



Challenges to Rural Development in ACP Countries

1st Brussels Development Briefing 4 July 2007

On 4 July, CTA and other partners organised the first 'Brussels Development Briefing' - part of a series of discussion meetings on ACP-EU development issues.

The first session covered three topics:

- The macro-economic environment and its impact on the rural poor;
- The policy context: the African regional integration process;
- Aid effectiveness, harmonization and alignment amongst donors

Partners in the Briefings:

- CTA
- European Commission
- EU Presidency
- ACP Group
- Euforic
- Concord
- IPS Europe

The crucial role of agriculture



In the opening remarks, Ferdinand Nyabenda, Deputy Secretary General for Sustainable Economic Development of the ACP Secretariat

pointed out that we must acknowledge the crucial role of agriculture and the need for alliances between governments, donors and producer organisations to put it back on the global agenda.

The 2008 World Development Report with its focus on rural development is certainly a big step forward. At the same time, the central role of producers and civil society organisations in any initiative impacting the rural and agricultural sector must be recognised.

Dr. Hansjörg Neun, Director of CTA, pointed to the paradox that despite all the existing high level political declarations (MDGs, Maputo) and knowledge on rural development and agriculture not enough seems to be done on the ground to enable a real turnaround for livelihoods of the rural poor. This shows the crucial importance of information and the role CTA has to play. Peter Ballantyne, Director of Euforic, stressed the importance of networking and the need to add value to the Briefings by a more systematic information sharing.



From Berlin to Brussels: Rural development steps forward



After welcoming participants from civil society, research, the Commission, EU member states, the ACP community in Brussels,

and indeed from regional organizations and agricultural producer groups in Africa, the Caribbean and the Pacific, Philippe Mikos from the European Commission reflected upon some of the messages arising from the Berlin Second European Forum on Sustainable Development.

His main message from Berlin is that "agriculture and rural development are back onto the front stage", after being away for too long. As European evidence of this, he pointed out that some 10-15% of the current 10th European Development Fund will be spent in these areas and stressed that agriculture is also a major element of the emerging EU-Africa Joint Strategy and other policy processes.

More significantly, he emphasized that agriculture and rural development are taking front stage in the national policies and priorities of developing country. Governments and other actors have begun to understand that agriculture is the "heart of sustainable growth," that it is the "rural heart of development ... the bones and tissue of sustainable development."

A second key message from Berlin was the changing composition and involvement of the participants and discussants. He noted a larger civil society contingent, with farmer organizations and representatives particularly active in the debates. This was welcomed by Mr. Mikos as representing a “wave of democratization” in which beneficiaries – farmers and their representatives – are actively “involved in the design of policies” on agricultural development.

As Bernard Petit, Deputy-Director General of DG Development pointed out: “Today development has become something profoundly political. Of course the main objective of combating poverty and achieving the MDGs have not changed. But development has become the best structural solution to issues such as migration, security, the protection of our planet’s natural resources and, in one word, international stability.”

3 ‘Rs’ - rural, resilience, reliability

The first panel session brought a global perspective to the challenges of globalization on rural livelihoods in Africa, the Pacific and the Caribbean.

Steve Wiggins of the ODI (Overseas Development Institute) outlined some challenges to rural development in Africa – HIV/Aids, climate change, terms of trade (all well known) and (far less known) examples like unreliable urban markets for local producers. Finding reliable markets for rural products was a recurring theme in the discussions. Farmers, as a speaker from the floor remarked, just want to “get their produce purchased.” As IFAD (International Fund for Agricultural



Development)’s Director for the Pacific region, Thomas Elhaut, later remarked, while problems may seem to be ‘rural,’ the solutions may not be.

Steve Wiggins also pointed out some surprising developments in Africa – like the spread of mobile phones – and warned us to expect more. As an example, he showed that cereal productivity over time in some African countries is as ‘successful story’ as the rice revolution has been in Asia. There is much to build on. Despite these little-known successes, he singled out disaster-preparedness and vulnerability as major issues to focus on, arguing that even as we expect droughts, floods and other natural disasters we are still badly-prepared to cope with them.

