Prospects_ Agriculture and rural development assistance in the post-2015 development framework

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Viewpoint presented are those of independent authors and do not constitute particular preferences of the Platform or individual members whatsoever.

Elaborated by members of the Forward Thinking Platform:

Robin Bourgeois, GFAR
John Dixon, ACIAR
Hartwig de Haen
Bernard Hubert, Agropolis International
Benoît Labbouz
Sebastien Treyer, IDDRI
Angela Wilkinson, OECD
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Note for the readers

The post-2015 development framework and Sustainable Development Goals (SDGs) will present new opportunities and carry significant implications for the established model of official development assistance (ODA), with its emphasis on the role of Aid and donor-recipient relations. Changes in the development assistance, in turn, carry significant implications for the future of Agriculture and Rural Development (ARD).

The Global Donor Platform for Rural Development (the Platform) commissioned this study to explore ODA for ARD and Food and Nutrition Security (FNS) in a post-2015 world. Rather than adopting a linear planning approach, the Platform requested a scenario-based inquiry to clarify how the international development framework might be shaped from an uncertain interaction of multiple factors and actors. The aim of the study is not to provide prescriptive recommendations but to trigger discussion among Platform members aimed at clarifying new and better options for the future of the Platform in the context of key emerging issues of the post-2015 agenda.

This report is structured into two parts. The first chapter presents an analysis of the evolving framework of ARD and FNS, describes five alternative global scenarios and identifies implications for ARD and FNS. The second chapter presents implications for ODA and outlines possible strategic responses ODA might adopt to cope with disruptions and new challenges. It also identifies the implications of the different scenarios for ODA and concludes with elements for building a robust frame for development assistance in ARD and FNS.

Scenarios are summarised in the main body of this report and described in detail in the supporting annex. We remind readers of this report that these scenarios are plausible, stories of alternative global futures, each of which implies different opportunities and threats to agriculture, rural areas, food and nutrition security, ODA for ARD and FNS and finally the Platform itself. The scenarios look out over a period of 20-30 years and the aim is not to know the future, but to use these alternative perspectives to rediscover the present and rethink strategic priorities and decision options. In moving forward with its strategic planning, Platform members are invited to exchange and share views whether one of the scenarios is more ideal than another and if so, what the Platform could do to enable the former and disable the latter, and secondly how it can start to prepare now to cope with the wider changes described in all these scenarios. Even if we cannot predict the future, organisations can prepare for future success by using scenarios to constructively engage in strategic dialogues and decision making.
The evolving framework of ARD and FNS

The world of development is in flux. A new era of increasing global interdependency has unfolded. Development used to be a concern of closing the gap, reducing North-South divides, and was enabled through donor-recipient relationships. Today countries are developing at a rapid pace. A majority of poverty lies in middle-income countries with emerging economies, therefore development policies and aid need to be reframed and refocused in order to demonstrate measurable impact. Whilst poverty elimination remains a job to be completed, North-South divides are fading. The world global financial crisis revealed and deepened pre-existing fragilities e.g. long term unemployment, youth unemployment and underemployment and they have increased concerns about structural inequalities and raised questions about the mechanisms for aid effectiveness and fairness of development and redistribution policies everywhere.

Meanwhile responses to the crisis have created global imbalances between West and East and the resolution of these could set the scene for a new economic crisis in emerging economies that have failed to take the opportunity to restructure their economies for healthier growth. Client-donor relationships need to be reengineered as network relationships in a world of different starting points, multiple pathways and problematic transition management. Peer learning about economic and social development at different stages of development between countries is replacing prescription and conditionality by the West. The rise of Asia brings not only shifts in balance of economic and political power but also heralds new ideas and ideals of progress—both about the ends and means of sustainable economic development on a global scale.

Beyond the sphere of traditional ODA development actors, many other agendas and sources of finance blossom. Philanthropic sources, Foreign Direct Investment (FDI) and personal remittances are now recognised as important financial flows. A plethora of transnational, cross-sectoral coalitions coexist alongside new South-South development partnerships and conventional North-South patterns of cooperation. Enlightened business leaders are promoting sustainable growth models, whilst CSOs are engaging in ensuring accountability. Where all this potential for transformation will lead to is not clear. On the one hand the challenges of effective global governance of aid have multiplied and new risks could emerge. For example there is the question whether CSOs might become instrumentalised or fail to meet the challenge of ensuring accountability of philanthropists and business leaders on behalf of ordinary people rather than political elites.

The longer term outlook is also obscured by the mixed picture of progress that has emerged as the international community and national governments have focussed on the MDGs. Despite their simplicity and quantitative targets, in particular MDG1, the effectiveness of achievements has been uneven.

\[1\text{ See for example figure 1 at http://www.oecd.org/dac/stats/beyond-oda.htm} \]
Reasons for lagging progress

Six main reasons for less satisfactory progress have emerged from the review of mixed experiences:

1. Target groups did not have the voice or power to insist on effectiveness
2. MDGs carried a conventional and simple worldview that growth, aid and global governance are the main drivers of human development and ignored the influence of existing economic, cultural and (geo)political processes
3. Despite being result-oriented the MDGs did not offer alternative pathways to achieve results nor adequately reflect the diversity of initial conditions of developed, emerging and developing economies
4. As the MDGs became global targets local and national priorities were overlooked
5. Pre-existing and growing inequalities were ignored, partly because of the focus on measuring and reporting average and aggregate data on achievements
6. Development aid targeting the MDGs has mainly operated through concessional development loans and some argue that an unexpected effect was to lessen the pressure on national governments to implement the reforms needed for development from domestic resources

Against this problematic and puzzling picture of the current reality this study identifies eight major uncertainties (MU) shaping the future outlook for ODA:

MU1_ How will the concept of sustainable development fit with or be reinterpreted by the Post 2015 agenda and will it include a specific food and nutrition goal?
MU2_ Will efforts to overcome inequalities and/or to promote a universal rights-based approach feature strongly in the post 2015 agenda?
MU3_ What new forms of political engagement might emerge, and what will these imply for the power dynamics between governmental, business and other non-state actors?
MU4_ Will technological breakthroughs be accessible to the poorest people or will technology divides and skills biases increase?
MU5_ Who will control the data commons and how will access be enabled and to whom?
MU6_ Will trends towards more global and/or regionalise trade continue and will the regulation on international exchanges be effective?
MU7_ ODA Funders: who will set the global direction?
MU8_ How will ODA donors influence and/or work with private investments?

The next section explores alternative world futures and related challenges linked to ARD and FNS.

Setting the stage_ Plausible alternative global scenarios focused on ARD and FNS

Currently ARD and FNS are not key drivers of new international relations. Instead they are conditioned by the global world order. What future global contexts might shape the effective progress of the post-2015 agenda and with which implications for the futures of ARD and FNS?

From an inductive analysis of 18 major global foresight reports available in the public domain five global archetype scenarios – or families of stories – have been identified. This set of scenarios can be mapped using a combination of three key dimensions:

1. The first dimension relates to the dominant mode of governance: global or local vs. polycentric with new models of democracy
2. The second dimension relates to the economic development rationale: Competition with an emphasis on maximizing utility vs. collaboration towards multidimensional wellbeing as the sustainable basis of global human development
3. The third dimension relates to the nature of problems: Simple, evidence-based problems, best addressed on an issue-by-issue basis and through risk-management vs. wicked problems addressed through a resilience-based transition management that recognises the multiple and multidirectional linkages that characterise interconnected challenges.

Figure 1 and table 1 display each scenario in this three dimension framework. Scenarios are summarised on page 8.
Figure 1. The five scenarios and their three dimensions.

Table 1. Main features of the five scenarios

<table>
<thead>
<tr>
<th></th>
<th>Market forces</th>
<th>Reformed markets</th>
<th>Value change</th>
<th>Multipolar world</th>
<th>Walled world</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mode of governance</strong></td>
<td>Global prevails Growth-led_</td>
<td>Global prevails Growth-plus_</td>
<td>Combining local and global_</td>
<td>Regional emerges_</td>
<td>Local prevails_</td>
</tr>
<tr>
<td><strong>Development rationale</strong></td>
<td>Growth via technology and competition for scarce resources</td>
<td>Attention to market-society-environment tradeoffs, utility and wellbeing multidimensional</td>
<td>Complex Societal resilience requiring shift in global path dependency</td>
<td>Heterogeneous Multiple modernity_Diverse value creation systems</td>
<td>Heterogeneous Focus on local vested interests and social stability</td>
</tr>
<tr>
<td><strong>Problem frame</strong></td>
<td>Issue-by-issue_ Global systemic risk management</td>
<td>Balancing national innovation and risk management</td>
<td>Wicked problems, connected challenges_ Search for multi-scalar resilience</td>
<td>Radical uncertainty_ problematic multidimensional transition management</td>
<td>Issue by issue and localized</td>
</tr>
</tbody>
</table>
Scenario summaries

// Market forces
Governance is global and market-driven, focused on establishing and maintaining a level playing field. Global rules of the game promote technology transfer and secure rapid improvements in resource productivity. Liberalisation of trade continues apace. Regulation relies on evidence-based consensus building, which results in the lowest common denominator in terms of social and environmental norms and standards. Climate change and other environmental considerations are slowly internalised into price mechanisms and, as a result, global supply chain disruptions are a more frequent and accepted part of global business. Technology gaps and economic divides increase between urban and rural communities. Global data is not publically governed. Companies and business coalitions are well organised, but resist responsibilities for human rights and promotion of global public goods. Meanwhile G20, G8, EU+3, ASEAN etc. compete to shape the global agenda. Public funding of International NGOs and ODA reduces drastically following the demise of the North-South divides and growing concerns about development gaps within industrialised countries. The financial viability of social institutions in ageing societies, structural inequalities and youth unemployment create new tensions between poverty reduction in developing countries and job creation within industrialised countries. No rights-based approach emerges at the international level.

