

## ASFG presentation at World Bank Annual Meetings October 11<sup>th</sup> 2013

### Setting the Scene: The importance of the enabling environment for small-scale farmers and key areas for consideration

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#### 1. We support what the BBA is trying to achieve

It's not very often you hear a bunch of NGOs saying they agree with the WB but we are positive about initiatives that say they are aiming for:

***“Increased farmer productivity and strong agricultural value chains will improve food security, create livelihoods and raise incomes”***

We agree on the **need for a stronger agricultural sector**

Africa governments have big challenges which mean food security is high on their agenda:

- fast growing populations: 2010-2020 project pop growth in Africa is 25%, an extra 1.3 billion people (cf Europe 0.8%) and
- urbanising populations: Between 2010 and 2025, 16 of the top 20 fastest growing cities in the world will be in Africa.

With these challenges comes opportunity for food producers, especially smallholder farmers who form the backbone of economic activity in most countries (they contribute over 90% of Africa's agricultural production; More than ⅔ of Africans depend on small or micro-scale farming as their primary source of livelihood and in sub-Saharan Africa, women grow 80-90% of the food). They have the potential to play a crucial role in supplying food to the continent's population and bringing about economic transformation in rural areas.

In responding to local, national and regional food demands these farmers face many challenges – government policies and practices are often unresponsive to their needs, meaning they struggle to improve their productivity or access to markets. Our experience shows that many farming households, who live far from existing transport routes and are resource poor, can meet the challenge and want to, but only if governments invest proactively in the infrastructure and services they require to respond to market opportunities' (reference Africa's Smallholder Farmers, ASFG).

Farmers want clearer and better choices – to make their farming enterprises more successful or perhaps to move out of farming into other employment. A more commercial route may not be appropriate for all farmers particularly the most vulnerable and other support like social safety nets may be needed (outside of BBA).

#### 2. Better enabling environments are key

**ASFG framework** is based on a study of the institutional, regulatory and policy environments that will enable SHF that want to and have the potential to respond to the new opportunities. We feel it is comprehensive but obviously not exhaustive – something we share with the BBA (slide or wave ASFG doc around)

Majority of cases we looked at the enabling environment wasn't working well. Dearth of examples of positive action in the enabling environment.

We want this framework to be useful to policy makers and those supporting them, to offer a structure for considering what the critical issues are.

We recognise that governments can't do everything – it is vitally important that they are supported to assess their agricultural sectors with the key players (including farmers), so they can identify priorities to tackle to create better enabling environments.

We would encourage the BBA to look more at process – who decides what's important and how – be great to see an indicator on that

Learning from the recent review on *Doing Business*: points to the need to become better aligned with the Bank seeing its “main role as being one that enables governments to find their own solutions.” This means country-owned and led development and an appreciation of the importance of country's circumstances, stage of development and political choices.

### **3. BBA focus and content - what we'd like the BBA donors to consider**

(opportunity to dialogue, ref they have been open, sharing and learning)

We know that the BBA wants to focus and is concerned about over-loading the process with everything. Agriculture is typically a vast and complex sector, covering many sub-sectors that all have different structures and issues. We agree it would be a mistake to overload it and create a huge unwieldy process.

However we think there are some really critical issues that must be included and there are two areas where we'd really encourage the BBA to take another look.

- i. The most important one is to have a focus on the capacity of farmers as well as the environment in which they operate. BBA should create better conditions for SHF. Not addressing some of the critical factors that affects them most is a mistake. Trickle down is not sufficient.

BBA says it is about 'catalysing change in policies and actions of governments'.

If the BBA is to enable agriculture Ministries to prioritise then it must provide data and information about not only the EE around producers but the EE experienced by producers, the situation of smallholder farmers who are the foundation of almost every agricultural system.

If this is left out it threatens to undermine the BBA because the changes in the EE will be unlikely to result in the response the policy makers are hoping for. This is because a better enabling environment that for example has stronger contracting laws, more investment in infrastructure and a greater availability of inputs may not produce the outcomes governments (and BBA donors!) are looking forward if SHF do not have the capacity to respond to the better environment.

- Producer organisations do not just need a good legal framework, they need a massive investment in stronger internal capacity.

- Farmers need access to good quality advice and information to make decisions about what to produce and how to build a more viable and sustainable enterprise.
- Investment (by public and private players) in innovation, research and knowledge that addresses farmer needs will determine how effectively they can respond to opportunities and challenges. (ref sust and CC)

ii. A second area we'd really like to see the BBA pay more attention to is **Sustainability**

As the World Bank President has recently highlighted: Sustainable agricultural systems are vitally important particularly in the context of a changing climate, more unpredictable and in some cases extreme weather.

Sustainability isn't an 'add-on' in our view. Ecosystem services that underpin agricultural production are under pressure and highlight a need to include indicators that promote and incentivise the take-up of agro-ecological farming systems. There is a strong case to mainstream indicators on sustainability across all areas of the BBA (as should gender) – ultimately this will make the systems more efficient and resilient.

#### **To Conclude:**

We believe strongly that these areas (the needs of SHF and sustainability) are too important to be left out because the BBA has to 'focus'. Leaving them to another process like the ATI is too risky. Reviews of *Doing Business* initiative show that focusing on the regulatory environment is not enough. They also show that the indicators that are selected give a powerful steer to governments about what is considered important. Omitting the issues that affect smallholder farmers the most is very problematic.

If the BBA is serious about the intention to "**improve food security, create livelihoods and raise incomes**" yet it fails to address these omissions then it risks achieving the goals it has set itself.