

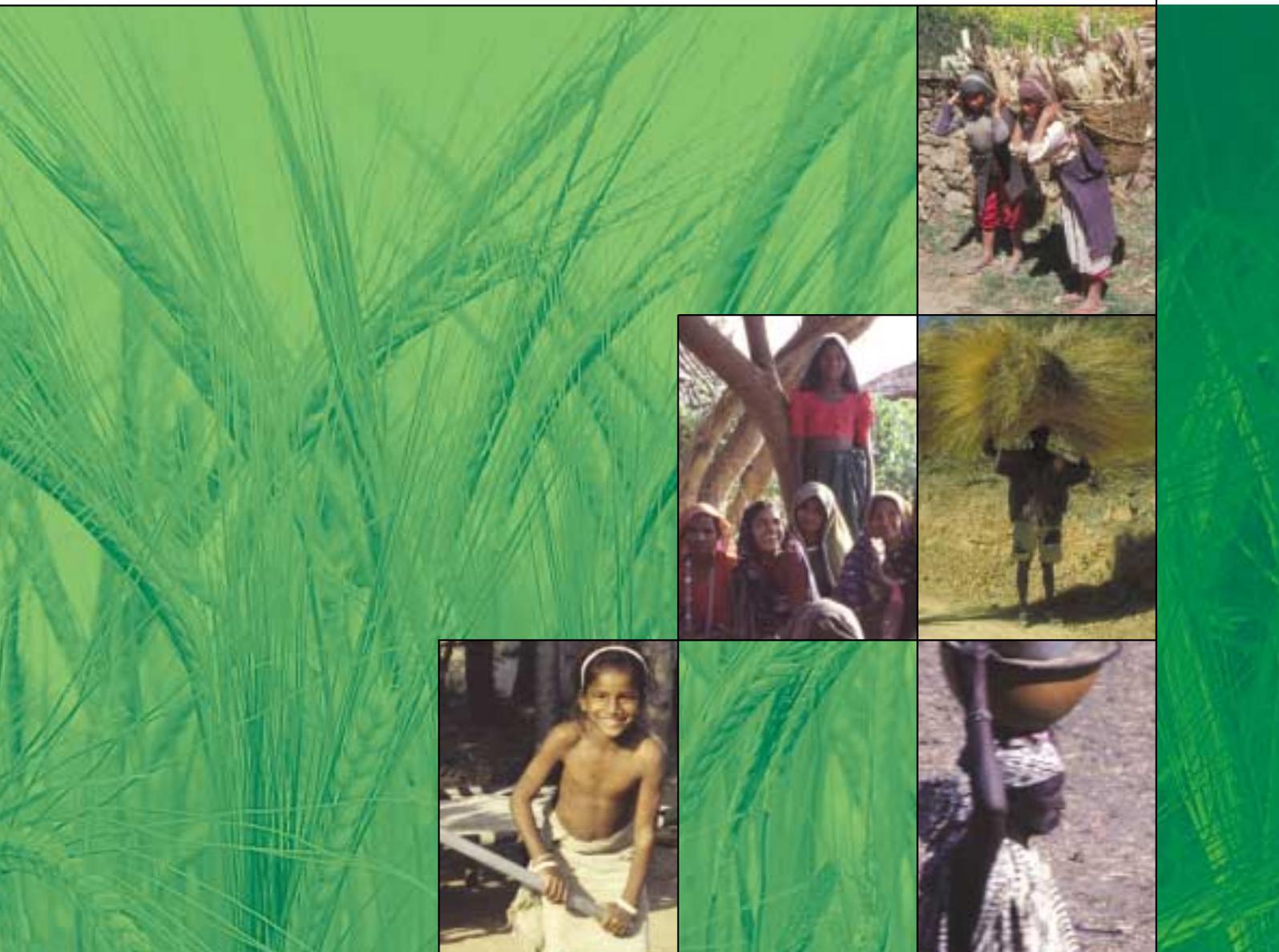


MINISTRY OF FOREIGN AFFAIRS

A Plan of Action

Fighting Poverty through Agriculture

Norwegian Plan of Action for Agriculture in
Norwegian Development Policy





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Foreword by the Minister of International Development

The most important priority for Norwegian development policy is poverty reduction. The targets we must achieve are set out in the Millennium Development Goals. These, together with the developing countries' own poverty reduction strategies, have for the first time given the world a coherent set of development goals. And one of the main means of reducing poverty is by focusing on agriculture, because most of the poor in developing countries live in rural areas and earn their living by farming. Another important point is that there are strong links between agriculture and other major development goals such as education and health. Norway is giving high priority to small producers, and especially women. The rights of groups that are often marginalised in development processes must be taken seriously.

