

world development report **2008**

*Agriculture for  
Development*

**Applying the WDR  
World-Wide**



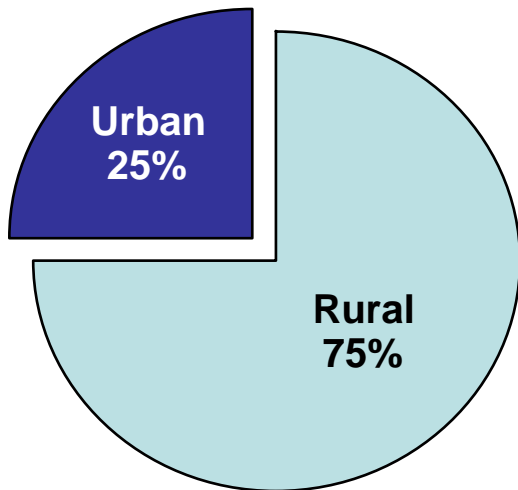
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Agriculture & Rural Development Department  
The World Bank



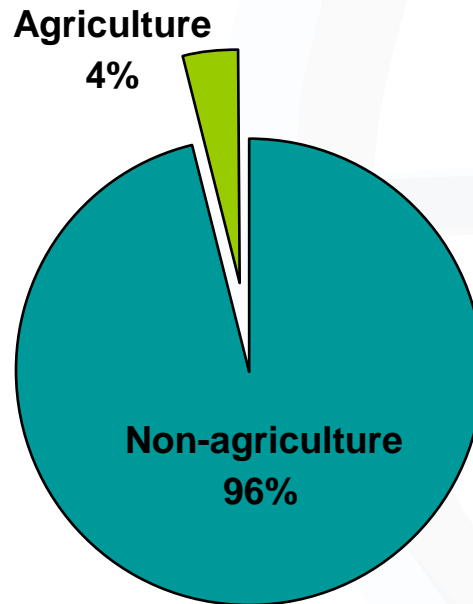
75% of the world's poor are rural and most are involved in farming. In the 21<sup>st</sup> century, agriculture remains fundamental for poverty reduction and economic growth.

# Need for more (and better)

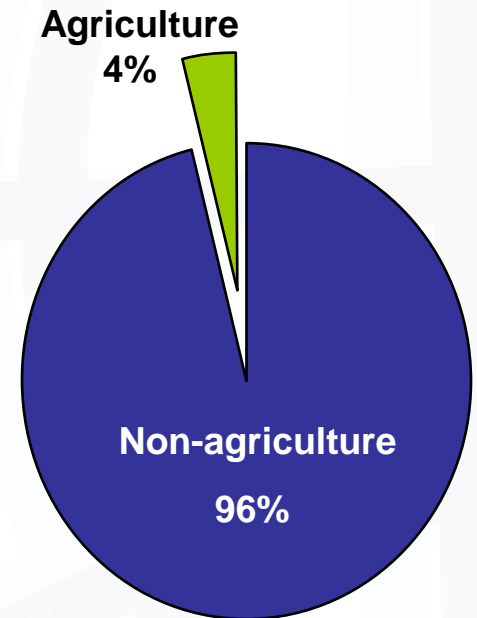
**Share of the rural sector in total poverty**