Beyond better preparation, an answer may lie in the resilience – the capacity to adapt – of rural populations, which represents a critical asset. Just as Elhaut suggested that rural areas act as human ‘safety nets,’ re-absorbing people in times when the modern urban sector fails, so the rural population needs what S. Wiggins called “better links, better connections” in order to adapt and develop the resilience they need to overcome disasters.

The two following speakers moved from Africa to the Pacific and Caribbean. Thomas Elhaut and Al Binger, of the Caribbean Community Climate Change Centre, drew a rather pessimistic picture of rural lifestyles, livelihoods and perspectives in the two insular regions. Both encompass many small islands where local markets are small and distances, especially in the Pacific, are large. The island economies often depend on a few commodities – sugar, banana or tourism – suffer from a brain drain, increasingly rely on remittances from these overseas citizens, and their natural environments are vulnerable to degradation and disasters.

Despite their small size, their rural populations suffer from poor infrastructure, high unemployment, growing social problems, limited access to basic services, and a decline in opportunities. Young people seem to be particularly at risk. In the Caribbean, Al Binger



argued, these problems are partly due to the high costs of globalization – rural areas have lost out in international trade negotiations where ACP

countries are losing their preferential market access to the EU - and notably have failed to find reliable long-term replacements for lost jobs. He also singled out a “loss of leadership” to “benefit rural farmers.”

A new paradigm?

What’s to be done? Steve Wiggins re-emphasized the need for local markets to create local demand for local products. Al Binger concurred: “We cannot fix rural development if we cannot provide markets”, and be able to compete in our local markets. More significantly, Al Binger called for a new paradigm that will make rural development ‘front page’ news. Diversification is part of this new approach, not necessarily in terms of new products, but also in terms of new uses for existing products [[see related story](#)]. It’s important to look beyond on-farm production to the whole system, from production and marketing to consumption.

It's not just in the rural areas that Binger foresees this new paradigm taking root. The WTO, for instance, could more effectively support rural development in small island developing states by differentiating between small and large economies. WTO rules need to be equitable not identical. As Arnold Thomas of St. Vincent later remarked: "one size does not fit all." And, according to Binger, OECD countries that wish to protect their own farmers should not do it at the cost of third countries' farmers.

For Thomas Elhaut, it is critical that agriculture returns to the centre of development discussions. This requires enhanced policy dialogue and means "giving voice to the poor", strengthening local capacities, as well as looking at rural communities with new eyes. Elhaut recommended that we start to really "look at poor people as producers contributing to growth", therefore as a part of the solution rather than the problem.

Diversification: Change the uses, not the crop!

The issue of diversification and niche markets was a recurring theme. Arguing that "no crop has only one use," Professor Al Binger suggested that instead of switching from a crop to another, it would be better to switch to other uses of existing crops.

Taking the example of sugar, he argued that there are two good reasons for leaving the farmers growing a crop they know well and that suits the environment, while changing the utilization of that crop. From a financial perspective: if grown for sweeteners, 10 tons of sugar cane are worth around 250 dollars, but if used for energy they can be worth 1200 dollars [in the Caribbean]. The environmental point of view: growing sugar cane for biomass instead of for sucrose, can be "just like an oil well" but with all the advantages of a renewable energy source.

No food security without food sovereignty

The Millennium Development Goal to reduce the proportion of people who suffer from hunger may be achieved solely because those suffering are already dying at a very high rate – 6 million of them each year being children.



Professor Marcel Mazoyer argued that food security problems are not caused by the growth of the world

population, nor by the degradation of natural resources or by a lack of capacity in food production, but by the fact that the richest in the world take excessive market shares, leaving the poor unable to purchase what they need to live.

While there is now greater awareness that 'access to food' is a fundamental human right, this stands as an empty promise unless countries are effectively engaged to food security. Agricultural development and related policies are key issues to this end. In an unregulated market, he stated, we cannot ensure food security in the poorest countries. Thus governments should be able to control import and export prices and achieve 'food sovereignty.'