In a number of our partner countries the agricultural sector has been given fresh impetus, and this is very promising. We must remember that agriculture is more than a source of income or a single sector – it is people's everyday lives. It involves the right to property and inheritance issues, family life and the division of labour, production and resource management, influence and participation, infrastructure, sales and market access, knowledge and expertise, food and nutrition,

water and health, and so on. Improving the agricultural sector creates opportunities, reduces vulnerability and gives people more influence over their own lives. The Consultative Group for Development Co-operation and Agricultural Development said in its report, "... we do not focus on agricultural development as the development of a single well-defined sector but as the development of sustainable livelihoods." This is why agricultural development and regional development are part of the fight against poverty.

The world has been able to increase food production more rapidly than population growth, but this has not provided food security for everyone. Now we must do a better job of fighting poverty and hunger without causing environmental degradation. This is of course a challenge that the developing countries must meet. But it is also a challenge for the rest of the world, which has pledged to support these efforts through co-operation to achieve the Millennium Development Goals. We must be willing to open up our markets to products from the developing countries. We must play our part in further developing international trade rules that will make it possible for export-oriented businesses in developing countries to compete with those in industrialised countries.



Hilde Frafjord Johnson
Norwegian Minister of International Development



Summary

Three-quarters of the 1.2 billion people who live in extreme poverty live and work in rural areas. In the least developed countries about 70 per cent of people make a living from the primary industries, mainly agriculture, which is the largest economic sector in many of these countries. In spite of this, agriculture has long been given low priority in both Norwegian and international development co-operation. Agricultural development is of crucial importance in achieving the MDG of eradicating poverty and hunger. In the last few years, however, there has been a stronger focus on the national and international framework conditions that are needed if agriculture is to make a real contribution to reducing poverty. The World Summit on Sustainable Development in Johannesburg in 2002 provided a good foundation for further efforts, with its focus on the WEHAB initiative, which identifies agriculture as one of five priority areas (the other four are water, energy, health and biodiversity). The developing countries themselves are in the process of developing more coherent policies based on national poverty reduction strategies. All this provides a good framework for a broad effort to promote agricultural development.

The Norwegian government wishes to make a greater contribution to agricultural development in developing countries as part of the fight against poverty. Norway's efforts will be based on the following:

- According to the International Covenant on Economic, Social and Cultural Rights, everyone has the right to adequate food and an adequate standard of living (cf. Article 11).
- Agricultural development must be a means of reducing poverty and is one of several means of achieving the MDGs.
- Norwegian support for agricultural development in developing countries must be adapted to the recipient countries' strategies and priorities and must be provided in co-operation with other donors and civil society.
- Measures for agricultural development must be co-ordinated with other important measures to put small farmers in a better position to improve their situation.
- Agricultural development is a central part of a broader strategy for private sector development in developing countries.
- An important means of fighting poverty is strengthening the rights of the poor and their participation in decision-making processes. Agricultural development measures must be targeted at women, who produce most of the food and constitute the majority of farmers in the least developed countries.
- Agricultural development must be carried out in an environmentally sustainable way in order to avoid depletion of the natural resource base.

The action plan contains 50 measures grouped in seven priority areas

a) Policy and reforms for poverty-oriented agricultural development

In order to achieve the MDGs we need to improve co-ordination of the various policy areas at both the national and the international level. Support for agricultural development is one of several priority areas in the fight against poverty.