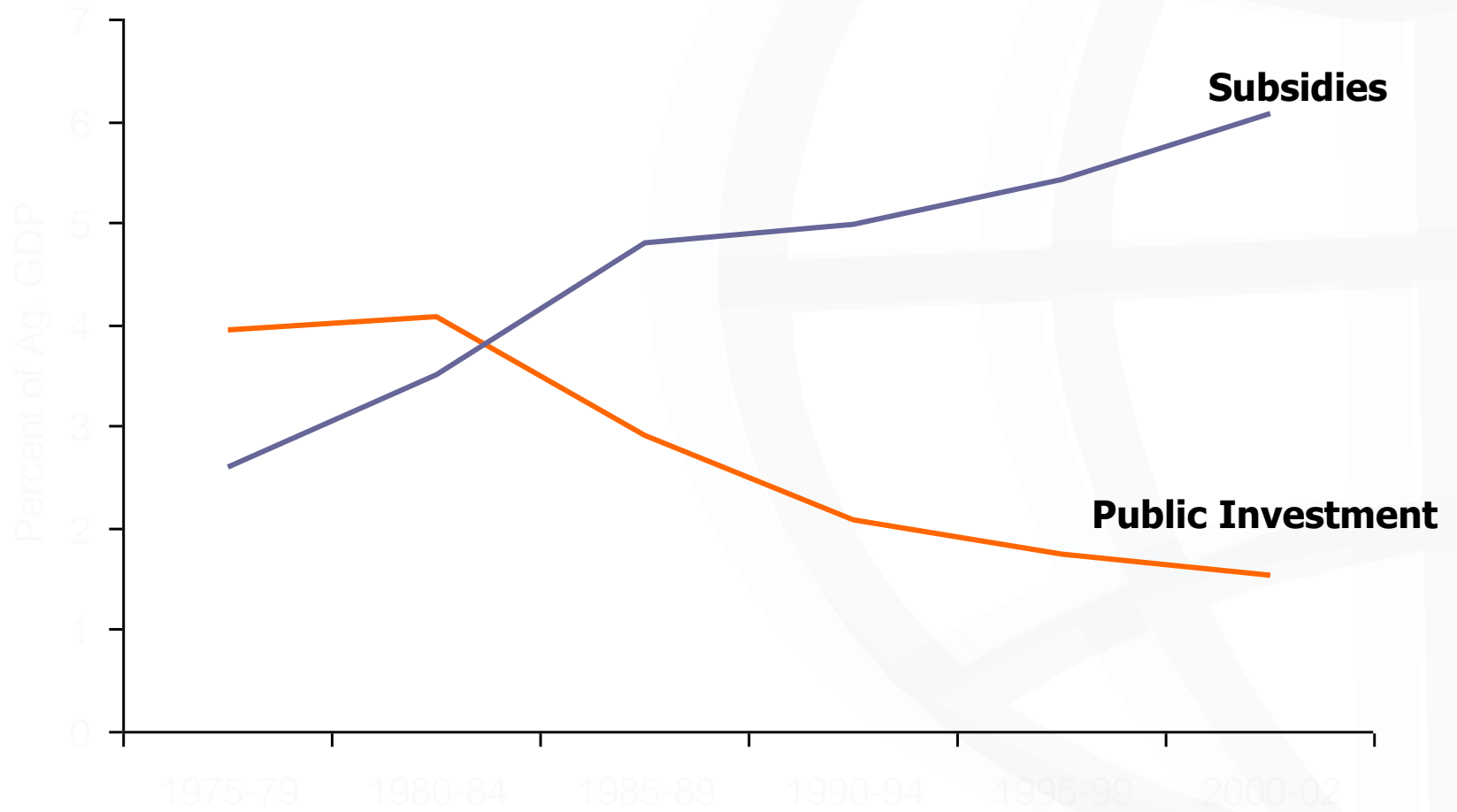
**Share of agriculture in ODA**



**Share of agriculture in public expenditure in SSA**



# Need for more (and better)



# New Opportunities & Challenges

For the first time since the 1980s: a consensus on the role of agriculture for development

- Macro-economic incentives have improved
  - Taxation, exchange rates, trade, investment climate
- New market opportunities for higher value items
- New innovations (institutions, biotech, IT)
- New actors and ways of doing business

But....

- Challenge to ensure that growth is pro-poor
- Natural resource depletion and degradation

# Support to agriculture: Starting to recover

## Early 1980s

Official development assistance (ODA): 17%

World Bank lending: 30%

## Early 1990s

Official development assistance (ODA): 12%

World Bank lending: 15%

## Early 2000s

Official development assistance (ODA): 3.5%

World Bank lending: 10%

World Bank lending is recovering

But much ODA has not recovered



# Applying the WDR: Global Level

- **Support global public goods**
  - CGIAR
  - Avian flu, other transboundary animal health issues
  - Climate change: mitigation and adaptation
- **Harmonize donor activities**
  - Global Donor Platform for Rural Development
- **OECD agenda**
  - Protectionism
  - Regulatory framework (SPS, IPR)
  - ODA



# Applying the WDR: Country Level

Everywhere:

- Use the WDR08 as a knowledge platform
- Vigorous dissemination
- Targeted analyses, **especially comprehensive ag/multi-sector analyses and ag public expenditure reviews**
- Scaling-up and alignment **with regional entities with host country legitimacy (NEPAD/CAADP in Africa)**

# Applying the WDR: Country Level

## 3 Agricultural Worlds → 3 Broad Needs

- Agriculture based countries (AFR): MDGs will not be met without using the power of agriculture → **Need a smallholder-based productivity revolution.**
- Transforming countries (EAP, SAR, MNA, parts of ECA): agriculture essential to reducing rural-urban income disparities and extreme rural poverty, and integrating lagging regions → **Need broad-based rural income growth.**
- Urbanized countries (LCR, parts of ECA) → **Need better inclusion in modern food markets and rural jobs**

