Realising the Promise of Inclusive Agribusiness

Issues and Opportunities for the Global Donor Platform

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Overview

• The case for inclusive agribusiness
• Emerging issues and opportunities
• Implications for donors and GDPRD
What Is Inclusive Agribusiness?

- A profitable commercial agriculture or food sector venture that is designed to significantly benefit poor producers and/or consumers
- Attention for a triple bottom line of
  - People
  - Planet
  - Profit
Overlapping Concepts

- Inclusive Agribusiness
- Agricultural Market Systems (M4P)
- Sustainable Agricultural Value Chains

Private Sector Engagement
Aid for Trade
Bottom of the Pyramid
In Practice …

- Inclusion of small-scale farmers/entrepreneurs on beneficial terms
- Supportive business environment for SME’s
- Employment under fair conditions
- Dynamic agri-clusters/centers
- Healthy, affordable and accessible food products and services
- Voice in governance and investment
The Case for Inclusive agribusiness

Agriculture still matters

– High employment agriculture
– Driver of rural economies – balancing urban migration and creating rural wealth
– Distributor of wealth
– Women’s economic empowerment
– Significant export earner
– Few extra ag dollars create pathways out of poverty for next generation
– Resilient and sustainable food systems are critical f

Agriculture has huge potential to deliver public goods through business activity and public private partnerships
Why Inclusive Agribusiness? and not just value chains

- Links to the rapidly growing wider field of inclusive business and inclusive economies
- Recognises that change will be heavily influenced by what happens in business
- Puts partnering and engaging with business central
- Goes beyond individual value chains to whole the business environment
- Explicit about creating diverse economic opportunities for the poor through business activity
Key Messages

- There is a lot happening with high level public commitments to the agenda
- Diverse range of donor programs and mechanisms supporting IAB
  - 3-4 billion
- Numerous positive examples indicating effective business / development partnerships
- Very little compiled or synthesized evidence
  - Don’t know the current or potential impact
- Many questions about how to have impact at greater scale
- Major questions about how to link public and private agendas and resources to achieve scale
Types of Donor Support

- **Value chain and market development programs**
  - Market systems development (consultancy implemented)
  - NGO programs

- **Support for private sector platforms**
  - World Economic Forum // Grow Africa & Grow Asia
  - Commodity round tables

- **Specific initiatives**
  - Sustainable Trade Initiative (IDH)
  - New Alliance

- **Multi-donor funding**
  - CADDP support
  - GAFSP
  - AECF

- **Emerging innovative financing mechanisms**
The Grow Asia partnership is catalyzed by the World Economic Forum in partnership with the Association of South East Asian Nations (ASEAN) Secretariat.

The partnership facilitates multi-stakeholder collaboration to enable sustainable and inclusive agricultural development in South East Asia focusing on the development of smallholder farmers and environmental sustainability of agriculture.

Target
By 2020, reach 10 million smallholder farmers and enable them to increase their yield and profits by 20%, using 20% less water and emitting 20% less greenhouse gases per tonne of production.

Vietnam
Events
Grow Asia Forum 2016
Kuala Lumpur, Malaysia
Tuesday 31 May 2016

Country Partnerships
Myanmar

Country Partnerships
Philippines

Report
The Global Challenge on Food Security and Agriculture
New Vision for Agriculture Overview

Reports
Tackling Global Challenges
Harvard Kennedy School Lessons in System Leadership

Building Partnerships for Sustainable Agriculture and Food Security

Engage
Meet the Grow Asia team based in Singapore
Perennial Issues In going to Scale

- Infrastructure
- Finance
- Rural services
- Land tenure
- Women’s empowerment
- Enabling policy
- Social protection

Public Policy and Investment
Where to focus for Poverty Impact?

- Informal Economy
- National and Regional SMEs
- Global Business

- Extreme Poor?
  Poor with Assets?

Different company dynamics
Global North and Global South
Risks and Moral Hazards

1. Exploitation
2. Voice
3. Status Quo/Facade
4. Technical responses
5. Co-option
6. Misplaced development effort
7. State inaction
Avoiding Moral Hazards

1. Unpacking the public and the private
2. Visions and strategies for rural (small-scale agriculture) transformation
3. Investing in transparency and accountability
4. State investment/policy to push down the economic pyramid
   o Pre-competitive and pre-commercial costs
5. Strong civil society
6. Effective multi-stakeholder processes
Building Blocks

- Small holder / partner capability
- Finance and risk management
- Business Incentives and Commitment
- Enabling Policy and Infrastructure

Stakeholder Dialogue and Partnership

Public Investment

Private Investment

Public Goods

Private Goods
Emerging Issues for Donors

1. Demonstrating clear enhanced poverty impact by working with markets and private sector
2. Developing funding mechanisms that enable “entrepreneurial” programing that can partner effectively with private sector
3. Identifying the most catalytic way to use limited resources
4. Ensuring responsible private sector partnerships and additionality
5. Supporting a collective knowledge and learning network that drives effectiveness and innovation
Recommendations

- GDPRD Proceed with the IAB workstream linking agriculture, trade, private sector and market development
- Donors establish a coordinated funding approach for cross program impact assessment, research and knowledge synthesis.
- Knowledge institutions and practitioner networks engaged with inclusive agribusiness form a global learning alliance
- The GDPRD host a workshop in November 2016 to develop a knowledge and learning agenda
Towards an Enhanced Knowledge and Learning Agenda

• Better foresight and scenario analysis
• Jobs and growth spin-off
• Meta-analysis of case studies to show trends and scale of impact
• Building the evidence base for inclusive investment by business and the state
• Practical knowledge on viable business models
• Monitoring, transparency and certification
• Linkages with social protection
Role of Global Donor Platform

- Brokering a more coordinated and effective knowledge and learning agenda
- Supporting active network of donor staff responsible for IAB
  - Identifying common questions / concerns
  - Sharing information on key event and documents
  - Sharing information about different programs and evaluations
- Teleconferences on key issues
- (Co)-Hosting key learning events
Topics for Workstream

• Developing the evidence and knowledge base
  – Metrics
  – Increased coordinated funding
  – Mobilizing global learning network

• Innovative Finance for Inclusive Agribusiness
  – Matching current state of innovative finance to agriculture sector
  – Donor sharing on directions and policies
  – Ag and innovative finance event

• Enabling Policy Environment
  – Better understanding of key policy mechanisms
  – Joint donor in-country work partner governments
Thank you!

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To join the workstream, please contact the Platform secretariat – Romy Sato
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