



GDN 16th Annual Global Development Conference

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Parallel Session 20

***Assistance to Agricultural Development in Africa:
Decline and Reversal***



Introductory remarks:

Questions about aid to agricultural development

- **1) « Decline and reversal »? How to explain the trends?**
- **2) ODA to agriculture or development finance for agricultural development?**



Trends in ODA to Agriculture (and rural development)

Facts and figures from OCDE sources

- Low share of total ODA (6 to 7%)
- Decline by half between beginning of the 80s and the mid 90s, both for multilateral (first), then bilateral
- Then quasi-stagnation after 2010, corresponding to a small rise of the share in total ODA

Chart 1. Trends on aid to ARD

1973-2013, 5-year moving average ODA commitments, constant 2013 prices

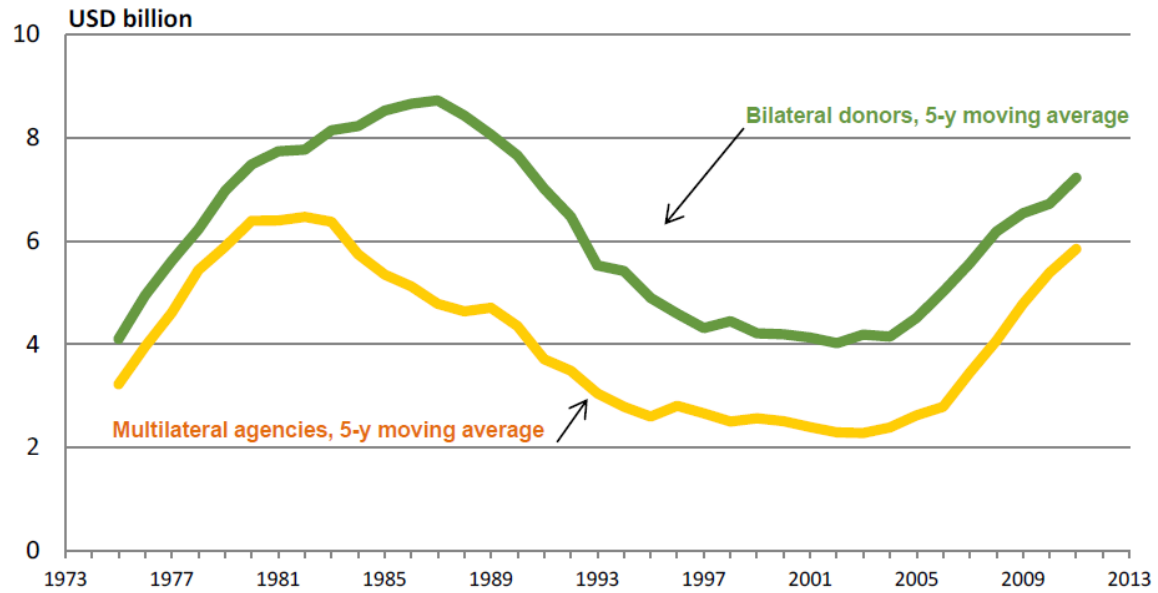
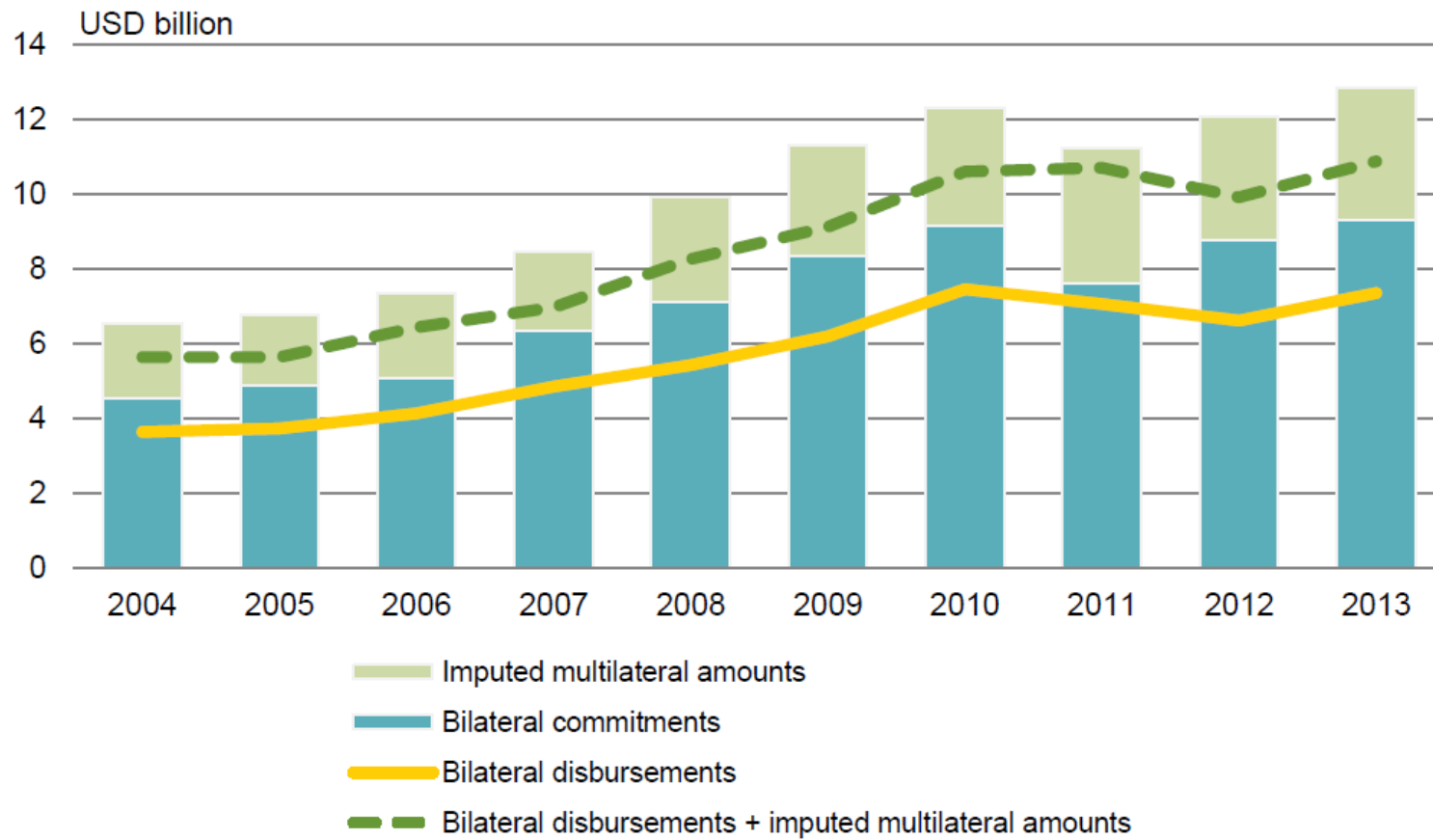
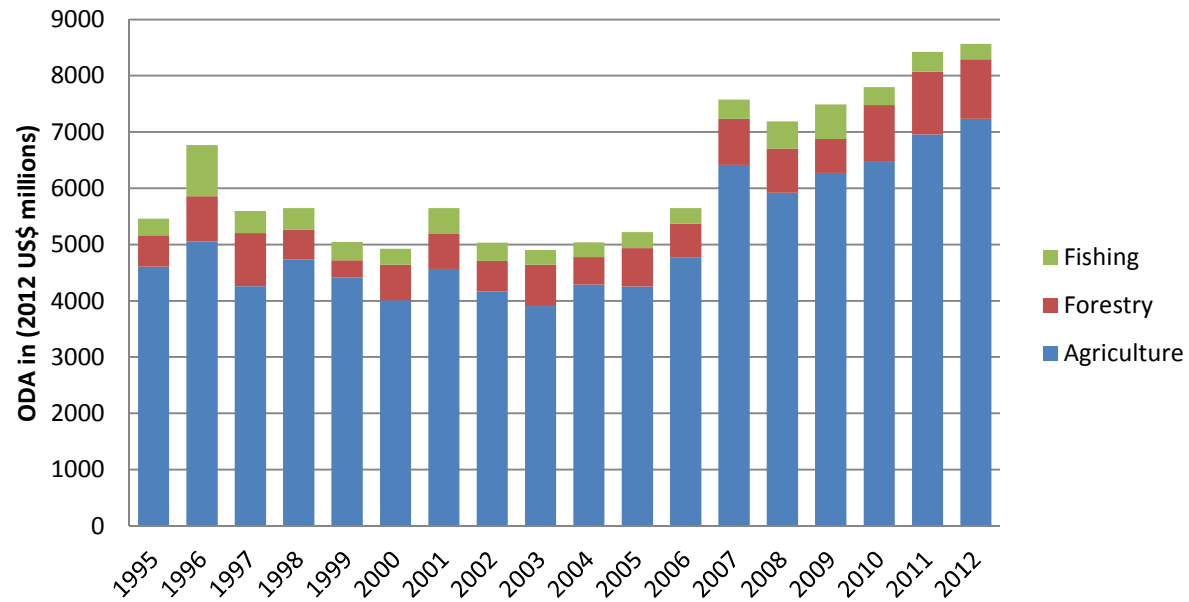