# Agricultural Based

- **African Action Plan: Agricultural productivity is key**
  - Strategic approach to policy, institutions and increased investment in public goods (research, extension, supporting infrastructure)
  - IEG report: more and better investment in African agriculture and explicit recognition of synergies among programs
- **Emphasize increased efficiency of national and sub-national expenditure on ag public goods**
  - Ag PER in Nigeria, Zambia, Uganda, Ghana, Ethiopia
- **Sub-sector strategies/strategic analyses**
  - Irrigation Business Plan, cotton, climate change, value chains
- **Working with partners on thematic platforms:**
  - CGIAR and others such as livestock (ALIVE), sustainable land management (TerrAfrica)
- **Enhance engagement with CAADP process**

# Potential for Further Work: Ag Based

- **Better analysis at country level**
  - Country-specific sectoral diagnostics, normative costing, policy analysis, and impact assessments at program level
- **More links between ARD specialists and related sectors:**
  - Transport, local government, private sector development
  - Stronger presence in macro discussions
- **More emphasis on partnerships**
  - CAADP Country Roundtables, regional economic organizations, donor harmonization

# Transforming

## Emphasis of Approach

- Ag productivity and competitiveness, non-farm rural employment, and access to livelihoods for the poor
- Rural-urban transformation
- Lagging regions
- Build on new cross-sector initiatives on topics such as rural infrastructure, climate change

# Potential for Further Work: Transforming

- Analytical work **underpinning innovations such as good practice in adaptation to climate change and land administration**
- Impact assessment: **develop more systematic ways to learn and share lessons**
- Knowledge sharing: **promote cross-regional exchange of best practices and experience**
- Multi-sectoral technical analyses **on rural-urban transformation**

# Urbanizing

## Emphasis of Approach

- Scale up support to smallholder competitiveness in **high value markets; private sector partnerships with smallholders**
- Improve smallholder **access to assets**
- Improve quality of **governance** for agriculture
- Enhance agricultural **sustainability, biosafety**

## Potential further work

- **Develop capacity for improved governance, policy and regulation**
- **Enhance learning and knowledge management** in key areas (GMOs, biofuels, climate change)

# Getting the Word Out

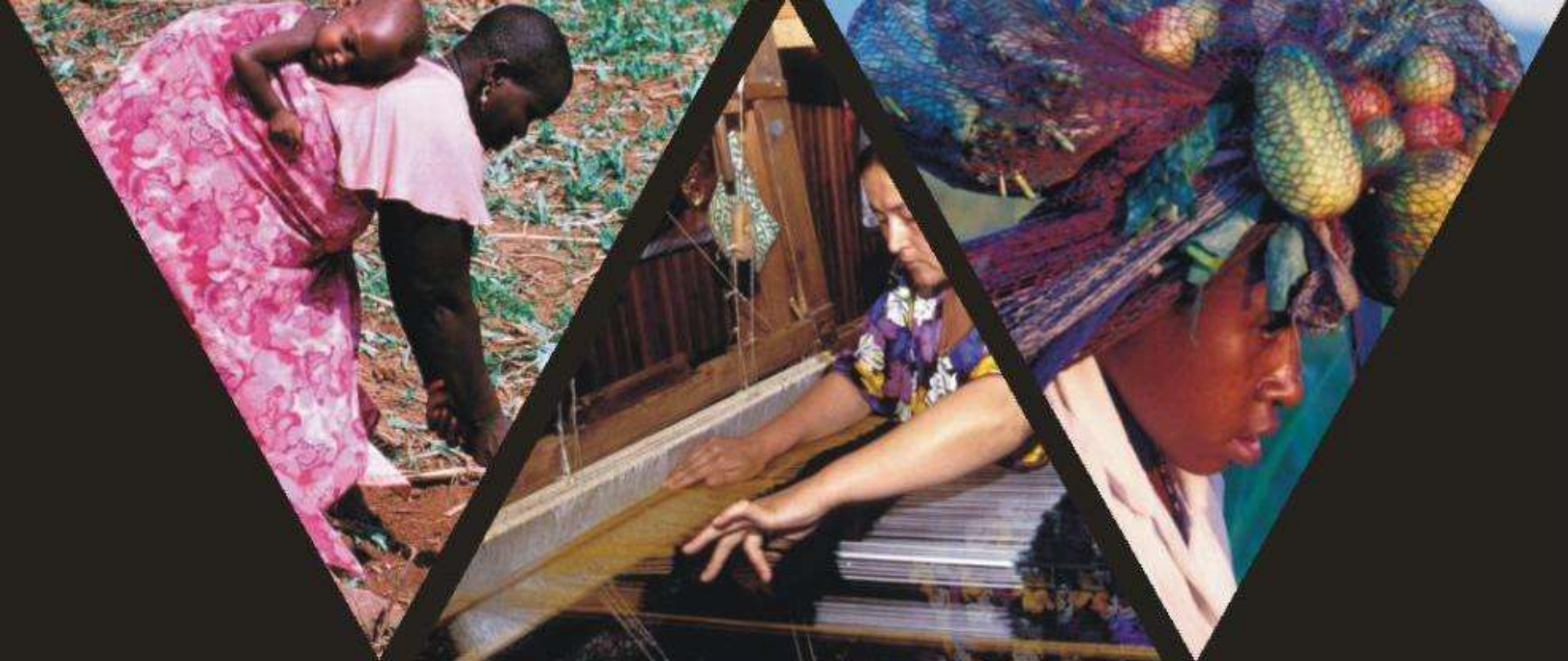
- WDR and **Policy Briefs** available at [www.worldbank.org/wdr2008](http://www.worldbank.org/wdr2008)
- “Road show” to more than **35 countries**
- **SDN/ARD** teaching materials (**clickable map of “three worlds”, glossary of terms for non-specialists, and more...**)
- Development Marketplace 2008 to be on **Agriculture for Development**