// Reformed market
States and global companies collaborate to promote competitive neutrality between different forms of market- and state-centric capitalism. Negative social and environmental effects on enterprises and overall market failures are actively addressed, inter alia through multilateral regulation of trade exchanges, norms, standards and appropriate social and environmental policies with attention to incentives, synergies and co-benefits. Attempts are made to create options that enable progress on connected challenges such as water security, urban air quality and climate change. Post-2015 strategies result in complex policies that aim to address the connected challenges of the SDG agenda. New models of long term finance emerge. A universal rights-based approach is effectively implemented. Global instruments help bear the additional cost of the transition. The G20 develops a new ODA agenda; emerging countries’ aid innovations show the way forward as aid is centred on the institutional development needed to progress along sustainable development pathways (green economy strategies, food security through actions on the whole food system). ODA funds are limited and used to enable Southern governments to establish public policies and regulation frameworks in order to ensure local and national benefits of private investments (e.g. land tenure legislation, agricultural strategies and environmental policies).

// Value change
Communications technologies and communities have co-evolved. Information and Communication Technology (ICT) breakthroughs connect all. Big data is governed as a new global common. States coordinate shifting coalitions and encourage mutual learning in a new era of policy innovation aimed at poverty reduction and new global public goods. New forms of democracy emerge including a diversity of fluid, multilevel and polycentric governance networks on the sustainability agenda and implementation of Universal SDGs. The influence of non-state actors (e.g. NGOs, CBGs, local institutions) in policy making (agenda setting, defining options for action, evaluation) grows. Multilateral regulation of trade exchanges and publicly governed norms and standards prevail. International institutions are reformed to rebalance multilateral governance. The challenge is to enable and manage entire systems transitions, such as food security based on a concept of global food systems and shared understanding across the interests and perspectives of different stakeholders. Development aid is part of a broader development agenda that links wellbeing, corruption and poverty. ODA funds decrease and are replaced by new sources of cloud capital that support community-based enterprise and resilience schemes. By the end of the scenario, a global federation begins to emerge as a new system of international governance, one that is rooted in new forms of technology-enabled community and community-based action.
// Multipolar world
Economic power moves to emerging economies. Three large country blocks emerge: the US-led Democratic Trade Alliance, the expanded EU area and the Eastern International Economic Community led by China. Several smaller blocks also emerge: India and some other countries of South Asia, Russia and some former satellites, a Latin American block. Increasing rivalry for the control of vital global value chains raises the costs of doing business and impacts on increasing systemic risks. Regional innovation ecosystems models diverge and regional regimes cause havoc with global value chains. The failure to correct global imbalances results in growing inequalities and tensions at every level from local to international. Shifts in alliances result in a failure to agree on proactive and collaborative governance; multiple technology frontiers appear as the acceptability and affordability of new technology developments differ according to social needs and norms. National security differences prevent the setting of a global information commons. The clash of local cultures and identities becomes more pronounced in some regions. Global sustainable development goals are replaced by regional resilience goals as defined by the dominant interests in each block. Intra-regional development funds target failed states. The pattern of aid for poverty and disaster relief is flowing between major and minor interests in each region.

// Walled world
Global growth slows as economic imbalances unleash stop-start recovery patterns in some regions. Societies and governments are unable to keep technology as a strong source of growth as the focus is retained on applied research and commercialization rather than long term innovation. Rising inequalities between and within states leads to a further erosion of public trust and confidence in political and business elites. Regional tensions increase. The number of micro-states and para-states grows, and deeply diverse forms of empires develop, built by local or national elites who protect their own economic interests against the effect of poverty and inequality. Resource conflicts emerge and security threats and terrorism keep nationalism and protectionism alive. Populist policies exacerbate short-termism and direct political and business cycles. The sustainable development agenda is abandoned. The globalised food system is replaced by local and fragmented food chains. Rural areas are governed and controlled by urban elites. Development aid is only local and targets social stability. It becomes an instrument of power for the running elites.
Future challenges for ARD and FNS - Linking global transformation to local decisions

Table 2 below displays major implications of the different scenarios for food and nutrition security, agriculture and rural development. It shows that diverse, systemic and unpredictable shocks will increasingly have negative or positive effects on food security, agriculture and rural development.

Table 2 illustrates the challenge of setting a single baseline in the context of multiple sources of irreducible uncertainties.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Food and nutrition security</th>
<th>Agriculture</th>
<th>Rural development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market force</td>
<td>Inequalities increase the divide between food secure and food insecure people and diets are determined by purchasing power including diet based on massive access to cheap, low quality food</td>
<td>Increase in productivity per hectare with some expansion of agricultural land and loss of natural areas. Main agricultural areas move towards the north and the equator where rainfall is being felled.</td>
<td>Rural areas become segmented between commercial agriculture and traditional agriculture, family-based, low-input, which often occupy marginal lands. Pharmaceuticals revolution to safeguard livestock intensification</td>
</tr>
<tr>
<td>Reformed market</td>
<td>Leaner, cleaner supply chains withstand the pace of ecosystems stress and consumption needs. Food insecurity decreases</td>
<td>Low and high input family farming, small and medium scale farms, with compatible growth and good natural resource management (NRM) targets, coexist</td>
<td>Rural areas progressively evolve into a mosaic agricultural and nonagricultural activities are valued for their social and environmental function</td>
</tr>
<tr>
<td>Multipolar world</td>
<td>Disparities between regions. Inequalities within regions</td>
<td>Contraction of global production chains and more local/regional markets. Agriculture productivity expands to reach the maximum possible food self-sufficiency</td>
<td>Deforestation and encroachment of natural ecosystems and increases agrochemical pollution. New pests and increased risk of spread of zoonotic disease to urban populations</td>
</tr>
<tr>
<td>Value change</td>
<td>Consumption patterns change notably by limiting meat intake per capita, reducing waste and choosing less energy-intensive lifestyles. Access to food improves with diets enriched by diversified food. Animal welfare and ethics move up the agenda. Novel technologies such as nonlife protein labs</td>
<td>Fine-tuning of agriculture. Multinational agrofood firms merge with local enterprises. An “agro-ecological” revolution in small and family-based units supplies very diverse external and domestic demand</td>
<td>Emphasis on smarter cities and greater urban-rural harmony in localized solutions. Global milk crisis averted as different protein needs of poor and rich are considered</td>
</tr>
<tr>
<td>Walled world</td>
<td>Food insecurity increases as class divides determine who has access to food. Global milk crisis in developing economies</td>
<td>Highly fragmented food chains and markets. Subsistence agriculture develops while elites feed from niches of high quality commercial farming</td>
<td>Urban-rural divides. Poor people return to rural areas exploiting resources beyond carrying capacities</td>
</tr>
</tbody>
</table>
Prospects in Agriculture and rural development assistance in the post-2015 development framework

// Challenges
The characteristics of ARD and FNS under the five scenarios reflect the challenges derived from a recent inventory of 40 foresight studies. These challenges are:

• **Re-thinking global food security by focusing on local household food insecurity.** The international community and governments focus on the global dimension of the MDGs concentrating on global food needs and production. Yet there is increasing recognition that differentiated types of farm household systems need to be separately targeted with system-specific interventions. Moreover, local access to nutritious foods and adoption of healthy diets are core conditions for reducing food and nutrition insecurity. Access is not just a problem of logistics, moving products from surplus areas to deficit areas, which can be solved by global markets. It is also a problem of ensuring that people have physical and economic access to an adequate mix of food (staples, vegetables, oils, fish, meat and/or milk proteins) through household entitlements for production or purchase.

• **Re-thinking the future of rural areas and understanding the links between agricultural growth and rural development.** A central issue is who will live and work in these areas? Unless rural economies diversify providing wider arrays of education, income and employment opportunities far beyond primary agriculture, forestry and fishery, and unless rural habitats and infrastructure offer attractive living conditions, these areas will continue to be marginalised and lose many of their talented people through outmigration to the cities or other countries. Employment, living standards, urban-rural inequalities are some constitutive factors to which farming systems and food systems of the future must address or adapt to and which shall weigh as much as agricultural productivity or maybe more.

