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2008

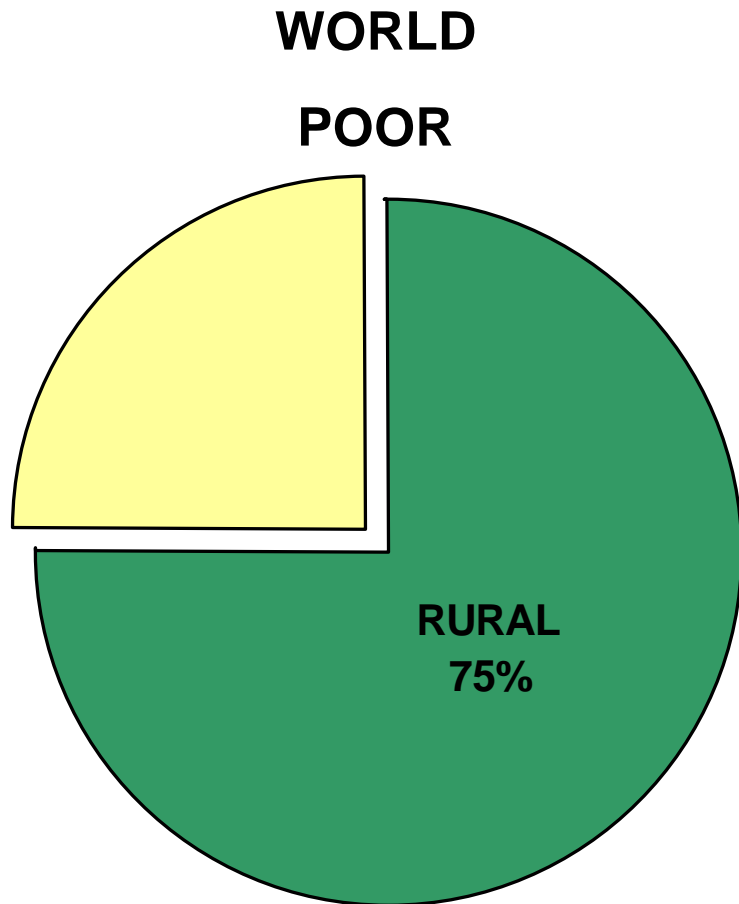
# *Agriculture for Development*



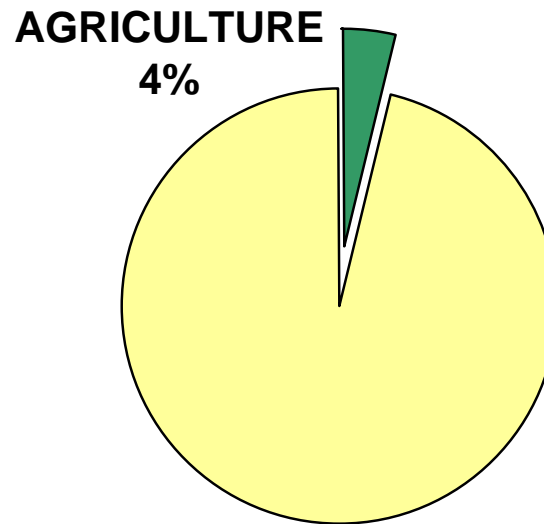


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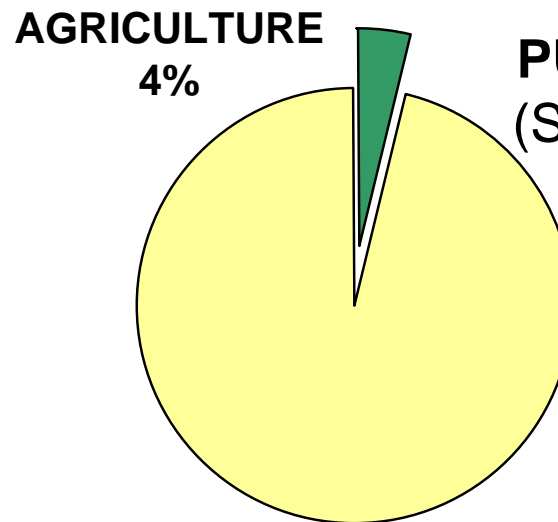
# A stunning discrepancy



