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## Changing agricultural models in the post-2015 development agenda: implications for official development assistance (ODA)

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**A**fter a long hiatus, agriculture has been reinstated as a priority in the multilateral development agenda. With less than two years remaining before the end of negotiations on sustainable development goals (SDGs), which will embody the global development agenda priorities for 2030, the “promotion of sustainable agriculture” appears among the goals defined by the Open Working Group tasked with preparing the negotiations. However, the relative consensus on the goals hides the underlying controversy surrounding the means. Today there are conflicting views about the changes required in agricultural models to achieve the ultimate, overarching goal of sustainable agriculture by 2030. What change is needed in the agricultural sector? And for what change in the economy? The objective of this policy brief is to explore the consequences, for official development assistance (ODA) operators, of this universal question that the post-2015 agenda raises in every country.

### RECOMMENDATIONS FOR FRENCH ODA AND ITS OPERATORS:

- Developing forward-looking views of agricultural sector change and of the contribution of agriculture to different national and regional development paths, in response to the structural challenges (economic, social and environmental) facing economies and societies. These foresight exercises are only meaningful if they are considered in context at the regional level within an appropriate framework for participation and dialogue with national operators.
- Supporting decentralised cooperation mechanisms that focus on territorial development paths, with this cooperation providing the opportunity to rethink intermediate development structures as channels for national policy and financing.
- Building European and French capacities to support policy dialogue between countries and within aid recipient countries, in order to foster experimentation and learning. Aid operators in France and Europe are not, or are no longer, equipped for the cooperation activities that these dialogues imply.
- Ensuring greater involvement and use of research mechanisms in the design and implementation of methods for assessing the performance of development assistance policies in the agricultural sector that are better suited to informing operators about the conditions for the success of their interventions and their effects, and to fostering learning, in synergy with other cooperation mechanisms.

## 1. AGRICULTURAL DEVELOPMENT, A MEANS TO DIFFERENT ENDS

After the 2008 food crisis, several initiatives were launched: G8 Agriculture (2008), G20 Agriculture (2011), the Year of Family Farming (2014) – acknowledging that this sector has merits that have too long been neglected in poverty reduction, food security and nutrition and the “effective” management of natural resources. Yet they only re-establish agricultural development in its narrowest sense: that of increasing yields and production. This approach to agricultural development and its goals is not, however, a unique approach. In international texts and French commitments, the goal of food security is rarely encountered today other than under the full title of “food security and nutrition”; it thus includes issues of access, diversity, quality and stability, which cannot be limited to increasing yields and production alone. The goal of poverty reduction, considered in its many dimensions, in turn calls for a series of connected goals, especially jobs in the agricultural or agri-food sector and in rural areas, and access to productive assets, which cannot be achieved solely by increasing yields and volumes placed on the market.

Food security, nutrition and extreme poverty reduction are not the only goals assigned to agriculture in the programming of ODA. At the very least, this goal is accompanied by an addendum specifying that it should be achieved by integrating sustainable development issues; but it may also be supplemented by goals relating to environmental protection and the sustainable management of natural resources. The range of “support for agriculture” and of “agricultural developments” covered by such goals is even broader than the one proposed by the G8 and G20 Agriculture Ministers.

Within this abundance of means and ends, the reintegration of agriculture into the development agenda raises more questions than it currently answers. This is reflected in the controversy surrounding the economic or technical-organisational models that are meant to guide the intervention process to transform the sector: agroecology against the new green revolution, and support for agribusiness versus support for family farming are just two examples of this. Beyond the priority given to and the hopes placed in private initiatives, which we do not intend to challenge here, donor countries are struggling to clarify the theory of change underlying their intervention, and consequently to provide themselves with the means to achieve their goals and to enable agriculture to realise the full potential afforded by their commitments.

## 2. IMPLICATIONS FOR THE ALLOCATION OF ODA

The real accomplishment of the revision of the cooperation agenda in terms of agriculture is that agriculture and agricultural development are no longer to be seen as a means, but rather as an end. The range of public policy bodies that can be built on such foundations is clearly very wide. This scope is in itself an initial challenge facing policymakers, as it obliges them to plan agricultural development at different scales, in a crosscutting manner in connection with other sectors and ministries. The multifunctional and multidimensional nature of agriculture has the paradoxical effect of justifying budget increases while at the same time complicating budget planning. Designing agricultural development policies that overlap other policies sharing the same goals is indeed more complex than building a kilometre of road. This distinction is not without significance in the paradigmatic framework produced by the principles of aid effectiveness (Paris Declaration on Aid Effectiveness, Accra Agenda for Action, Rome Declaration on World Food Security).

The uncertainty surrounding the objectives assigned to agriculture in fact leads to the accumulation of these objectives. Family farming and climate-smart agriculture set “win-win-win” economic, social and environmental goals and are an example of this prodigious notion of a multi-purpose, multi-effective agricultural model. Although family farming in particular provides unquestionable solutions to short-term challenges for a large number of developing countries, and in particular for the least developed countries (LDCs), in the long term it remains dependent on the labour absorption capacity of other sectors as well as on their financing surplus. Hence the need to ensure that its promotion and support for its evolution are integrated into a more “macro” approach to development.

Finally, although “the world of agriculture has changed dramatically since the 1982 World Development Report on agriculture” and economic development<sup>1</sup>, many of the terms of the agricultural equation in the LDCs appear unchanged: the concentration of the labour force in the rural sector, the degradation or depletion of natural resources, low capitalisation, under-employment, and market incompleteness. This observation, in addition to that of uncertainty about long-term sector change, suggests that rather than adopting a dogmatic approach promoting a specific agricultural model and its ready-made package of policies

1. As underlined by the World Bank World Development Report 2008, also focusing on agriculture.

and projects, a humble position is required, based on experimentation and learning between mechanisms deployed in specific contexts and the policy dialogue essential to the latter.