• **Integrating policies and societal values as drivers of changes.** The concept of food systems is becoming more widespread and shifts attention from the farm to the farm-to-fork food system. In addition to ARD and FNS other social concerns include the intensification of livestock farming, issues of transboundary/zoonotic disease risks and animal welfare, fair trade and the social nature of food, i.e. different food cultures, norms etc. Environmental concerns include soil quality and erosion, mitigating and adapting to climate change, water stress and pollution, food waste and storage on farms, in processing, distribution and consumption. Policies and value systems will be interactively linked with technology, institutional and economic forces, rather than being external variables with an adaptive function. How consumers and citizens change attitudes and behaviours will determine the future.

• **Developing farming systems which generate increased resilience and sustainability beyond increased total factor productivity.** Farm household and rural systems’ resilience across scenarios is required, including considering a rural household as a more relevant functional production and consumption unit than the concept of a “farm.”
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// Implications of official development aid in ARD and FNS

Strategic responses to disruptions and challenges

The three dimensions used to characterize the five scenarios define the possibility of effective strategic responses for donor agencies in ARD and FNS. The current mode of governance in the ODA world is characterized by a disconnect between global intentions to develop collective actions, such as the Millennium Development Goals, the future Sustainable Development Goals of the post-2015 agenda, the Rio+20 discussions, global world trade agreements and local actions often undertaken disconnectedly under bilateral agreement or direct agency intervention. Proliferation of development actors outside traditional ODA, a progressive transformation of the structure of aid, associated with ODA reduction, specialisation of development actors (business engaging in local development models, CSOs in ensuring accountability) raising aid governance risks such as instrumentalisation of CSOs, lack of accountability of private foundations, aid cacophony. Beyond the traditional ODA sector; problematic, polycentric local and global processes are progressively taking place calling for a strategic decision.

The current framing of the problems is based on the belief that development issues can be handled through simple, evidence-based approaches, working issue-by-issue and through risk-management. While major international organisations acknowledge complex development goals, they usually operate through separated domains of interventions (strategic objectives of the FAO, intermediary development outcomes of the CGIAR and priority streams of the Platform) with a high risk of silo operation and disconnects leading to unexpected and undesirable effects. Tendency to linearity and extrapolation, tendency to normalize through use of averages, separating results from process, and separating technological and non-technological are common practices that operate against systemic thinking. Impact and sustainability of development aid depends on engaging with uncertainties and balancing the ability to look forward from the evidence base and keep an open mind about future developments beyond the direct control and influence of the so-called development ministry or “aid industry”.

Is ODA going to be an increasingly smaller part of this messy transition or will ODA be able to accompany and harness these processes with the objective of reducing major aid governance risks?

Is ODA going to keep framing development issues as either simple redistribution or wicked problems that present as intractable puzzling and ambiguous situations, or use a resilience-based perspective to interconnected challenges that involves decentralised and dynamic interventions and continuous learning via feedback loops which can generate practical adoptable solutions?

Is ODA going to maintain its current support to conventional development cooperation (focus on disbursement indicators, for instance) under a growth-led or growth-plus model of human development or will it be able to foster alternative models of institutional arrangements associated with the emergence of a diversity of development forms and initiatives beyond the one-size-fits-all approach?

The current development rationale is still largely based on growth, maximizing economic returns and progressing global convergence as indicated by the implicit working principles of the global community which assumes that global food security will be achieved through global markets, global productivity increase and competition. Multiple models of democracy, capitalism and recognition that global averages are not representing reality are emerging where competition is no longer opposed to collaboration among alliances. Private sector companies enter into noncompetitive collaboration in the food sector, including sharing of production data to face global challenges. While the divide between business and philanthropy thins out; alliances between business, CSOs and governments develop.


9 See http://www.egfar.org/news/4th-meeting-government-foresight-organisations-network
Implications of ODA and working modalities

This section is an intermediary step before discussing implications of these scenarios for the Platform in section 3. We present and discuss here implications of each scenario for ODA related to I) challenges and thematic approaches, II) financing mechanisms, III) partnerships.

Each table is followed by few crosscutting implications. We are uncertain about the occurrence of a single scenario; hence we also assume the future might be a mix of several scenarios or something new. However, the implications discussed in these paragraphs are relevant to prepare for all these plausible scenarios. A synthesis is provided on page 16.

I) Challenges and thematic approaches

| Market force | • The major part of ODA is transformed into an instrument for local market development and trade facilitation. The global commitment to the goals of sustainable development and the environment is limited. |
| Reformed market | • The key challenge is to correct the weaknesses of mainly growth-centred free markets, particularly in terms of negative ecological externalities and widening social inequities.  
• More or less radical reforms of the legal and regulatory frameworks of societies are necessary pre-conditions of an environment-friendly and social market economy. Such reforms require broad-based popular participation in political process, as well as in institution building (principles of rule of law, participation, transparency, human rights and accountability).  
• Negative environmental externalities are maintained within the given carrying capacity of ecosystems. Social inequities are fought through social responsibility and human rights including efforts to respect, protect and facilitate the realization of human right to adequate food for all. |
| Value change | • A pragmatic global development agenda promotes dynamic linkages between rural and urban communities in a globally interdependent world: concepts of multidimensional wellbeing flourish which recognize the need for more inclusive and greener economic growth as the means to avoiding technology skills biases and rural–urban divides.  
• A new global commons agenda emerges for managing global interdependency (e.g. cyber security, soils, biodiversity, food and ocean health). The climate change agenda evolves to promote mutual peer learning on approaches and measures for progressing adaptation and mitigation.  
• National security shifts to manage interdependence across economic, social and environmental domains.  
• Large scale sustainable intensification is moved into an "agroecological" revolution in which relatively small and often family-based production units supply very diverse external and domestic demand for niche foods and nonstaples. Global value chains are based on systemic risks and resilience (food systems security and sustainability rather than supply side productivity). |
| Multipolar world | • Depending on the region, rural development strategies are embedded in very different visions of how the role redistribution policies should play.  
• Regional resilience goals prevail, as global governance of global public goods is too weak to contain systemic risks. Coping with extreme disruptive risks is the core issue of development policies in every region.  
• Some regions put focus on greener strategies (decreased dependency on oil, for instance), in the perspective of competition with other regions. Only economically powerful regions can afford structural development funds for sustainable development pathways for poor regions or countries. |
| Walled world | • The concept of ODA becomes progressively obsolete. Aid is not an issue in agriculture. It is not an issue for rural development per se. Food and nutrition security are “ensured” through a dualist structure with different and unequal levels of security and safety. Depending on the strategies of the elites, some aid is devoted to ensure social security and stability where elites’ control is loose, in particular in rural areas in order to avoid unrest.  
• Global cooperation on sustainability concerns only major threats to the ruling position of elites, in particular global threats to their welfare and economic power (pandemic, bio-hazards). Reactive responses to threats are effective as the power to control these threats remains in the hands of a few. |
To deal with these various challenges across scenarios, a systemic approach with a combination of preactive (adaptive) strategies and proactive strategies is required. The proactive approach to development aid aims at increasing resilience in terms of bouncing back from shocks, i.e. providing those in need of aid the capacity to better absorb the effect of inevitable surprises. This means that development aid may have to focus on vulnerability assessment, risk reduction and mitigation, i.e. protecting poor people from risks and threats. In terms of rural development this means promoting more coherent, transparent and equitable services in remote areas, enabling more information access and maintaining contingencies for disaster relief and temporary migration.

The preactive dimension of development aid is to contribute to the reduction of unpredictability and occurrence of shocks as far as it can. Specific thematic or mono-dimensional approaches are unlikely to produce expected effects unless they are linked with abating structural causes of under-development. These approaches include for example investing in health care, water sanitation, sustainable energy, education in rural areas associated with new development models, tax and regulations, in order to create an enabling environment. The four major objectives of aid will not change (technical improvements and the governance of aid, reducing inequality and poverty, strengthening economic growth, protecting global public goods) but the emphasis is likely to shift with more attention to be brought on connecting them rather than dealing with them separately.

II) Financing mechanisms

**Market force**
- The financial world remains a major engine of profitability and growth managed by insiders.
- Political forces lead the target of ODA to weaker and smaller countries with weak institutions, but in practice wealthier regions capture the major share of aid and benefits.

**Reformed market**
- ODA resources have the role of residual funding if and insofar as the needed funds for development exceed the available domestic financial resources.
- Reforms of public finance improve national taxation systems enabling a growing share of domestic resources for public expenditures from which emerging economies fund the bulk of their poverty alleviation programs from domestic sources. However, the poorest countries continue to depend on significant volumes of ODA for their fight against poverty and food insecurity.
- Emerging economies become donors of ODA for development in poorer countries.
- National private savings play an increasing role as source of funding for domestic investments.