**Agriculture main livelihood**



**OFFICIAL DEVELOPMENT ASSISTANCE**  
(12% in 1990)



**PUBLIC SPENDING**  
(Sub-Saharan Africa)



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# Overall message

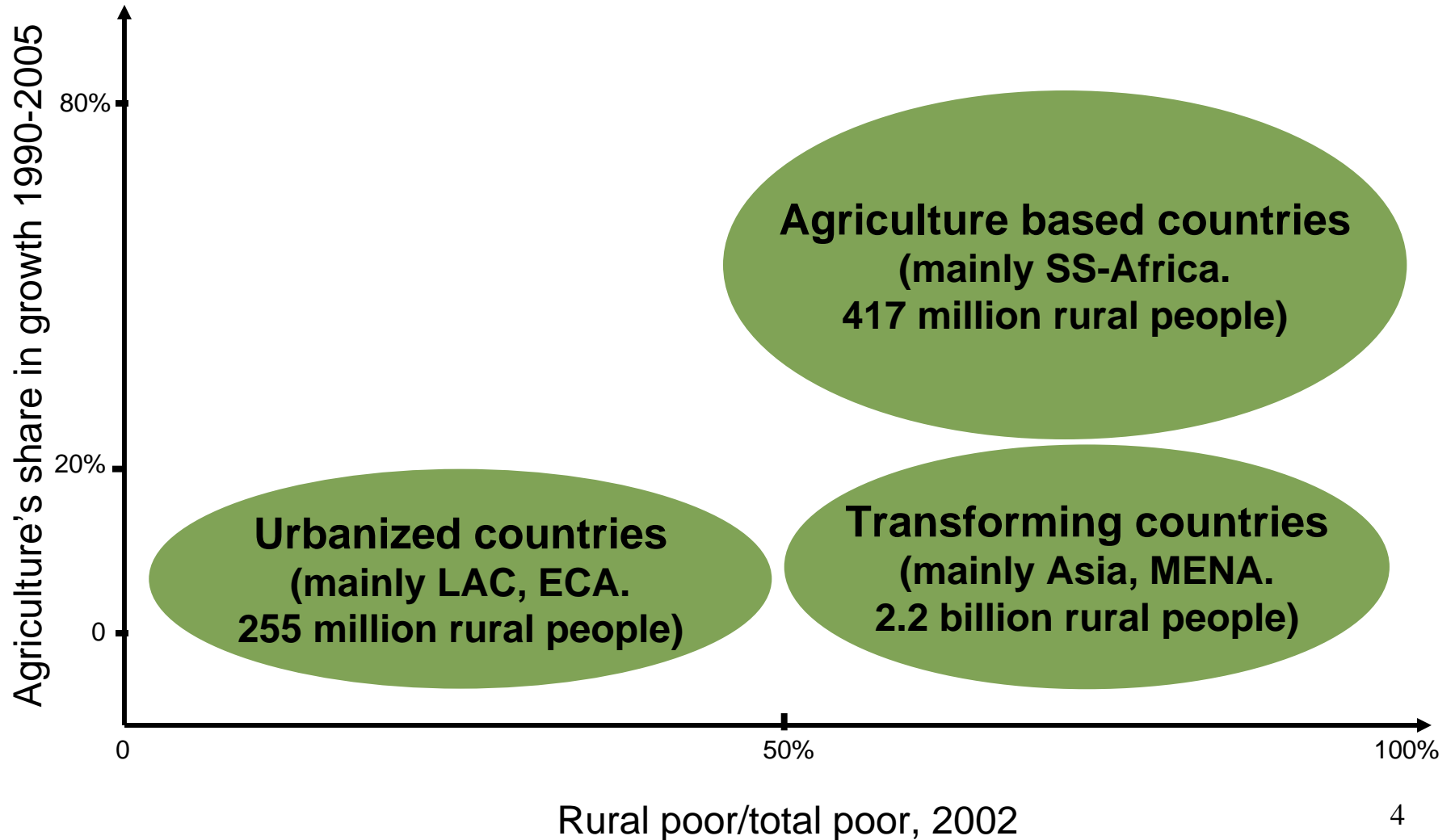
**To meet the MDGs, agriculture must be given a more prominent place in government and donor priorities.**

**Successful implementation requires reconsidering the relative roles of the state, market, and civil society.**



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# The world of agriculture is heterogeneous





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# Agriculture fulfills multiple functions in development

- 1. A trigger of growth**
- 2. A source of livelihoods**
- 3. A source of environmental services**



