



How are donors investing in inclusive agribusiness

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Global Donor Platform
for Rural Development

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



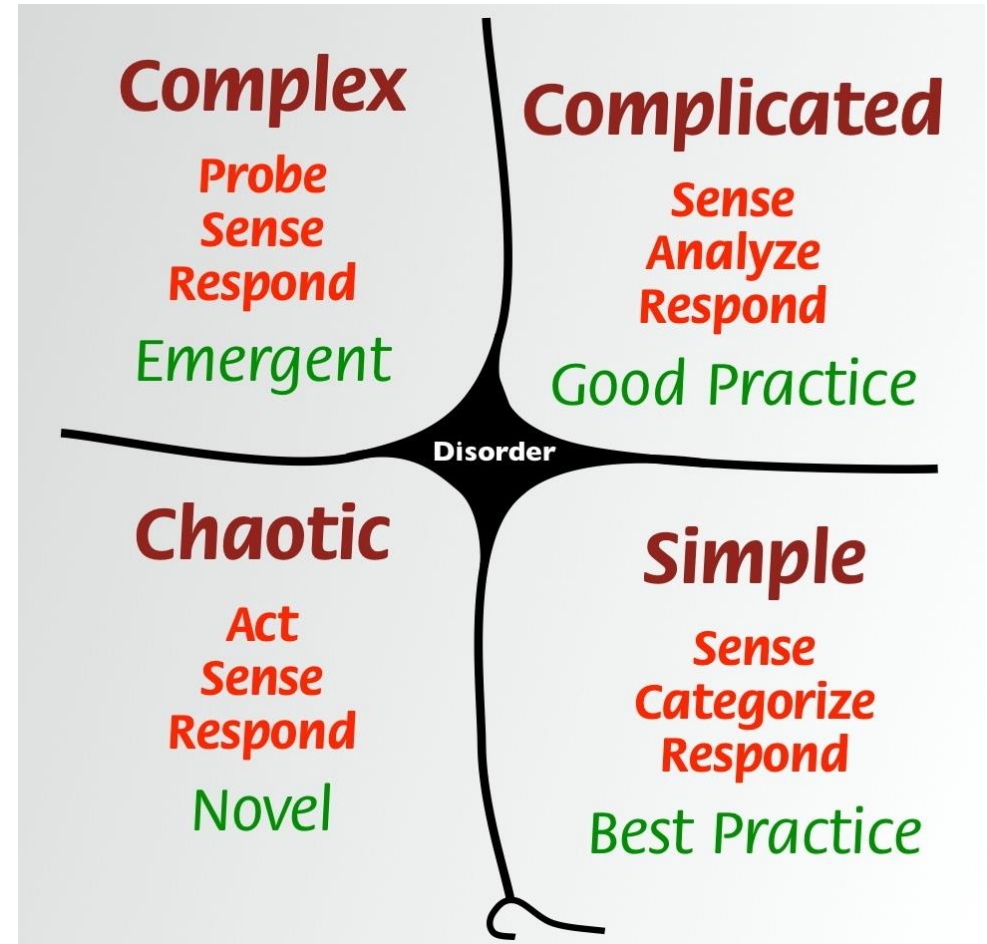
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About complexity...

- Cynefin framework: action logics
- The emergence of **global action networks** (Steve Waddell)





Treat
participants
as core



Build
coalitions of
the committed

**EMERGING
GOVERNANCE**
Principles

Work in
"spaces"




Structure as
decentralized
inter-
organizational





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?
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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 Africa 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

- **Enabling 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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