**Value change**
- The development agenda is financed from an increasing number of sources and via a more diverse array of mechanisms including long term investment, global taxation, promoting corporate responsibility and anti-corruption.
- Poverty elimination is achieved through more inclusive opportunities for those able to help themselves (jobs, micro- and meso-credit) and safety nets for those unable to help themselves.
- There is increasing recognition of the needs for a combination of micro-, meso- and macro-financing and in particular to the vibrancy of the SME sectors.

**Multipolar world**
- Development banks of emerging countries are leaders in ODA, and develop very effective development policies within their own region. Differences in aid strategies are accentuated.
- Some regions develop internal policies similar to the EU: common market, environmental and social regulation, structural funds replacing ODA. In other regions, harmonization of policies is weak, and internal public financial flows between countries only cover some projects of poverty alleviation.
- The limited cross regional ODA funds available are mainly used to enable less wealthy governments or regions to establish public policies and regulation frameworks.
- In some regions, private funders are major players for financial transfers for development and set the direction of ODA.

**Walled world**
- Elites in urban centres provide the minimum resources to ensure stability in their hinterland through their private investments and/or their “philanthropic” organisations.
- Direct investment and remittances from the elites flow to their regions of origin or ethnic groups.
Changes in development aid challenge the current configuration of ODA (new actors, new rules and new management) and its share in development (a reduction of ODA spending in most of the scenarios) must be expected and anticipated. Adaptive financing mechanisms to face major uncertainties require less centralised bureaucratic control of development aid, more direct effective tax-exempted channels, transparency in aid allocation. Cash transfers, direct financial services through ICT are mechanisms with such flexibility. Under the hypothesis of reduction of ODA spending from OECD countries due to crises and austerity, bilateral and multilateral agencies will have to choose between supporting technocratic development cooperation (efficiency) or connecting development actors and promoting cross sectorial partnerships. The second option will include the possibility to reduce transfer aid in favour of more equal trade and fair share compensation, to define new ways of using aid and other public funds to mobilise private capital, pushing towards corporate social accountability not just responsibility.

### III) Partnerships and implementing agents

| Market force | • Market agents dominate and eclipse the development of social capital and partnerships and corporate restructuring leads to growing concentration (Business 20) which threatens equity and growing investment in socially responsible business investment models.  
  • Partnerships with private funders on noncompetitive collaboration are mobilized to both improve the ODA budgets and facilitate some rural development programmes. |
| --- | --- |
| Reformed market | • State and nonstate agencies interact with aid agencies in implementing institutional reforms focusing inter alia on good governance, sustainability, poverty alleviation and social safety. Private sector companies are key drivers of investment, supplemented by public sector reforms and investment in public goods.  
  • Partnerships between aid agencies, state and nonstate actors at local levels benefit people in rural areas through decentralized and participatory local development initiatives.  
  • In partnership with aid agencies, governments collaborate to pursue global public goods at regional and global levels (protection of land/water, fish stock, climate, free trade, or research). |
| Value change | • A fluid network of shifting coalitions working across policy silos and development divides emerges but also presents a new risk of enclave interest groups.  
  • An increasing array of global policy networks facilitated and orchestrated by rural-urban community coalitions emerge.  
  • New federation of supranational regional authorities coordinate across different national interests to govern the new global commons. |
| Multipolar world | • In some regions NGOs get more power in decision making and as implementing agents. Civil society organisations and philanthropies try to overcome regional barriers. Emerging countries are more powerful within “their own sphere of influence” but they do not necessarily look for partnerships. In some regions, strong partnerships with private funders are mobilized to both improve the ODA budgets and facilitate the implementation of rural development. |
| Walled world | • Implementing agents of the scarce aid are the institutions created by the local elites, but as aid is not relevant. Most of the “development” occurs through private sector companies, philanthropic foundations and wealthy individuals buying local clientele for the power game.  
  • Regional/global partnership link elites to address major threats on a reactive basis. |
The five scenarios propose a long term vision where various actors gather and build new partnerships. In addition to traditional donors, NGOs, private funders, emerging countries, regional development banks will become stronger development actors. Moreover, cross-sectorial approaches seem particularly relevant in several scenarios where rural development is no longer considered as a mono-dimensional target.

Connecting development actors and promoting cross-sectorial partnerships is an option for traditional donors which would help engaging in a systemic approach, strengthening its proactive dimension as multistakeholder coalitions will have a better chance to prevent some global shocks. Building coalitions of state and non-state actors acting as shared platforms is a means to develop hybrid cooperation and development support form with a common language between private sector, CSO and governments. New all-inclusive partnership with full accountability would particularly contribute to build shared expectations about private sector (including from the South) involvement in development with long term perspectives, reducing the governance risks related to proliferation and emergence of new actors in the development landscape.

IV) Cross links with other development agendas
Within each scenario, rural and agricultural development in the long term will be connected with other development agendas. Except in the “walled world” scenario, rural development should be envisioned as one dimension of a larger development agenda, and cross-linked with other topics such as health, education, protection of natural resources. Several concepts—such as resilience or risk management—could help thinking and implementing such links between various development agendas whose frames, objectives and contents are, for now, developed singly. All scenarios emphasise the need to build more effective coordination between these agendas, to rise to the challenge of policy coherence for development and to anticipate and create new networks and coalitions of actors who used to work separately.

The necessity to build a robust frame for development assistance to ARD and FNS

The scenarios describe very different situations at the global level and in different regions, raising concerns about the possibility and need for developing a robust frame for ODA across all scenarios—including if possible the “walled world”. What could be the key features of such a frame?

Across all scenarios there is a need to build strategies to increase systemic resilience of rural areas, beyond agriculture and beyond the food and nutrition security objectives. Investing in rural households’ coping capacity, including health, education and social protection and creating options for territorial development of rural areas through investments in a wide array of public goods, regulations and facilitated access to assets for the rural poor seems to be a common approach under all scenarios.

Key elements for such a resilience approach are:

- **Linking specific and local** agriculture and rural development to global issues of sustainability through polycentric connected initiatives in order to ensure that development actions in a diversity of contexts (political, ecological, social, economic, etc.) contribute to re-shape global agendas
- **Addressing the needs of rural households** beyond agriculture and food production through measures ranging from “productive” safety nets to adequate nutrition, health and education programs, agricultural research and extension, involving farmers in business along the value chains and promoting non-agricultural employment and income generation on and off-farm
- **Addressing simultaneously all components of sustainability through** systemic investments in ARD and FNS development

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- **Addressing simultaneously all components of sustainability through** systemic investments in ARD and FNS development

16 // Prospects_Agriculture and rural development assistance in the post-2015 development framework
A more effective approach to ARD and FNS in any post-2015 world will involve a new approach to policy. Policy innovation is needed to recognise the role of a multitude of policy shapers, as well as specific policy makers in designing, prototyping, policy interventions as an approach to action learning under uncertainty. The era of predict-and-decide is over.

Over time, an exchange of learning on policy innovations at local regional and national combined with insights from the emerging communities of global science will enable mid-range theory to guide practical effectiveness and the possible extension and scaling of progressive interventions from one context to another situation. These conclusions about future challenges for ODA, rural development and food and nutrition security are complemented in the next chapter by a more specific discussion related to the Platform.
### Annex 1
Annotations to the eight major uncertainties for ODA

<table>
<thead>
<tr>
<th>Major uncertainties</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MU1</strong> How sustainable development will fit in the post-2015 agenda?</td>
<td>- First finish the job on MDGs. Specific instruments like GEF for the additional costs of global environmental goods.</td>
</tr>
<tr>
<td></td>
<td>- Food security through increasing productivity.</td>
</tr>
<tr>
<td><strong>MU2</strong> Will rights-based approach be in the post-2015 agenda?</td>
<td>No operational translation of rights-based approach at the international level. Poverty reduction prevails over questions of inequalities.</td>
</tr>
<tr>
<td><strong>MU3</strong> What will be new forms of political engagement?</td>
<td>BAU NGOs continue to mainly have informational means to put pressure on decision makers from the outside of negotiation processes.</td>
</tr>
<tr>
<td><strong>MU4</strong> Which access will the poorest have to technological breakthroughs?</td>
<td>TIC breakthroughs manage to connect the whole of humanity into one big network.</td>
</tr>
<tr>
<td><strong>MU5</strong> Who will control the data commons?</td>
<td>Difficulties in creating and sharing data commons.</td>
</tr>
<tr>
<td></td>
<td>Regional data commons are created and available within big regions.</td>
</tr>
<tr>
<td><strong>MU6</strong> What will be the role of trade and regulations of international exchanges?</td>
<td>Multilateral regulation of trade exchanges. Norms and standards are publicly governed.</td>
</tr>
<tr>
<td><strong>MU7</strong> ODA funders: Who sets the global direction?</td>
<td>The G20 is the forum where main strategies for ODA are decided.</td>
</tr>
<tr>
<td></td>
<td>Philanthropic private funds and some sovereign funds give the direction of ODA (not necessarily through power in governance structures, or funding capacities, but through their innovation or communication capacities).</td>
</tr>
<tr>
<td><strong>MU8</strong> How will ODA donors intend to influence or work with private investments?</td>
<td>ODA projects are seeking for additional resources from private funders, because public money for ODA has been reduced drastically.</td>
</tr>
</tbody>
</table>
### Plausible contrasted future states