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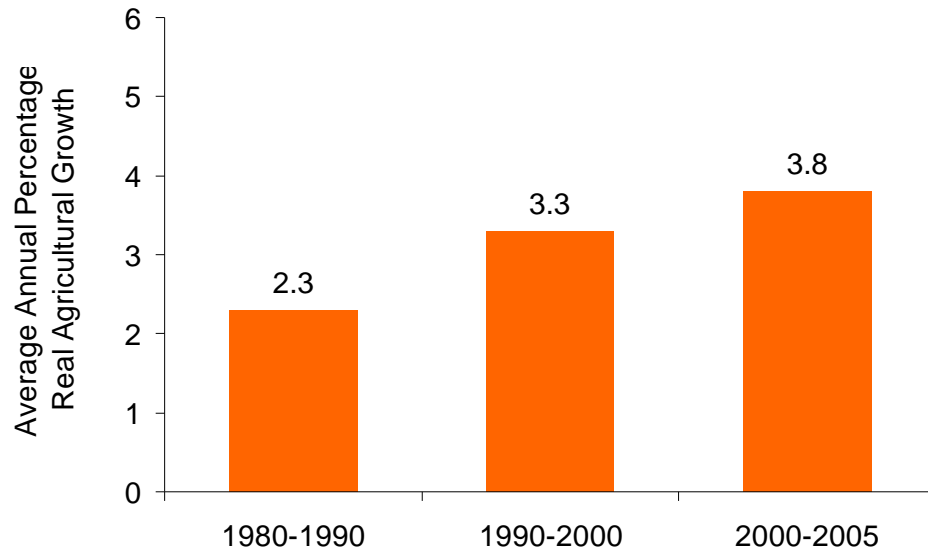
# 1. A trigger of growth

## Important for Sub-Saharan Africa

Agriculture for:

- GDP growth: large and leading
- Food security and wage competitiveness
- Comparative advantage in trade

**It can succeed:**  
China, India, Vietnam.  
Sub-Saharan Africa  
since 1995



Source: World Development Indicators



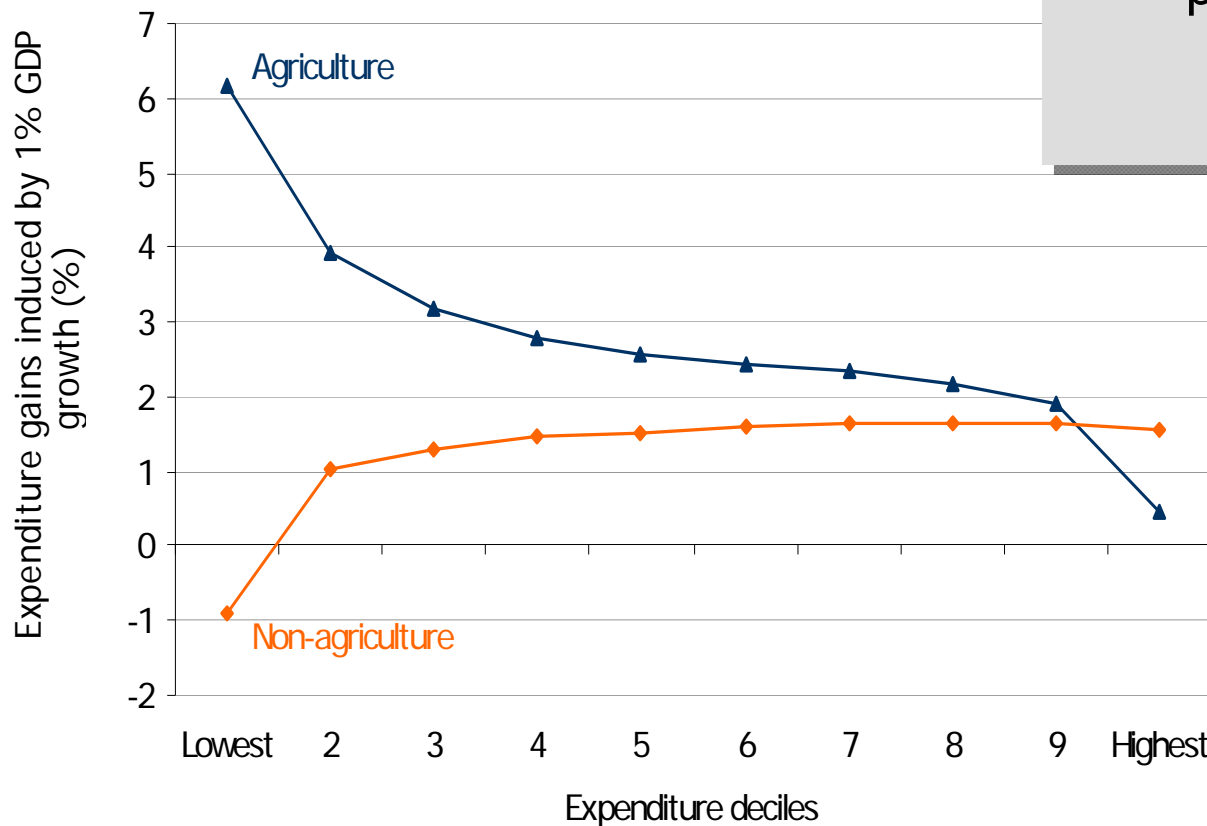


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## 2. A source of livelihoods

