

## **2012 GLOBAL FORUM ON AGRICULTURE: POLICY COHERENCE FOR FOOD SECURITY IN DEVELOPING COUNTRIES**

### **CHAIRS' SUMMARY REPORT**

The 2012 Global Forum on Agriculture, held on 26 November in Paris, was attended by a record number of over 200 participants representing 44 countries and 15 international and non-governmental organisations to discuss policy coherence for food security in developing countries. Veli-Pekka Talvela, Chair of the Global Forum on Agriculture, and J. Brian Atwood, Chair of the Development Assistance Committee, co-chaired the meeting. The meeting was opened by OECD Secretary-General Angel Gurría. All information related to the Forum, including the agenda, presentations, background papers and the participants list, is available on the Forum dedicated website: <http://www.oecd.org/agriculture/globalforum> which has been the main vehicle for the communication with Forum participants. This note provides basic summary and conclusions of the Forum, but does not claim to reflect consensus views of the participants.

Jonathan Brooks presented a paper on the spill-over effects of OECD countries' agricultural policies, noting how those policies have evolved over recent decades. It was observed that the amount of support provided to agriculture has declined in recent years, and that the mechanisms through which support is provided have become less trade-distorting – with fewer adverse implications for global food security. In the discussion, the issue of the extent to which support to farmers was low because of high world prices as compared with being the result of genuine policy reforms in OECD countries was raised. While the answer appears to be a combination of both, it was suggested that the elimination of the use of trade-distorting support would be a way of locking in reforms. At the same time, in the context of high food prices, new issues have emerged – chiefly related to instruments that put upward pressure on international prices. These include export restrictions and the use of biofuel mandates. On these issues, and in terms of the longstanding issue of agricultural support and protection, the policies of emerging economies are of increased importance. The discussion focused on how we measure impacts on developing countries and keep track of policy coherence. Part of that effort is continued policy monitoring for OECD countries and emerging economies with a significant presence on world markets. That enables us to capture the evolution of policies and the nature of their impacts on world markets. However, tracing through the actual impacts onto developing countries is a task that requires further economic analysis. There was some discussion of approaches that may be useful (global models, country case studies). A further issue discussed was how developing countries can keep track of factors that would improve their own food security, including improvements in agricultural productivity. This issue was broadened out to consider the shared global challenges in improving global food security, in particular climate change will have critical effects on agriculture, and agricultural policies, in both developed and developing countries.

The second session focused on the role of agricultural investment, with Jacob Scoet from FAO noting the strong correspondence between those countries which have invested in agriculture and those that have made progress in reducing hunger. In particular, it was noted that investment has lagged in South Asia and (even more so) Sub-Saharan Africa – the areas where improvements in food security has been slowest. It was noted that most investments come from farmers themselves, and that a key role for government is in providing an environment conducive to private investment. Some of the requirements relate to governance and regulatory systems as well as to the provision of public goods. Education and spending on research and development are found to have significant impact on

agricultural performance and poverty reduction. The discussion emphasised the need to ensure that policies take account of the specific needs of smallholders, and that large scale investments are socially beneficial. In particular, successful examples of business partnerships between large-scale investors and smallholders should be scaled up to ensure that large investments benefit local communities. The need for collecting and careful analysis of data on existing land policies and land tenure rights as well as the importance of adopting and implementing guidelines for responsible investment in agriculture were underlined.

A lunchtime discussion focused on: (i) where donor and partner countries are putting their resources for food security and nutrition; and (ii) where and in what conditions has it been successful. The discussion was introduced by two presentations. The first presentation by William Nicol provided an overview of a recent OECD analysis of Official Development Assistance (ODA) for Food and Nutrition Security. This found that the volume of aid for food and nutrition security had increased over the last decade, but as a proportion of overall ODA flows was unchanged and that there had been no significant increase after the food price spike in 2007/8. The presentation also pointed to relatively low levels of long term developmental aid going to crisis prone countries and, in more general terms, the lack of a co-ordinated approach for targeting of aid on areas of greatest need. The second presentation by Ferko Bodnar, Ministry of Foreign Affairs of the Netherlands, provided an overview of key lessons from a review undertaken by the Netherlands of evaluation findings from 38 food security programmes. The study found that research investments in increasing productivity produced good results in Asia but had limited impact in Africa because of greater agro-ecological heterogeneity, high input costs, inefficient markets and weak extension and credit services. Where market reforms had been gradual and negotiated, programmes had been much more successful than where trade openness had occurred together with a reduction of support to agriculture. Formalising land use rights had been important for increasing farmers' own investments, but needed to be accompanied by support for poorer households. The discussion highlighted the need to incorporate nutrition into definitions of food security and analyses and evaluation of donor support. Disaster risk reduction was identified as a key way to protect donor and government investments in agriculture in vulnerable areas such as those prone to flooding or drought. The need for greater coherence between emergency responses and long term development objectives was emphasised as was the importance of both international and country level research in providing the basis for policy coherence for food security in developing countries.