<table>
<thead>
<tr>
<th>Prospects</th>
<th>Agriculture and rural development assistance in the post-2015 development framework</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reducing inequalities is one of the SDGs.</strong></td>
<td>The rights-based approach is operationalised in international governance.</td>
</tr>
<tr>
<td>NGOs and their renewed forms of transnational engagement (e.g. through social networks) manage to have more power in decision making (agenda setting, defining options for action, evaluation – cf. CFS reform).</td>
<td>The cost of most innovative TIC breakthroughs remains too high for the poorest people, particularly in rural areas (cf. broadband).</td>
</tr>
<tr>
<td>Data commons are created, managed by and shared between very few actors.</td>
<td>Data commons are created, managed by states and available for all.</td>
</tr>
<tr>
<td>Liberalisation of trade and exchanges relies on the lowest common denominator in terms of social and environmental norms and standards.</td>
<td>Multilateral discussions on trade are definitively abandoned. Bilateral trade agreements proliferate, with very asymmetrical situations. IPR regulations imposed through these agreements are detrimental to Southern countries.</td>
</tr>
<tr>
<td>Emerging countries governments take the power in ODA institutions, and their development banks are leaders in the field.</td>
<td>US and EU governments are the leaders in terms of strategy setting for ODA.</td>
</tr>
<tr>
<td>LDCs gain power in ODA institutions, leading to a sort of rebalanced multilateral governance.</td>
<td>The limited ODA funds available are mainly used to enable Southern governments to establish public policies and regulation frameworks in order to ensure local and national benefits of private investments.</td>
</tr>
<tr>
<td>ODA funds for projects have decreased, but they have been targeted on having a transformational effect on supply chains, markets, other stakeholder’s strategies (including situations of co-funding with private investors, or funding private actors if the “transformational effect” is explicit).</td>
<td><strong>Universal SDGs: Poverty reduction also applies to Northern countries. All countries can learn from the experiences of the other.</strong></td>
</tr>
<tr>
<td><strong>ODA is a part of global public policies (as cohesion funds are part of EU policies).</strong></td>
<td><strong>Food security at the level of the entire food system.</strong></td>
</tr>
<tr>
<td><strong>Food security through actions on the whole food system.</strong></td>
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Prospects _Agriculture and rural development assistance in the post-2015 development framework

is well above 550 ppm. Growth rate of has been moderated, its concentration of strong economic growth. Although atmospheric CO$_2$ leads to a temporary slowdown within an overall story that result in energy price spikes and volatility. This drive late but severe responses to emerging pressures climate events stimulate political responses. Events fully until supply limitations are acute. Likewise envi- ronmental policy is not seriously addressed until major climate events stimulate political responses. Events drive late but severe responses to emerging pressures that result in energy price spikes and volatility. This leads to a temporary slowdown within an overall story of strong economic growth. Although atmospheric CO$_2$ growth rate of has been moderated, its concentration is well above 550 ppm.

Population growth is high but not as fast as in the past. This growth mostly occurs in sub-Saharan Africa and South Asia. At the same time per-capita GDP in all world regions further increases. Most economic growth occurs in developing countries. Asia has the highest growth rate towards 2040, after 2040 the highest per capita growth rates is in Africa. Although it will remain the continent with the lowest per capita income levels. With the balance of power moving to the emerging economies, the West struggles to maintain economic and moral primacy by playing a leading role in corporate restructuring, driving productiv- ity increases and maintaining free trade globally. Its crowning achievement is the reform of existing international financial institutions—dubbed “Bretton Woods II”—and the creation of a supranational regulatory authority, the International Financial Stability Fund, with the majority of the world’s countries as members. Unfortunately Bretton Woods II falls short of the needs of emerging economies and the new regulatory regime fails to consider structural flaws in risk management, leading to renewed fears of an even bigger crisis. The financial world remains a major engine of profitability and growth managed by insiders.

Despite increasing rhetoric, political ambitions regarding climate and the environment are low and action to address climate change and encourage energy efficiency is pushed into the future, leading to largely sequential attention to supply, demand and climate stresses. Demand-side policy is not pursued meaning- fully until supply limitations are acute. Likewise envi- ronmental policy is not seriously addressed until major climate events stimulate political responses. Events drive late but severe responses to emerging pressures that result in energy price spikes and volatility. This leads to a temporary slowdown within an overall story of strong economic growth. Although atmospheric CO$_2$ growth rate of has been moderated, its concentration is well above 550 ppm.

An increasing fraction of economic activity and innovation is ultimately directed towards prepar- ing for the impact of climate change. Higher than historical efficiency gains in resource productivity are still unable to overcome slow climate mitiga- tion, resulting in a global average temperature rise of far more than 2°C. A shift in investment has secured improvements in resource productiv- ity, keeping pace with growth in demand. Vigorous technological innovation and dissemination con- tinues, leading to increasing water use efficiency and sanitation deployment but at a pace insufficient to cope with the growing requirements. Energy demand is expected to grow by 60% to 80% over the 2010–2050 period, with few signs of stabilisation. Most of the demand is expected to be met by fossil fuels. The increasing impacts of climate change constraints the development of global food systems security and new energy sources such as shale gas and tar sands.

The demand for energy and agricultural products and related land use strongly increases. Additional demand is still met through an increase in produc- tivity per hectare leading to some further expan- sion of agricultural areas (in particular for crops) and to a further loss of natural areas. A marked increase in global warming results in that the main agricultural areas are moved towards the north and the equator where rainforest is being felled. Rural areas become segmented between commer- cial agriculture, high input and very dynamic, and traditional agriculture, family-based, low-input which often occupy marginal lands. Agriculture is globally competitive and has generated some pro- gress in poverty reduction; however the situation of natural resources remains a concern. Terres- trial and aquatic ecosystems continue the trend of gradual degradation, aggravated by deforestation for agricultural lands and urban expansion, widespread pollution (despite increased controls in many countries) and the shifting of eco-climatic zones associated to climate change. While agro- ecosystems adaptation is promoted through the use of new varieties and crop systems, many natural ecosystems dominated by slow-growing organisms (forest, tundra, etc.) disappear or are drastically reduced.

The international political order increasingly concentrates on security issues, with develop- ment concerns lagging. Cross-boundary water related conflicts escalate in dry regions. Con- sumerist values predominate, with some [very minor] subcultures adopting alternative lifestyles.
Individual self-interest and myopic visions are the norm. Global absolute poverty persists, although there are modest decreases in relative poverty. Markets are criticized as being overly homogenised and highly vulnerable to contagion in the event of another major shock.

// Reformed markets scenario
States try to mitigate the negative impacts of economic globalisation and trade liberalisation with policies designed to monitor and regulate markets and correct their weaknesses. Society wants more security in the future, such as food, energy, personal care. Questions are put on the market, without questioning its role as an engine of development but requiring more regulations. The states play an important role rectifying market failures. Social and economic sustainability appears as a goal of public policy and technological advances are important. Regulations and reforms aim at decoupling growth from natural resource consumption and adverse environmental impacts.

Initial barriers to coordination and disagreement over effective risk management approaches are overcome in the context of rapid shifts in geo-economic power. The global community learns from its mistakes through sharing. Major shifts in international institutions and a new recognition of the meaning of global governance imply that the financial system is better suited to the challenges of a complex, interdependent world. Given the rapid growth in the emerging markets, BRIC-focused players become dominant. The new regulatory regime is characterised by a greater focus on coordinated risk management through links to macroeconomic policy, confidence-building measures and contingency plans but is still largely reactive and deals with problems on an issue-by-issue basis.

A global environmental policy contributes to keeping global warming relatively low and pressure on land resources has been limited. The extended global economic recession and a series of supply-side shocks have catalysed transformations in national food and water systems, resulting in leaner, cleaner supply chains able to withstand the fast increasing pace of ecosystems stress and collapse.

People generally recognise that the environment provides a suite of global public goods and services but the approach to environmental management is largely reactive. Environmental problems that threaten human wellbeing are dealt with after they become apparent. People are generally confident that the necessary knowledge and technology to address environmental challenges will emerge or can be developed as needed, just as it always has in the past. This lack of proactivity in addressing environmental concerns leads to increased risks from ecological surprises, particularly emerging infectious diseases.

Economic growth resumes as the initial collaboration on security is widened to include intellectual property and innovation to deal with resource issues and climate change. With the growing collaboration among major powers, global multilateral institutions are reformed and made more inclusive. Technological innovation—rooted in expanded exchanges and joint efforts at the university and research lab level—is critical to the world staying ahead of the exacerbating resource constraints that would result from the rapid boost in prosperity.