### 3. SCOPE AND LIMITATIONS OF FRENCH AID RESPONSES

**Unquestionable experience.** With a legacy of 70 years of agricultural and rural development, French official development assistance has unique experience of support for the sector, for agricultural policy and for the coordination of networks, founded in particular on the mobilisation of technical assistants, policy dialogue, and knowledge production by development research institutions that are relatively indifferent to reputation effects and trends, setting it apart in the global aid system.

**Broad ambitions.** The French Development Agency's (AFD) new Strategic Intervention Framework for 2013-2016 attempts to articulate the different dimensions that currently affect or will come to affect agriculture in Africa and the rest of the world (population, climate, biodiversity, employment, agricultural techniques, etc.), the goal being to contribute to “growth that is sustained over time, and socially and ecologically sustainable, in both food and non-food agricultural sectors, based on family farms and companies establishing balanced relationships in the context of diversified and resilient farming systems, using the best available practices in certification and agroecology”<sup>2</sup>. This view of a multifunctional, sustainable agricultural model, which nobody can fault, does not solve the problem of the transition, conflicts and trade-offs specific to each national situation, especially in its long term version; it also says nothing about finance and support for this model. Finally, it fails to include several exogenous variables that are nevertheless crucial, such as monetary policy and in particular the convertibility of the CFA franc.

**An increase in loans to the detriment of donations, and of LDCs.** In line with what is observed in the DAC countries, national agricultural ODA levels fell between 1990 and 2005 in France. It is predicted that the share of subsidies (donations) in the Strategic Intervention Framework will fall from 27% to 13% and the budget concerned from 270 million to 208 million euros in 2013-2016 in relation to 2008-2012. The dual movement of

diminishing subsidies in favour of loans on the one hand, and the preferential allocation of subsidies to the social sectors on the other, automatically results in agricultural projects being increasingly financed by loans, which are less and less concessional. Consequently, the evolution of the geographical area of intervention is detrimental to LDCs, for which loans do not enable intervention in the agricultural sector.

**A mismatch between means and ends.** Institutional support for agricultural policy, the priority and relative singularity of French cooperation in the global aid system, is essential to the “transition of family farming towards agro-ecological intensification”, supported in these terms by the policy act adopted in February 2014. This support was traditionally the responsibility of the former Ministry of Cooperation, and has practically disappeared since its transfer to AFD, whereas support for rural infrastructure such as irrigated land, lowland development and rural roads has been largely maintained. This situation is similar within other bodies such as the New Partnership for Africa's Development (NEPAD), despite a review of the Comprehensive Africa Agriculture Development Programme (CAADP) aimed at the (re)definition of agricultural policies across sub-Saharan Africa.

**The problem of failed states.** The history of French aid is marked by the central role given to the state in recipient countries. It is not unusual for aid operators to cooperate with high-level professional agricultural organisations when faced with extremely weak state administrations: in this case, the co-management of public policy is ineffective. In other situations, the regional authorities and decentralised technical support services continue to play their role in the regions despite the weakening of the centralised administrations. Fragile or failing states call for very careful management of agricultural ODA in terms of its design and implementation, within a coherent and predictable operational framework for intervention. This operational framework remains to be developed.

2. AFD (2013). Sécurité alimentaire en Afrique subsaharienne, *Cadre d'intervention stratégique 2013-2016*. Paris: Agence française de développement.

#### 4. OUR RECOMMENDATIONS

**Developing forward-looking views** of agricultural sector change in the long term and of the contributions of agriculture to different potential development paths for 2030 – the likely time horizon of the new international cooperation framework. These forward-looking or backcasting exercises are made necessary by the post-2015 agenda, which will set for this horizon a series of goals and targets towards which all development policies and projects will converge. They should enable the identification of sustainable paths that take into account foreseeable structural changes (population, employment), while also integrating those whose effects are less predictable (climate change, technical innovation, etc). Their construction, within a suitable framework for participation and dialogue with national operators, can also support state legitimacy and capacity. They will build capacities for strategic planning in the institutions that manage the CAADPs, which currently receive insufficient support. They require coordination at the regional level, the scale at which a certain number of macro-economic policies (trade, monetary) need to be aligned with national policies. Support for regional coordination and foresight structures should be one of the important components of French ODA.

**Building European and French capacities for supporting policy dialogue between countries**, while respecting their specificities, but also highlighting the common challenges of pathways to change and of the policies that will make these possible. Aid operators in France and Europe are not, or are no longer, equipped for the

cooperation activities that these dialogues imply: presence and visits in the field and associated budgets, especially in the form of donations, as policy dialogues, albeit of high social value, have diffuse, long-term effects that make them unsuitable for meeting the effectiveness and impact criteria recommended during assessments. These means must therefore be reinforced, and the actions of European donors, among others, better coordinated.

**Using policy dialogue to foster experimentation and learning**, both at the infra-national level and within multi-stakeholder regional platforms. The search for synergies with other cooperation mechanisms to offset the loss of French ODA resources for intervention must be a complementary occupation within these platforms. Learning requires considerable support for the assessment of public policy and impacts by research bodies. The potential of French development research must be used appropriately to this end.

**Supporting decentralised cooperation mechanisms focusing on regional development paths.** A forward-looking spatial approach should enable the strategic integration of the major structural issues within a region. It provides the opportunity to rethink the intermediate development structures as channels for national policies and financing and as part of the response to the institutional challenges encountered in fragile or failing centralised states. This approach requires an in-depth reform of donor practices, based on local operators and involving greater coordination around a common long-term strategic vision. ■