**Important:**  
2.5 billion people in agriculture,  
900 million extreme poor

**It can succeed:**  
GDP growth from agriculture  
can benefit the income of the  
poor 2-4 times more than  
GDP growth from non-  
agriculture





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## 3. A source of environmental services

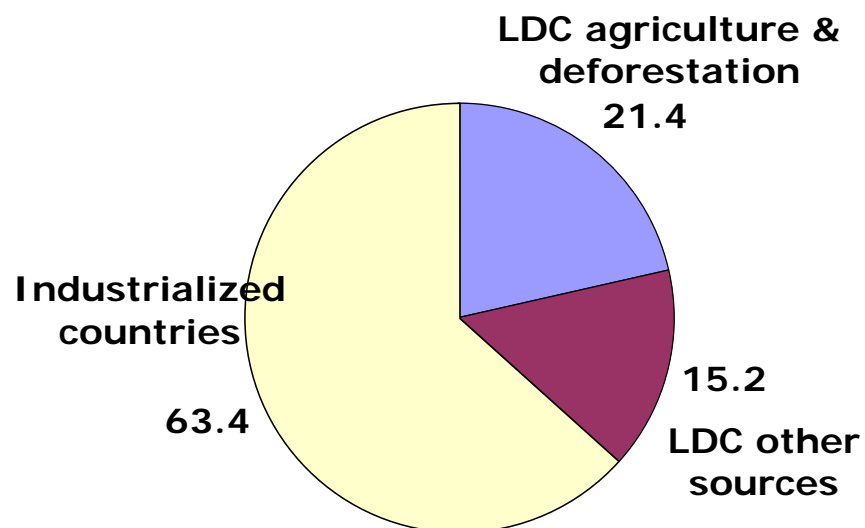
### Important:

80% of fresh water resources  
21% of greenhouse gas emissions

### It can succeed:

Sustainable farming systems  
and environmental services

Contributions to greenhouse gas emissions





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## But much under- and mis-use

### □ **Stunning successes**

- 300 million out of poverty in rural China early 1980s

### □ **But many missed opportunities**

- Under-investment in agriculture (4% SS-Africa) and state-market contradictions
- Mis-spending toward private subsidies (75% India, 54% LAC), or
- Agrarian structures that do not translate growth into poverty reduction (Latin America)



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# Important new opportunities

- ❑ **Reduced taxation and trade agreements**
  - From 30% taxation in 1980 to 10% in 2004 in ag-based
- ❑ **A “new” agriculture**
  - 300% increase in non-traditional exports between 1990 and 2004
- ❑ **Institutional and technological innovations**
  - IT for financial services and extension, NERICA
- ❑ **New actors and new ways of doing business**
  - Private sector, producer organizations, public-private partnerships
- ❑ **Rapid growth in the rural nonfarm economy**
  - Investment climate and agribusiness clusters



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# With challenges to be addressed

## ❑ Constraints on growth

- Trade barriers, resource scarcity

## ❑ Making growth pro-poor

- Smallholder competitiveness, rural labor markets

## ❑ Implementation bottlenecks

- Weaknesses in governance, mis-spending, underinvestment in international public goods



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## An agriculture-for-development agenda for agriculture-based countries

**A smallholder-based productivity revolution, while catering to food security (Sub-Saharan Africa)**

Growth to get 170 million rural poor out of poverty

❑ ***It will be different***

Decentralized, participatory, multisectoral

❑ ***Objectives are to achieve***

- Smallholder competitiveness
- Market entry for subsistence farmers
- Resilience of subsistence farming systems & food security
- Income diversification



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## An agriculture-for-development agenda for transforming countries

**A comprehensive rural development approach to  
reduce disparities and rural poverty**

**(South and East Asia, especially India, China)**

**Can benefit 583 million rural poor**

- ❑ ***Offer a multiplicity of pathways out of poverty***
  - “New” agriculture and green revolution for marginal areas
  - Decentralize economic activity
  - Invest massively in rural human capital
  - Safety nets for those left behind



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## WDR recommendations on 'hot issues'

- ❑ **Doha must progress** – with attention to transition in special products
- ❑ **Subsidies can be used** – with attention to market development
- ❑ **GMOs have unrealized potential** for the poor – with attention to biosafety
- ❑ **Biofuels could be important** – but need more productive technologies
- ❑ **Adaptation to climate change** requires urgent attention



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## Looking forward: WDR 2008 as a starting point

- ❑ **WDR developed in a broadly participatory fashion**
- ❑ **Follow up with the participatory development of regional and country agendas**
- ❑ **Seek broad commitment to agriculture for development**

<http://www.worldbank.org/wdr2008>