Chart 5. Bilateral and imputed multilateral ODA to ARD

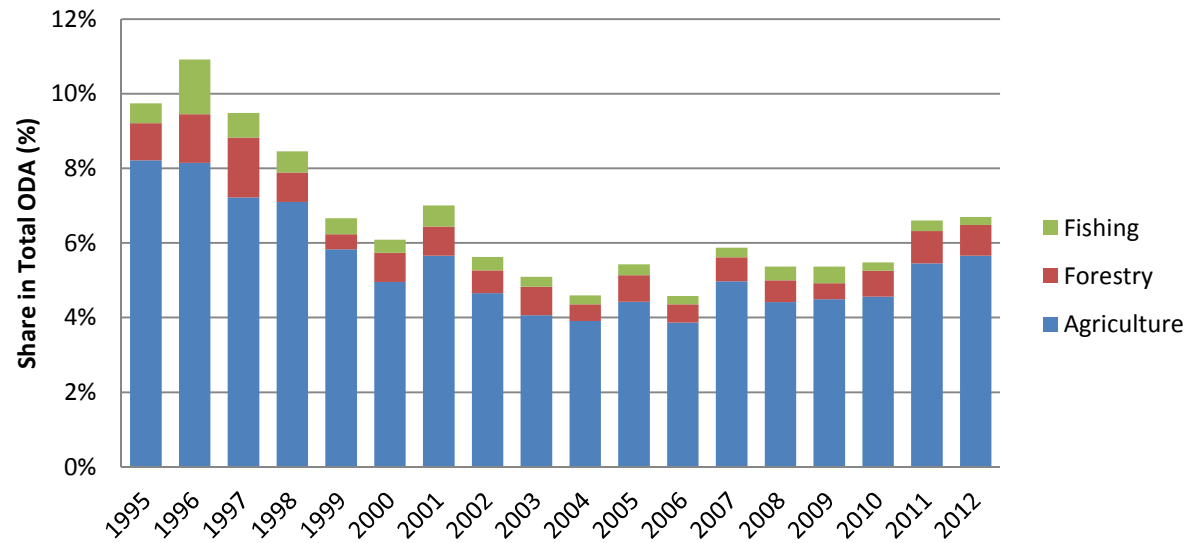
2004-13, USD billion, constant 2013 prices



ODA to Agro-Industry, commitments, 1995-2012



Share of ODA to Agro-Industry in Total ODA, commitments, 1995-2012





Trends in ODA to Agriculture (and rural development)

Reasons and hypotheses

- For the decline: resurgence of an urban bias in spite of the priority given to the reduction by half of the population undernourished in the MDGs , and of the goal of food security
- For the reversal: several factors,
 - food crises
 - WDR 2007 on agriculture
 - new concern of « value chains », productive capacities,etc?
- For the last phase: a new matter of concern ? (agriculture never quoted in important reports on development finance)
- Exception : chapter A. de J and Sadoulet in *Financing Development Sustainability. Addressing Vulnerabilities*



ODA to agriculture or development finance for agricultural development?

- Heterogenous content of ODA to agriculture, possibly associated either to agro-industry or to rural development (graphs): no clear statistics on the share of ODA benefitting to rural areas
- Diversity of instruments to support agricultural production :
is ODA (presently 2/3 in grants) always needed to agriculture ?
- ODA not necessarily needed if agricultural activities are competitive
- But ODA needed to make these activities competitive by irrigation, research, agricultural training, numeric connection, access to energy ...
- ... and most important, to lower the risks inherent of agricultural activities in vulnerable environment (Cf P.Jacquet in OCDE)
- Aid to adaptation will be to a large extent an aid for agriculture

