How are donors investing in inclusive agribusiness

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ITC Training on Inclusive Agribusiness, 22 January 2018, Geneva
The Global Donor Platform for Rural Development

- 40 Members
- Knowledge sharing, advocacy and networking
- Work streams:
  - Agenda 2030 & rural transformation
  - Land governance
  - Inclusive agribusiness & trade
  - Gender
  - Climate-resilient agriculture
About complexity…

• Cynefin framework: action logics

• The emergence of global action networks (Steve Waddell)
Treat participants as core

Build coalitions of the committed

EMERGING GOVERNANCE
Principles

Structure as decentralized inter-organizational

Work in "spaces"

Source: Steve Waddell, presentation given at the Donor Platform's AGA, February 2017, Brussels
Inclusive agribusiness in a complex space

„Model, activity or initiative within the agrifood sector at local, national, regional or international scales, that seek to achieve pro-poor outcomes while being commercially profitable for the business entities involved“ (G20, Turkey‘s presidency in 2015)

• Investment by donors ca. USD 3-4 billion (Woodhill 2016)
• Cuts across different „agendas“: private sector, agriculture and trade
• It brings about societal change
• Profit still coming first? How much does it cost to be inclusive?
Entry points (1)

**SDGs**: economic growth; SDG indicators enabling conditions for IAB
Entry points (2)

**Malabo Declaration** by African Heads of State on ‘Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods’

**AAAA (Addis Ababa Action Agenda)** - finance

**Mechanisms**: CAADP-NEPAD, ASEAN etc.
Trends in donors‘ policies & programmes

• Strong accent on youth employment, though migration continues to be relevant

• Blended finance

• Multi-donor initiatives: GAFSP, New Alliance for Food Security and Nutrition etc.
Australia

- **Foreign Policy White Paper (2017) and Strategy for aid investments in agriculture, fisheries and water (2015)**
  - $339 million, 2017-2018 for agriculture, fisheries and water

- **Australian ODA by investment priority:**
  - 14.6% infrastructure and trade
  - 9.1% agriculture, fisheries and water

- **Initiatives:**
  - [Australia-Indonesia partnership for Rural Economic Development](#)
  - [Market Development Facility (MDF)](#)
UK DFID

• DFID‘s Conceptual Framework on Agriculture

• Initiatives:
  • Food Retail Industry Challenge Fund (FRICF) – bringing African produce to Europe
  • Business Innovation Facility (BIF) – technical assistance and grant funding to businesses and other market players
European Commission

• 5th AU-EU Summit Joint Declaration: Investing in Youth for Accelerated Inclusive Growth and Sustainable Development
• AU-EU Agribusiness Forum (Nov 2017)

• Initiatives/Mechanisms:
  • The Agriculture Financing Initiative (AgriFI)
  • External Investment Plan (EIP) and the European Fund for Sustainable Development (EFSD) – 2016 → total value of EUR 4.1 billion + leveraging finance from finance institutions and private sector
A still limited link with trade?

- Still lack of consolidated approach to IAB, better connecting agriculture & rural development to the trade policies and instruments

- Phyto sanitary standards are still an important issue, which might compromise the sustainability of inclusive agribusiness if not addressed (see STDF/WTO)

- BMZ Aid for Trade – focus on Arica and Asia; equitable, global trade based on human rights
Inclusive agribusiness & trade work stream

• 2015: Inclusive Agribusiness Roundtable in Southeast Asia

• 2016: Inclusive agribusiness pre-event at Annual General Assembly and study by Jim Woodhill

• 2017: Co-organizer of a workshop on inclusive agribusiness, Brighton

• 2018: webinars, study on policy coherence etc.
Challenges & remaining questions

• **Enbaling conditions**: land access, finance, infra-structure, improved basic services, gender equality, local governance, social protection

• **Power imbalances** (large and medium-scale businesses, small farmers etc.)

• What’s inclusive and what’s not?

• How to measure progress in such a complex environment?

• Synthesis is not yet available, but what kind of synthesis should we focus on?
Observations & lessons so far…

• A new way to work with multiple actors, but are we ready for that? Do our organisations have the adequate mechanisms in place? Plus, how much does it cost?
• Better link between development sector and businesses
• IAB is not for the poorest of the poor
• Research is needed, but prioritization as well. What are the key research questions that need to be answered at this point?

For discussion:
• What examples do you have that confirm or contradict these trends?
• Based on your experience today, how will the future of inclusive agribusiness look like?
• How to demonstrate the „inclusiveness“ of emerging agribusiness initiatives?
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