In the first afternoon session, Earnan O'Cleirigh presented a paper on Policy Coherence for Food Security in Developing Countries. The paper reviewed progress on OECD countries' efforts to strengthen Policy Coherence for Development (PCD) by taking account of impacts on developing countries when formulating domestic policies so as to make their developmental impact more favourable. The paper finds that balancing development objectives against domestic interests in OECD countries has been difficult and that there is little evidence of policy change to improve coherence for development. Based on this review, the paper suggests that OECD countries, as donors and as the owners of incoherent policies, need to look at PCD from the perspective of what they can do in the developing countries where they operate to counter the negative impacts of their incoherencies and to capitalise on potential synergies. This involves assessing their aid and non-aid policies and actions for their coherence with food security. PCD would be evaluated from the stand point of a developing country's food security needs and objectives. The paper looks at a number of areas where policy coherence for food security could be assessed – the donor policy dialogue with government in the context of budget support; donor approaches to the role of food reserves and stocks; donor priorities in relation to land policy; and the allocation of donor ODA for food security. The discussion reaffirmed the importance of the policy areas raised in the paper and the potential that improved coherence in them presents for improved food security outcomes. Other areas of policy relevant for a country level PCD focus, such as agricultural subsidies, climate change, investment promotion and research and development, were also raised. The importance of linking PCD work at country level back to the

domestic PCD agenda in OECD countries was stressed. In this regard, it was recommended that existing work could be built on to analyses the impacts of OECD policies in specific developing countries, including country case studies.

In the Panel discussion, Yuliang Pang from China's Ministry of Agriculture highlighted the role of national governments in achieving national food security which contributes to improving food security at the global level. Clearly defined goals and action plans to achieve them are necessary. The OECD could help in designing realistic objectives and in enhancing more effective allocation of global resources. It could also provide a platform for dialogue and a framework for strengthening coherence between domestic policies and global issues in particular in such areas as impacts of climate change and biofuel policies. Nguyen Van Bo, President of the Vietnam Academy of Agricultural Sciences, focused on the role of OECD countries in the development of sciences and technologies to overcome ceilings in crop yields and to diminish CO<sub>2</sub> emissions. Ricardo Sánchez López, Vice Minister of Agriculture in Colombia, highlighted the importance of capacity building of local population to enhance their ability to cope with changing climatic conditions and to undertake various agro-business activities, including in forestry and fisheries. There is a need to create a strong framework for innovations in agriculture, sound management strategies to address climatic and price volatility, and to engage consumers to define what needs to be done at the farm level. More specifically, he suggested that ODA could assist developing countries in the implementation of internationally recognised sanitary and phytosanitary measures to protect consumers more effectively. The discussion broadened the scope of experiences to include Africa. It was noted that an increasing number of countries in Africa have national food security strategies that are also linked and aligned with regional and continent-wide efforts. However, despite this level of co-ordination and the good will of donors, challenges to improving co-ordination and complementary between donor (bilateral and multilateral), national, and regional strategies for food security and nutrition interventions remain. One example of policy incoherence among donors concerned the support for and use of food reserves was discussed. Another example cited was the impact of donor country policies on African cotton production and trade.

In the concluding session, comments from a Panel and from the open discussion highlighted a number of areas where the OECD could examine policies for their coherence (or incoherence) for food security in developing countries. In particular, knowledge sharing across countries is an important role for both OECD countries and emerging economies. Collective action is needed in areas of global character such as biofuels, climate change and biotechnology, and in improved co-ordination at the level of the developing country among donor countries and with the country concerned. Areas that would benefit from additional attention were identified. These included the trade-offs between production of food and biofuels (while there is nothing inherently problematic with the biofuel production as such, policies mandating biofuel production further supported by subsidies may be incoherent with an objective of improving food security in poor countries); the need to invest in research to continue to increase agricultural productivity; the need to examine commodities markets and related speculation and how these interact with food security; the need for guiding principles for stakeholder consultation; the need to encourage more complementarities across public sector, private sector, civil society; the need for greater predictability of aid which remains key for both governments and the private sector; the possible benefits from having a clear complaint mechanism to where developing countries can identify incoherencies of donor policies at country level, and the need to improve information basis for agriculture and food security policy decision-making and policy dialogue between developing and OECD countries. Finally, it was noted that the most important "weapon" the OECD Secretariat can provide to enhance coherence are facts and analysis. The OECD strengths are experience and analytical tools, but the Organisation cannot achieve much without close co-operation with other International Organisations.