The rural areas are diversified with agricultural and nonagricultural activities, and more valued for their social and environmental functions. They progressively evolve into a mosaic where a low input traditional family farming which decreases in size coexist with commercial agriculture exporting very high input dynamic and a small and medium scale agriculture, often family-based, where growth targets are made compatible with good management of natural resources. Everywhere nonfarm economic activities are combined and share the use of natural resources with agriculture.

//Value change scenario
An instable financial and economic system, protracted food and water crises in developing countries and the swelling ranks of environmental refugees demonstrate daily that the dominant economic and political structures are faltering. ‘More of the same’ is not considered an answer. There is a strong awareness that we need to change the way we do things. A growing number of people, communities, politicians, companies, organisations, intellectuals feel empowered to experiment with ways to divert human development onto a more sustainable route. Most experiment at the local level, some at the global level. Western agents of change are challenged by reformers in the emerging economies and developing countries as they too look for alternatives but come up with radically different ones. Substantive changes occur beyond the institutional and technological visions and include not only economic and production models, but also values, cultures and lifestyles. The nations have clearer sustainability goals promoted from the bottom and the scope of government action is mainly local. Both the public and private sectors and civil society organisations play important roles, often in partnerships.
New approaches to democracy emerge including: **Datocracy** is a class of political system in which the governance structures and processes are deeply, deeply data-driven. In these systems humans—or other actors to which they ascribe political rights—still play a conscious and deliberate decision-making role, yet they are framed, buttressed, and evaluated on all sides by both data and computational augmentation. **Machinarchy**, the constitutional order is embedded into the built environment. The classic role of human political actors as day-to-day policy makers and law givers is removed in these systems, replaced by the pervasive, unceasing and yet potentially adaptive steering of behaviour through our built world of buildings, objects and code. In datocracies “machines” augment and buttress our political capabilities and performance and collectively govern society day-to-day while humans focus on describing and evolving what would emerge as fundamental law. **Plethocracy** is concerned with the multitude, the crowd, or the whole rather than the self-consciously deliberative demos. plethocracy is based on concepts like self-organisation and crowd-sourcing where preferences are identified and decisions emerge through the undirected interactions of all political actors. There is greater recognition that growth requires heterogeneity and there is no one-size-fits-all model of development.

A new dynamic behind new coalitions of interests emerges. It does not necessarily reflect uniform objectives but builds on a combination of supply concerns, environmental interests, and associated entrepreneurial opportunities linking global and local scales. NGOs, multinational businesses, academic institutions and wealthy individuals, as well as subnational units such as megacities flourish as subnational units such as megacities flourish and take the lead in confronting global challenges. New and emerging technologies that favour greater empowerment of individuals, small groups and ad hoc coalitions spur the increased power of nonstate actors. A transnational elite community emerges that leads key nonstate actors (major multinational corporations, universities, and NGOs). This leads to the emergence of a critical mass of parallel and simultaneous responses to supply, demand and climate stresses, and hence the relative promptness of some of these responses. Initiatives take also root locally as individual cities or regions take the lead. Global, local and regional solutions to economic, social and environmental sustainability, including improved equity, take place as society’s emphasis on learning about socioecological systems through adaptive management is strong. The world becomes a patchwork of different regional regulatory frameworks and more diverse models of finance, business, and governance.

Governments increasingly see their role as organising and orchestrating “hybrid” coalitions of state and nonstate actors. Global governance institutions that do not adapt to the more diverse and widespread distribution of power are also less likely to be successful. Global problems get solved because networks manage to coalesce and cooperation exists across state and nonstate divides. Private capital and philanthropy matter more than official development assistance. Social media, mobile communications and big data are key components, underlying and facilitating cooperation among nonstate actors and with governments.

High priority is given to long-term sustainability. Hence economic policies are put in place to reduce material economic growth while vigorously developing the nonmaterial economy such as social services, information services, cultural goods and services. As a consequence of the eradication of poverty and the changes in values, population growth declines and some societies opt temporarily for birth rates below replacement levels; total world population stabilizes within the century at the low end of the United Nations long-range projections. Technological innovation and dissemination increasingly focus on sustainable solutions, new ecotechnologies that operate with the ecological processes and cycles are developed. Increased knowledge about the functioning of the earth system and biogeochemical cycles allow fine-tuning of agricultural and industrial processes, increased material and energy efficiencies, reduced wastes and further dematerialisation of the economy. Greenhouse emissions slow down during the extended economic crisis, resume for the period of economic recovery and gradually diminish thereafter, due to the changes in technology and consumption patterns. Nevertheless global warming keeps increasing due to the lags in the climatic systems.

International trade regulations have been implemented principally to enable the least productive countries to develop local markets and to take environmental issues into account. Supply-side demand for resources is managed by an emphasis on smarter cities and greater urban-rural harmony in localised solutions. Community scale adaptation and transformation attends to socioecologi-
cal linkages and climate change adaptation, in turn unleashing new models of greener and more inclusive national growth. Effective market-driven demand-side efficiency measures emerge and market-driven CO₂ management practices spread. Carbon trading markets become more efficient and CO₂ prices strengthen early. Energy efficiency improvements and the emergence of mass market electric vehicles are accelerated.

Human consumption patterns progressively change most notably by limiting meat intake per capita, by ambitious efforts to reduce waste in the agricultural production chain and through the choice of a less energy-intensive lifestyle. Decentralised solutions such as local energy production, agriculture that is interwoven with natural corridors, and national policies that regulate equitable access to food contribute to these changes. Initially trade barriers for goods and products are increased but barriers for information nearly disappear due to improving communication technologies and rapidly decreasing costs of access to information.

Funds towards sustainable agrofood systems and international aid for developing countries are initiated and secure investments in rural areas. They are accompanied by regional planning and the improvement in supply chain infrastructures as well as services in health, education and training. Access to food has improved and diets are enriched through diversified food. At the same time food systems have evolved with the merging of multinational agrofood firms with more local enterprises. In OECD countries rising health and environmental awareness has boosted existing programmes of waste reduction and the implementation of ambitious nutrition policies. The latter has also helped to diminish costs of food-related disease that healthcare systems incur. An “agroecological” revolution gradually moving into relatively small and often family-based production units with variable input levels and an acceptable, though not very high productivity, is supplying very diverse external and domestic demand. The practices of ecological intensification develop thanks to greater attention to end-users’ needs through more participatory research programmes but also owing to public policies promoting agriculture multifunctionality and payments for environmental services in the wealthiest countries. Exploitation pressures on aquatic and terrestrial ecosystems diminish and biodiversity loss is arrested.

New channels for international cooperation develop: By the end of the period a global federation begins to take shape as a new system of international governance rooted in local actions. A multicultural local to global society slowly but surely unfolds. Consumerism quickly loses its glamour and is gradually replaced by a growing interest in social interaction, cultural activities and the search for individual and collective meaning as participants in the evolution of life in the universe. Solidarity—reaching from individuals to the level of the human species—becomes a shared value, albeit with different shades and colours in accordance with the diversity of cultures. With the dramatic increase in equity the eradication of poverty and the changes in values, the quality of life of people across the world reaches a historically high level.

// Multipolar world scenario
The process of globalisation is in crisis and the world is becoming increasingly fragmented. Protectionism and isolationism surge. They show a high level of state intervention and economies with local production chains and markets. The nations are oriented inward and governments play a significant role in decisions.

Financial crisis, blame-shifting and the threat of further economic contagion have created three major blocs on trade and financial policy, forcing global companies to construct tripartite strategies to operate globally. The emerging markets walk away from a series of global talks, reject Western models and ideals, and form their own bloc of domestically focused economies. The US is isolated. With the exception of tourism and energy materials most trade flows among the blocs decline sharply. Energy security becomes a key issue. The financial world is split among three regional blocs—the US-led Democratic Trade Alliance, the expanded EU area and the Eastern International Economic Community led by China. The global landscape is characterised by old and new champions seeking to operate on a regional basis, with Asian financial institutions dominating in terms of size. Regulation is coordinated at a regional level and varies significantly between the three main trade and economic jurisdictions. The US continues to push a “market democracy” paradigm of minimal regulation. Eastern countries adopt a “controlled openness” system. The EU turns inward, regulating financial institutions heavily.
Population growth is high. There are no strong supranational actor, which means that global power relations are unclear. Absence of intergovernmental cooperation means that development aid for poorer countries is small, which results in weak economic development. The Western greener growth model of capitalism clashes with the development needs of the poor in the emerging economies.