Chart 3. Sub-sectoral breakdown of aid to ARD

2012-13, bilateral and multilateral ODA commitments, constant 2013 prices

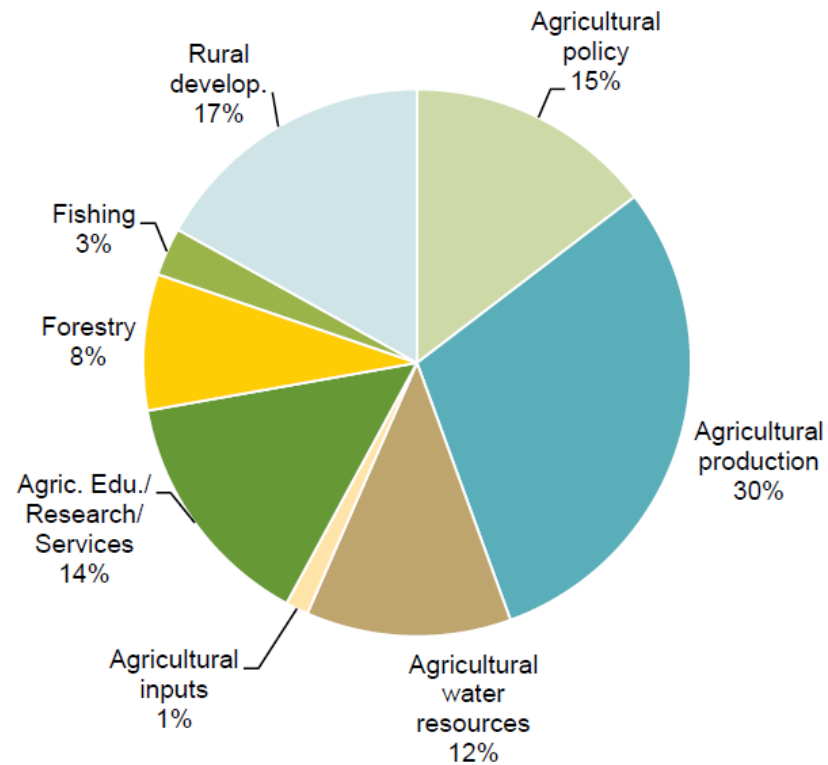
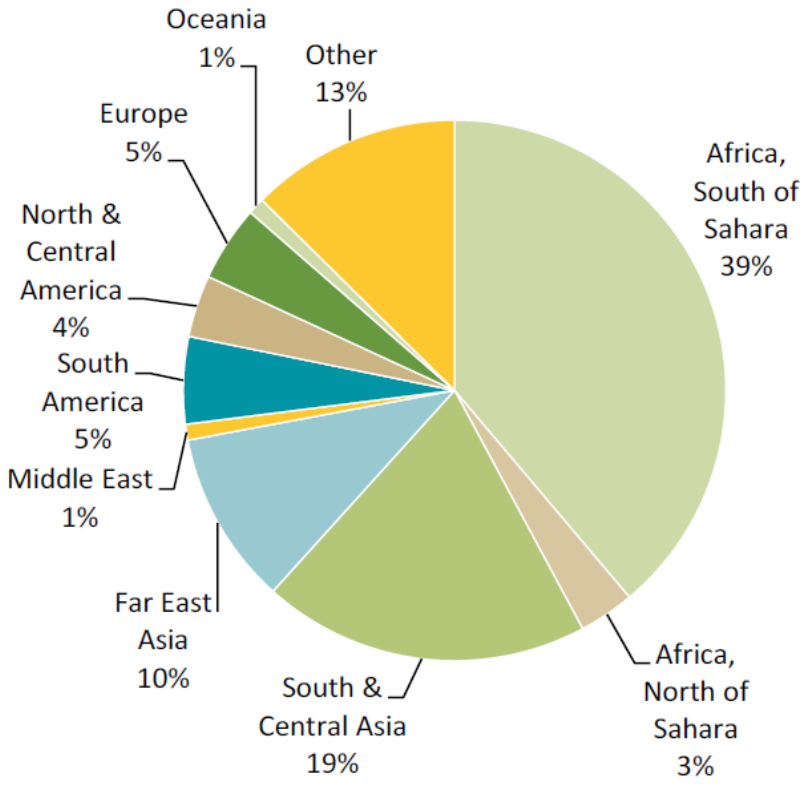


Chart 2. Regional breakdown of aid to ARD
2012-13, bilateral and multilateral ODA commitments,
constant 2013 prices





Questions to be addressed

- ODA to agricultural development is not only an aid directly focussed on agricultural production. What are and what should be the most appropriate forms of aid for agricultural development?
- Official support to farmers goes beyond ODA , but ODA current debates also matter for agriculture
- Seen from the field what are the main relevant issues