# Need for Effective Partnerships

- **Donor harmonization:** Global Donor Platform for Rural Development (Paris Declaration)
- How to engage **OECD** more
- Knowledge collaboration: **more participatory (WDR08), and “Wikinomics-style” mass collaboration (IAASTD)**
- New working models with foundations (**Rockefeller/AGRA, Gates**)
- Public-Private Partnerships: (**Global Forest Partnership, Forest Carbon**)

# Special Topic: Mitigation and Adaptation to Climate Risks in Agriculture

- Increasing awareness among client countries
- Operationalization tools
  - **Due diligence in assessing climate risks**
  - **Screening** for mitigation & adaptation in project design
  - **GEF adaptation grants**
  - **Biocarbon Fund**
  - **Innovative insurance products**
  - **Climate change research** for crops, fish, livestock and NRM
  - Reduced emissions from deforestation (**REDD**), Forest Carbon Partnership Facility (**FCPF**); reduce land degradation via sustainable land use management



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[www.worldbank.org/wdr2008](http://www.worldbank.org/wdr2008)

[www.worldbank.org/ard](http://www.worldbank.org/ard)

# Growth in World Bank Lending to Agriculture and Rural Development

	Average FY99-01		Average FY05-07	
	Number of projects	\$ billion	Number of projects	\$ billion
Total Bank	243	20.6	290	23.5
ARD	36	2.0	47	2.8
<i>ARD as % of Bank</i>	<i>15%</i>	<i>10%</i>	<i>16%</i>	<i>12%</i>

# Bank Support to Agriculture: FY07

World Bank lending increased for the 4<sup>th</sup> year a row: \$3.1 billion in FY07

## Moreover:

- 60% of FY07 lending went to Sub-Saharan Africa and South Asia
- An average of 79% of IDA investments over the past 5 years went to the same 2 regions
- Since 2000, 475 projects have used community driven development approaches to achieve development objectives



# Agriculture & Rural Development: How We're Organized

## Agricultural & Rural Policy

- Rural Policies and Strategy
- Agricultural Trade

## Agricultural Production

- Agricultural Sustainability
- Livestock
- International Agriculture Assessment

## Agriculture & Rural Markets

- Rural Finance
- Private Sector and Markets
- Commodities and Risk Management
- Land Tenure

## Agriculture & NRM

- Forests
- Land Management
- Fisheries
- Irrigation and Drainage

**Learning, Knowledge, and Quality**

# Operations Framework for Applying the WDR: Institutional

- Sustainable Development Network
  - Brings agriculture together with our work in transport, energy, water, the environment, social issues, and urban development
- SDN Task Force to Operationalize the WDR
  - Collaboration with other Bank sectors— economic development, finance, human development, and development research
  - Cross-regional activities

# **Eastern Europe & Central Asia: Transforming/Urbanizing**

## **Emphasis of Approach**

- **Dialogue with clients and partners in evolving Country Partnership Strategies (CPSs)**
- **Move towards integrated investment frameworks (e.g. SWAPs)**

## **Potential further work**

- **Country-specific analyses on key issues**
- **Co-fund sector roundtables with key stakeholders at country level to facilitate sector-wide approaches**
- **Translate key WDR08 materials**

# Middle East and North Africa: Transforming

## Emphasis of Approach

- Elaboration of cross-sectoral business plans
- Enhanced country-specific cross-sectoral AAA; **starting in Morocco**
- Outreach to and through **ag producer groups**

## Potential further work

- Promote inclusion of smallholders into high value agricultural value chains **within existing projects**
- Analyses of **rural non-farm employment, Ag PERs, coop reforms**
- **Rural finance** institutions and policies