The world becomes progressively compartmentalised as governments and then businesses and citizens turn their focus inward in response to threats from global terrorism and the breakdown of several processes involving global cooperation. Citizens reluctantly accept the argument that a militarily and economically strong liberal democratic nation can maintain global order and protect the lifestyles of the wealthy world and provide some benefits for any poorer countries that elect to become allies. In a fundamental departure from the early twenty-first century, even rhetoric about the importance of trade liberalisation disappears in a backlash against globalisation, which is seen as a source of instability and threats.

Within each block regions become globally wealthier—as global GDP grows—but less happy as the differences between the haves and have-nots become starker and increasingly immovable. Economies are increasingly defined by two self-reinforcing cycles—one virtuous leading to greater prosperity, the other vicious, leading to poverty and instability. Political and social tensions increase. Countries in the eurozone core that are globally competitive do well, while others on the periphery are forced out. Parts of Africa suffer the most. Elsewhere cities in China’s coastal zone continue to thrive but inequalities increase. Social discontent spikes as middle-class expectations are not met except for the very “well-connected”. With Europe weakened and the US more restrained, international assistance to the most vulnerable populations’ declines. Major powers remain at odds; the potential for conflict rises. An increasing number of states fail, fuelled in part by the lack of much international cooperation on assistance and development.

A divided world where the power and influence of different international and multilateral governance structures has eroded over the years. The regional blocks developed their own approach to address crossborder problems. Policy choices go all the way from repression, dictatorship and resource depletion to people’s democracy and the protection of the rights of mother earth. Energy resources and arable land are crucial geopolitical assets and the rivalry to access them, especially in Africa, frequently escalates in conflict. Global challenges are not addressed adequately and worsen. International media houses are increasingly instrumentalised by powerful - often regional - economical blocks. Conflict and global problems are rising at enormous social and environmental costs. An overall crisis is setting in, with escalating conflict and food and water scarcity as main drivers. This might force the multipolar world into reaction. Either one block will stand up as a new global leader or the crisis will force the different blocks to some sort of global cooperation after all.

Technological innovation moves onto parallel frontiers as global technological transfer becomes erratic, affected by a general climate of isolationism and mistrust. Climate change is subject to competing pressures: On the one hand lack of international agreement and cooperation on required actions exacerbates problems, but on the other hand the slower pace of global economic development moderates global emissions. On balance emissions still increase, but environment is considered as secondary to other challenges. Agriculture expands and/or intensifies in all countries in an attempt to reach the maximum possible food self-sufficiency. The strong push to intensify/expand agriculture results in deforestation and encroachment of natural ecosystems and increases agrochemical pollution, affecting the quality of watercourses and contaminating aquifers. On the other hand the growth rate of industrial pollution is contained because of the volatile trends in the general economy. Water-related conflicts flare up and expand beyond the countries directly involved. International migration barriers are increased in rich countries. Consumerism remains a personal goal for most people but individual self-interest and paranoid mistrust dominate. Absolute and relative poverty increase in many regions of the world. Fear and anxiety along with mistrust of the ‘other’ characterise the mood of the times. The general quality of life in both its objective and its subjective dimensions diminishes.
Walled world scenario

Division, conflict, currency controls and race-to-the-top-dynamics that only serve to deepen the long-term effects of the financial crisis prevail. As the global recession bites a range of other events, including interstate conflicts, domestic unrests and natural disasters, combine to make things worse. Countries are run by elites who protect their own economic interests, blaming each other and turning to populist, protectionist policies. Resource conflicts emerge and security threats and terrorism keep nationalism and protectionism alive. The financial world is extremely localised and highly volatile, with major arbitrage opportunities for those with the ability to trade across borders. Capital controls in most jurisdictions make this very difficult and political risk is high. Regulation is extremely fragmented by country and often extremely intrusive. The banking sector is nationalised in many jurisdictions. Restricted capital flows, the low-trust geopolitical environment and widespread trade protectionism mean very little financial policy cooperation among countries (slow and discordant).

This is a volatile world with a stop-start global economy, a return to subsistence for the many and greater gaps in human development. Securing supply is seen as the most important task on the political and economic agenda. National security interests dominate and incremental improvements in resource productivity are overwhelmed in the scramble for new abundances. Avoidance of resource constraints by extending commercial exploitation of resources into the oceans creates new risks to ocean health and increasing disruptions of marine and land-based communities. An extended period of global economic recession pushes back the timing of anticipated resource shocks, reducing the atmospheric carbon peak. Despite reduced climate impacts, increasing variability in weather patterns results in more extended drought, flooding and extreme events impacting cities and rural communities alike. As familiar horsemen overwhelm the slowing global economy–famine, pestilence and conflict–the scramble for survival is unleashed. States fragment along sectarian, tribal and ethnic lines. The failed states serve as safe havens for political and religious extremists, insurgents and terrorists. Resources are managed by local elites often on a city-by-city basis, and national security concerns focus on urban-rural divides as the best cities succeed at the expense of other communities.

Competition between global cities for resources causes political tension and high commodity price volatility. Under the disruptive influence of novel manufacturing processes, which negate the need for economies of scale, urban centres entrench and refocus inwards–aiming to ring-fence their power base at the expense of other urban areas.

The US and Europe turn inward and globalisation stalls. They are no longer capable or interested in sustaining global leadership. Economic growth continues in major emerging markets. Nonetheless fundamental economic and political reforms remain elusive in China and India. Corruption, social unrest, weak financial systems and chronically poor infrastructures slow their growth rates. As pressures grow everywhere for disengagement and protectionism the global governance system is unable to cope with a widespread pandemic that triggers panic. Rich countries elites wall themselves off from many developing and poor countries in Asia, Africa and the Middle East.
### Annex 3_ The implications of global scenarios on aid in general

#### Market forces

**Challenges and thematic approaches**

- Within a well-established free trade including food and agricultural commodities and an economic growth inclusive of rural and marginal areas, key aid streams are directed to public health and education, but the major part of ODA is transformed into an instrument for local market development and trade facilitation, permeates with a faith in trickle-down development reinforced by the earlier periods of ineffective aid in economies with weak institutions and governance. The global commitment to the goals of sustainable development and the environment is limited.
- In line with Moore’s Law, information technologies develop and cheapen rapidly and underpin an information and knowledge sharing revolution which rolls over urban and rural areas alike. Unlike earlier centuries there are no major breakthroughs in transportation technology. The growth of markets and trade is constrained by limited transport infrastructure and high energy prices.
- Price volatility is a major area of production and consumption risk which has not been adequately addressed by insurance and re-insurance markets.

**Financing mechanisms**

- The world remains capital scarce with critical constraints on the development of public-private partnerships for financing productive infrastructure. Its crowning achievement is the reform of existing international financial institutions dubbed “Bretton Woods II”—and the creation of a supranational regulatory authority, the International Financial Stability Fund, with the majority of the world’s countries as members. Unfortunately “Bretton Woods II" falls short of the needs of emerged economies, leading to renewed fears of an even bigger crisis. The financial world remains a major engine of profitability and growth managed by insiders.
- Political forces lead to ODA being targeted to weaker and smaller countries with weak institutions but in practice wealthier regions capture the major share of aid and benefits.

**Partnerships and implementing agents**

- Market forces dominate, both locally and in international trade and eclipse the development of social capital and partnerships.
- With the balance of power moving and growth increasingly propelled by the emerging economies (including China India Indonesia and Nigeria) the primacy of the West gives way to a new leaders world economy. Against the diverse policy and cultural backgrounds, corporate restructuring leads to growing concentration in some sectors which threatens equity, alongside growing investment in socially responsible business investment models. The emphasis on market forces drives innovation and productivity increases and encourages slow expansion in global trade, most significantly in food.
- In some regions, strong partnerships with private funders are mobilised to both improve the ODA budgets and facilitate the implementation of rural development.

