provision and access to assets and resources for rural poor:

- The fact that the poor – especially in remote rural areas – receive poor services is rooted in **economic** (higher investment costs for infrastructure, more difficulties to attract skilled staff etc.) and **political problems** (less political voice of marginalised groups, more difficulties to organise development efforts etc.).
- A **combination of demand-side** (customers’ voice) **and supply-side** (providers’ services) **approaches** as well as **regulation and control** from the government can be an option for reforming service provision to be more effective and efficient. This can be achieved in the long-term by influencing policy and decision-making through public voice, which in turn ensures accountability from the side of the providers or by clients’ direct influence on service providers. Yet, reforms must always address both the demand as well as the supply side, increasing capacity to demand and responsiveness to supply.
- Agricultural research and extension has been driven by a “linear” and “one-size-fits-all” model until the 90s, which has been highly criticised as not being successful at all. It is nowadays evident that all the **different actors** (such as researchers, extensionists, NGOs, producer organisations, traders, policy makers etc.) **have to collaborate and complement each others work**. This needs innovative systems in generating and distributing agricultural knowledge and information.

¹ Regina Birner is Senior Research Fellow of the International Food Policy Research Institute (IFPRI), development strategy and governance division and also co-author of the World Development Report 2008.

- Agricultural extension must **emphasis on smallholder farming** in order to induce more broad-based growth (as evidence shows in countries such as China and India), which combines demand-side (i.e. participation in planning and budgeting on decentralised levels) and supply-side approaches (i.e. improved procedures for public procurement). Yet, still poorer and marginalised groups of the society are not able to articulate their voice or are disregarded due to their ethnical or social status. **Empowerment and social mobilization** or rights based approaches are required for changing mindsets. This until now is rarely translated into national reforms in agricultural extension, such as the NAADS-programme.²
- **Strengthening public institutions** (i.e. parliament) to better respond to the needs of the local communities is vital. This is especially true in countries with high dependency on donor funding, as it reduces public sector responsibility for accountability and transparency vis-à-vis the communities compared to that directed to donors' expectations.

The following short inputs from the side of the Austrian Development Co-operation³ highlighted some additional aspects:

- As poverty is often rooted in environmental destruction or constraints in access to resources respectively leads to overexploitation of natural resources for survival, **improvement of the livelihood** of poor and marginalised people has to go together with **protection of the environment** through sustainable resource management. Empowerment and capacity development of local community groups as well as a diversification of income-generating activities is needed, which has to be complemented by enabling policies and adequate support for effective community based natural resource management.
- Strengthening smallholder farmers to generate income derived from agricultural as well as non-farm activities (such as processing of agricultural products) needs **multiple inputs and support for production and marketing**, provided by public as well as private service providers. With respect to the increase of productivity and the application of sustainable technologies in production and post-harvest processes, the organisation of the farmers themselves is crucial for accessing markets in a cost-effective and timely manner. These points can be achieved by good extension services and on-farm trainings.
- There is definitely not one "agricultural sector" but very different situations depending on available assets and resources, natural conditions and market access, political power and influence and so forth. These **various livelihood conditions and strategies adopted by rural households** (generally differentiated between a stronger growth-, market- and therefore business-orientation on the one side and a stronger livelihood and social security orientation on the other side) have to be taken into account by policy-makers in the partner countries and the donors alike. This requires a systemic approach reflecting the multidimensionality of agriculture.

Summary of key discussion points:

After the presentations by the keynote speakers a short summary was made by the moderator, who then addressed some challenges to be taken up in the discussion: How to overcome existing gaps in yields? How to establish efficient links between research and extension services? How to link farmers to markets? How to organise farmers? Etc.

² National Agricultural Advisory Services (NAADS) is aimed to outsource public services to the private sector or providers from the side of the NGOs and involving representatives of farmers in the choice of contractors. Yet, it faces the double challenge of dependency on a public procurement system (lack of accountability and transparency) and the aggregation of farmers' interests (especially the difficulty to focus only on few commodities). Findings in Uganda have shown that the bias to wealthier and better educated farmers prevails (higher benefits) and the representation of farmers, especially women, is still low.

³ These short inputs have been presented by Astrid Wein (Care Austria), Gerald Tschinkel (Horizont3000 Consult) and Waltraud Rabitsch (ADA).

- High yield approaches (GMO, hybrid seeds) are generally not at all sustainable for smallholder farmers, because it increases dependencies on external inputs.
- Low input approaches (organic or conservation agriculture) are preferable, as they do not only contribute to yield increase, but also protect the environment at the same time.
- Production risks can also be minimized through diversification and promotion of simple techniques rather than by promoting high input systems.
- While the magnitude of the rural population depends on agriculture for living, farmers diversify their livelihood by various occupations on- and off-farm.
- Agricultural development is getting more complex and involves several risks in terms of unsteady input supply and climatic uncertainties. Traditional financial services (micro-credits) are still often not responsive to farmer's needs and risks.
- Targeting the very poor and marginalised farmers remains a challenge as it underpins many issues of power relations. As experience from Africa indicates, it is actually primarily the rural elite who is in the position to demand.
- Even with demand-driven approaches in place only few of the poor and marginalised people are capable to articulate their problems, interests and priorities.
- In times of climate change and increasing food insecurity more comprehensive social protection schemes are needed (safety nets are not enough).
- Linking farmers to market is crucial, but it is also indispensable to address the question of fair prices and market conditions for smallholders.
- Market access is of absolute importance for small farmers, but also a huge challenge especially when dealing with national or regional markets (due to prices, standards, taxes etc.)
- Farmers have always specific information and knowledge about their own livelihoods, which has to be taken into account by all relevant research activities.
- While research has to be linked to problems and challenges on grassroots level, also more research on trade policies (i.e. on European level) and their influence on agriculture and especially smallholder production is necessary.
- International trade regimes (subsidies, trade-barriers etc.) are distorting markets in and for developing countries. Disincentives and incentives provided for certain commodities have to be critically analysed.
- Many best practices for demand-driven services and good governance exist, primarily at programme- and project level. Yet, the challenge is how to extend these positive examples, i.e. by scaling-up the methodology of successful practices to national level strategies.
- Social mobilization, promotion of human rights (such as access to land and food), the empowerment of the local population are crucial in challenging governments and reforming policies (i.e. food sovereignty as reference to be included into the national constitution or at least formulated as a national commitment).

Conclusion:

The debate focused very much on specific problems, achievements as well as challenges ahead in terms of research as well as in making use of practical experiences. Various aspects, such as empowerment of farmers, demand-driven research and extension as well as access to markets have been discussed in length. Also the importance of organic agriculture has been highlighted. In this respect, the clear divide and difference of interest between European development policies (promotion of organic agriculture) and those in the United States (with a strong bias on biotechnology and GMOs) became evident. While these divergences are of huge importance at international level, more resources are needed to be invested for the documentation of experiences and good practices from the side of the Austrian Development Cooperation in order to be brought efficiently into the international debate.

While in general the presentations and discussions in course of the workshop have been perceived as interesting, it was also expressed that there was not sufficient time to discuss some of the topics more in detail. This should be followed-up by a similar workshop dedicated to special challenging and burning issues of joint concern.