He concluded by remarking that the real reason behind malnutrition is not over-population but weak policies and international agreements. And policies should ensure access to land, credit, research and development.



Thinking over these issues, Mamadou Cissokho from ROPPA wondered why, since developed nations built their own agricultural

sectors on protected markets, other nations should not also be able to do this. He argued that the main asset of Africa is agriculture and the gracious speeches concerning support to the sector are not followed by adequate resources. Furthermore, African countries heavily depend on external funding and this can represent a serious danger.



Completing the aid jigsaw puzzle

The third session considered aid effectiveness, harmonization and

alignment among donors.

Comparing aid harmonization to a jigsaw puzzle, Bernard Petit, Deputy Director General for Development at the European Commission, argued that all together aid donors provide developing country governments with many 'pieces' of assistance (Tanzania alone benefits of at least 600 health projects each year). However, it is almost impossible to see the whole picture of the completed puzzle. Donors' efforts in monitoring and conditionality often do not help since sometimes conflict with

governments' national strategies; in Kenya for example, 20 donors use at least 13 different purchasing agencies, by-passing the official government purchasing agency; and when a country fields up to 800 missions a year, day to day implementation of development projects is often held back.

Through better coordination at country and international levels, the picture on the jigsaw puzzle could be clarified to all, and all the pieces can perhaps be found and fitted in their correct places.

Bearing this in mind, the Commission has adopted two main measures to enhance harmonization of donor efforts.

First, a 'Code of conduct' has been introduced in order to encourage donors to take into account national programs and ensure coherence with other donors' efforts. The second mean consist in encouraging a division of labour between donors in order to assign a lead donor for each priority sector in a given country. The role of the 'lead' donor is to represent a single interlocutor with the national government on a given sector, rather than having each donor building its own communication channels with, for example, each line ministry.

The aim is that European donors focus on 3 sectors in a country, that one single European donor leads dialogue in one sector, that donors do not rush to their favourite countries, nor that they neglect vulnerable states.

Mr. Petit highlighted the challenges the donor community is currently facing to match policy promises with actual practice on the ground. Many donors have achieved increased volume of aid by cancelling debt. The challenge for European governments is to find the budgetary means to secure a constant engagement, and to ensure that aid is more effective and efficient.

Over a 36 year career in the Commission, Bernard Petit has experienced aid terminology changes and evolutions in response to the "new trends" - but what has actually changed on the ground? It's time for business 'unusual.'

Michael Wales from the Global Donor Platform on Rural Development, that gathers 30 institutions and 80% of the resources in support of rural development, acknowledged that rural development is a complex issue. In his opinion critical courses of action are to

advocate for rural development as a source of growth and poverty reduction, to make donors work better and more efficiently and to share learning. Another key issue is a lack of trust in national institutions - we need to build upon strong national systems, support them in implementing their programmes and give civil society the weight it deserves.

Donors can do better by listening locally

From a civil society perspective, CIDSE (International Cooperation for Development and Solidarity)'s Denise Auclair showed the findings of a recent study concerning the impact of EU aid in rural communities. She stressed the need to involve civil society at a



local level in the projects and, while welcoming the Code of conduct initiative of the Commission, wondered how lead donors could actually be assigned to the different sectors.

Concerning the issue of harmonisation and division of labour among donors, she remarked that the EU actions have been helpful and have played a leading role in stimulating EU donors to work on these issues. The impact of harmonisation and alignment in Uganda, Zambia and Ghana is now examined on the basis of quality and outcomes. The allocation of aid in the different sectors, however, may pose problems as it will keep on being attached to donors' own priorities rather than to those of recipient governments.

Next briefings

The **September briefing** (to be confirmed) will discuss the [World Development Report 2008](#) on 'Agriculture for Development.'

The **17th October briefing** will discuss the European Commission's recent communication on '[Advancing African Agriculture](#).'

Further information on the web

The main site
www.brusselsbriefings.net
The programme
brusselsbriefings.net/past-briefings/july-4/
The video interviews
http://euforic.blip.tv/posts/?topic_name=brubriefings
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