**Cross links with other development agendas**

- Climate change and the environment are low political priorities. In these circumstances climate change intensifies due to growing consumption pressures. Demand-side policy is not pursued meaningfully until supply limitations are acute, including critical shortages of water and fertile land.
- Environmental policy is not seriously addressed until major climate events (rising sea levels, typhoons, droughts) stimulate political responses—partly to forestall food shortages and price increases.
- With growing vulnerability science and political leaders finally confront complex systems which require inter-sectorial approaches. In this manner agriculture, health, environment and trade agendas are inter-linked in urban and rural areas. Risk and resilience become the driving themes of social and economic development.
| Challenges and thematic approaches | The key challenge is to correct the weaknesses of mainly growth-centred free markets, particularly in terms of negative ecological externalities and widening social inequities.  
Market reform will require an elevated awareness of governments (and societies) for the need to reform more or less radically the legal and regulatory frameworks of societies. These frameworks establish the necessary preconditions of an environment-friendly and social market economy. To be sustainable and effective such reforms require broad based popular participation in political process, as well as in institution building (principles of rule of law, participation, transparency, human rights and accountability).  
Regarding the negative environmental externalities the vision of a “green economy” is promoted, which realises sustainable consumption as well as sustainable production within the given carrying capacity of ecosystems. With regard to the widening social inequities the norms followed are social responsibility and human rights. In terms of food and nutrition security this will require efforts to respect, protect and facilitate the realisation of a human right to adequate food for all. |
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| Financing mechanisms | ODA resources should have the role of residual funding if and insofar as the needed funds for development exceed the available domestic financial resources.  
In least developed countries financial resources for public expenditure and investment will come from both domestic and external sources, whereby domestic financing will have priority. However the poorest countries will continue to depend on significant volumes of ODA for their fight against poverty and food insecurity.  
In so far as hunger and poverty continue to exist also in emerging economies the bulk of funding for poverty alleviation programmes will come from domestic sources.  
Emerging economies, including those expected to “graduate” to the developed countries will also more and more become donors of ODA for development in poorer countries.  
Within countries, private savings will also increasingly play a role as source of funding for domestic investments, including public as well as private. With efficient pro-poor financial institutions in place such savings may also serve as source of micro credit and thus support broad based pro poor development. |
| Partnerships and implementing agents | State and nonstate agencies interact closely with aid agencies in implementing institutional reforms focusing amongst others on good governance, sustainability, poverty alleviation and social safety. Private sector companies are key drivers of investments, however they are supplemented by public sector reforms and investment in public goods.  
Partnerships are built between aid agencies, state and nonstate actors at local levels. Beneficiaries of decentralised and participatory local development initiatives are in particular people in rural areas. The majority of the poor and food insecure, including people suffering from extreme poverty, are living in rural areas of the developing countries.  
In partnership with aid agencies and in close cooperation with other countries, governments are also actively participating in the pursuit of global public goods at international levels (including regional and global ones) such as the protection of land and water, fish stock, climate, trade or research. |
| Cross links with other development agendas | Agricultural and rural development plays a key role for successful long-term reduction of poverty and food insecurity. The decline of poverty is particularly significant as a result of investment in labour-intensive smallholder agriculture. Therefore aid programmes target agriculture and rural development, focusing on food and nutrition security at large, including both growth of productivity as an outcome of sustainable intensification and access to adequate nutrition as a precondition for healthy and active lives.  
In line with the multidimensional and integral character of food and nutrition security, the strategy under this scenario relies on close and productive links between food and agriculture, nutrition and health, education and research and protection of natural resources and climate stability. |
| Challenges and thematic approaches | • The demise of the North-South catalyses a new definition of, and more complex policy agenda for, global development post 2015. The role of aid and its role in maintaining the conventional model of consumption-led growth and redistribution via employment and state welfare to close the gap on the SDG is no longer seen as viable in the context of global imbalances, structural inequalities and the prospect of global environmental crisis.
• Alternative models for finishing the job on poverty whilst addressing structural inequalities proliferate reflecting challenges of gaps and divides emerging on multiple fronts—employment, income, technology skills bias, migration, etc. These models reflect values shifts such as dematerialisation and quality of life interests of wealthy and ageing societies and the rapid materialisation and greener growth needs of developing and emerging economies.
• A pragmatic global development agenda promotes the health of connections in a globally interdependent world: concepts of multidimensional wellbeing flourish which recognise the need for more inclusive and greener economic growth as the means to avoiding technology skills biases and rural-urban divides.
• New global commons agenda emerges for managing global interdependency such as cyber security, soils, biodiversity, food and ocean health. The climate change agenda evolves to promote mutual peer learning on approaches and measures for progressing adaptation and mitigation.
• The emphasis in national security shifts from independence as a choice (e.g. isolationism) and dominance to managed interdependence across economic, social and environmental domains.
• Large scale sustainable intensification is moved into an “agroecological” revolution in which relatively small and often family-based production units supply very diverse external and domestic demand for niche foods and nonstaples. Global value chains are based on systemic risks and resilience (food systems security and sustainability rather than supply side productivity).

| Financing mechanisms | • Aid is financed from an increasing number of sources and via a more diverse array of mechanisms.
• Finishing the job on poverty is achieved through an approach to more inclusive opportunity for those able to help themselves (jobs, micro and meso credit) with safety nets restricted to those unable to help themselves.
• There is increasing recognition of the needs for a combination of micro, meso and macro financing and in particular to the vibrancy of the SME sectors.

| Partnerships and implementing agents | • A fluid, network of shifting coalitions working across traditional North-South divides and policy silos.
• An increasing array of global issues networks, facilitated and orchestrated by nation states emerge.
• New regional authorities coordinate across different national interests to govern the new global commons.

| Cross links with other development agendas | • Development is no longer seen as a sector apart from other policy domains but as an interconnector of policy domains such as trade, environment, urban planning, agriculture and development, and connected challenges such as the food-energy-water security nexus, megacities peri-urban sprawl.
• The challenge of policy coherence for development is addressed through the orchestrator and coordination of networks and coalitions of wider policy shapers, makers and doers working across urban, national and regional levels.
• The development agenda includes challenges of stimulating long term investment, addressing global taxation, promoting corporate responsibility and anticorruption.
### Challenges and thematic approaches
- The rights-based approach is operationalised in some regions where inequalities are put on the agenda as a problem. In some other regions it is not an issue. Depending on the region, rural development strategies are therefore embedded in very different visions of how redistribution policies should or should not play a role.
- Sustainable development goals are only translated into regional resilience goals, as global governance of global public goods like climate or the regulation of global economic exchanges is too weak to really contain global systemic risks. Coping with extreme disruptive risks is the core issue of development policies in every region.
- Some regions nevertheless put the focus on developing green economy strategies (decreased dependency on oil, for instance) but in the perspective of competition with other regions, which is also true for agriculture. No global mechanism to help bear the additional costs of transition, and only regions with a very strong economic power can afford to have their internal structural funds/development funds care about sustainable development pathways for poor regions or countries.
- Development banks of emerging countries are leaders in ODA. They develop very effective development policies within their own region. Differences in aid strategies are accentuated rather than minimised.
- Some regions have developed internal policies similar to the EU: Common market, environmental and social regulation, structural funds taking the place of ODA. Whereas in some others regional harmonisation of policies is very weak and internal public financial flows between countries only cover some projects of poverty alleviation.
- The limited crossregional ODA funds available are mainly used to enable less wealthy governments or regions to establish public policies and regulation frameworks.
- In some regions private funders are major players for financial transfers for development and set the direction of ODA.

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### Partnerships and implementing agents
- In some regions NGOs get more power in decision making and as implementing agents. Globally civil society organisations and philanthropies try to overcome the regional barriers. Though these international civil society links are weak, they are an important part of global governance.
- Emerging countries are more powerful within “their own sphere of influence” but they do not necessarily look after partnerships.
- In some regions strong partnerships with private funders are mobilised to both improve the ODA budgets and facilitate the implementation of rural development.

### Cross links with other development agendas
- The focus on development resilience, particularly to external risks of a systemic nature, puts the stress on a systemic approach for development, encompassing all dimensions and a variety of sectors in rural areas. But there is no link made with supply chains and the whole food system, and particularly the link between rural and urban areas.
- In some regions where the right-based approach is operationalised rural development is considered as a global concept, linked with agriculture, nutrition, health, education.
- In other places rural development is still considered as a particular topic. Development agendas are not so much crossed.
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Challenges and thematic approaches

• Agriculture has a dual function: Providing high quality, diverse, rich and safe food for the urban elites and providing low quality, cheap and mass consumption products for other urban and rural classes. A small high tech agricultural sector develops based on specialised farms while highly-mechanised industrial agrocorporations run by the elites operate at large scale. In between a fabric of small to medium scale farms survives either for self-subsistence or for supplying local markets with a diversity of products.
• The concept of ODA becomes progressively obsolete. Aid is not an issue in agriculture. It is not an issue for rural development per se. Food and nutrition security are “ensured” through this dualist structure with different and unequal levels of security and safety. Depending on the strategies of the elites, some aid is devoted to ensure social security and stability where elites control is looser, in particular in rural areas in order to avoid unrest.
• Sustainable development goals are highly local-specific and addressed only when threats are pending. Global cooperation on sustainability concerns only major threats to the ruling position of elites, in particular global threats to their welfare and economic power (pandemic, bio-hazards). Reactive responses to threats are highly effective as the power to control these threats remains in the hands of a few.

Financing mechanisms

• Elites in urban centres provide the minimum resources to ensure stability in their hinterland through their private investments and/or their “philanthropic” organisations.
• Direct investment and remittances from local elites also flow to target their regions of origin or ethnic groups.

Partnerships and implementing agents

• Implementing agents of the scarce aid are the institutions created by the local elites but as aid is not relevant, most of the “development” occurs through private sector companies, philanthropic foundations and wealthy individuals buying local clientele for the power game.
• Local partnership is inexistent or a contingent initiative.
• Regional and global partnership takes place between elites to address major threats on a reactive basis.

Crosslinks with other development agendas

• “Aid” does not target agriculture and rural development, food and nutrition security per se. They are part of local strategies to ensure political security and social stability at a lower cost.
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