The government will:

- *promote a coherent approach to agricultural development in both multilateral and bilateral contexts.*
- *in its co-operation at country level, base its efforts on the partner countries' own national development plans and poverty reduction*

- strategies. In order to establish a foundation for its dialogue with the authorities in its main partner countries, Norway will play its part in adjusting co-operation agreements to include sustainable agricultural development.*
- in its policy dialogue with partner countries, promote poverty-oriented and sustainable agricultural development that will strengthen the rights and influence of the poor, especially women, and increase the contribution of the agricultural sector to economic growth and development.*
 - give priority to sectoral programmes developed at national level as a means of contributing to agricultural development.*
 - identify two or three pilot countries for intensified efforts in this field, for example, Malawi, Zambia, Ethiopia, Tanzania, Uganda, Mozambique or Madagascar.*
 - give priority to ensuring that the special problems facing dryland areas are addressed through specific measures, research and education, and through participation in and support for the UN Convention to Combat Desertification.*
 - seek to ensure that the multilateral organisations give more priority to poverty-oriented, sustainable agricultural development that takes account of women's interests and encourages their participation.*
 - give even higher priority to efforts to ensure that the multilateral organisations adapt their activities to the developing countries' own strategies and priorities and that they carry out their activities in co-operation with other donors.*
 - Through the Norwegian Trust Fund for Private Sector and Infrastructure under the World Bank, seek to ensure that rural development and agriculture are given more emphasis in the World Bank's efforts to promote private sector development.*
 - promote closer co-operation between the World Bank, the International Fund for Agricultural Development (IFAD) and the regional development banks in order to make better use of the available resources, both in its analytical work and in the field.*
 - further develop co-operation with IFAD, among other things by strengthening co-operation with the fund at country level in order to reach poor people in rural areas, and by continuing to increase Norway's support to IFAD.*
 - support the regional development banks in their efforts to give priority to agricultural development in accordance with the sustainable use of resources. Co-operation and co-ordination between the banks are essential for the work of harmonising international development co-operation efforts and making them more effective.*
 - encourage measures by the regional development banks to promote more investment in agricultural development by the private sector, and seek to ensure that they take more account of land reform and women's rights and participation in connection with major investment projects in agriculture and rural areas.*
 - in co-operation with other member states, intensify efforts to bring about the necessary reforms in FAO, both at country and at headquarters level. FAO should bring its work more closely in line with the MDGs, improve co-ordination with other donors at country level, concentrate on a few major thematic areas and promote a cross-sectoral approach.*
 - encourage efforts in certain selected areas as part of the reform of FAO. One of these areas will be the implementation of the Treaty on Plant Genetic Resources for Food and Agriculture.*
 - promote better co-operation between FAO, IFAD and WFP, all of which have their headquarters in Rome.*
 - co-operate with civil society on the implementation of the plan of action.*
- b) Food security**
- Sub-Saharan Africa is the only development region where per capita food production has not risen during the last 30 years. Contributing to food security through agricultural development is essential to the realisation of the right to food and is an important priority for Norway.
- The government will:*
- continue to participate in the FAO process of preparing guidelines for realising the right to food. The government will also provide technical and economic support to countries that*



are seeking to realise the right to food at the national level.

- untie Norwegian food assistance by 2006 in order to use resources more effectively and support local and regional food production.*
- continue to maintain its restrictive position on genetically modified organisms and food.*

c) Strengthening women's rights and their participation in agricultural development

Women are responsible for 60 to 80 per cent of food production in developing countries, and agricultural development measures must naturally be targeted at the most important actors in the sector. Women's rights, needs, education and training, and the importance of their participation must be in focus in all priority areas in the action plan.

The government will:

- seek to ensure that women's rights, interests and participation are secured and incorporated in policy-making, framework conditions and agricultural development measures at country level and in multilateral organisations.*
- give priority to ensuring women's interests and their participation when selecting co-operation partners and channels for development assistance. The government is also prepared to support activities carried out by local NGOs that are working for women's rights and to promote women's participation.*
- intensify its efforts to ensure that partner countries carry out the necessary reforms for formalising women's access to land and other natural resources.*

d) Promotion of the sustainable use of natural resources

The growth in production needed to combat poverty, combined with population growth, makes it essential to use natural resources sustainably. Sustainable agricultural development contributes to long-term food security. Norway will give priority to ensuring the sustainable use of natural resources in its efforts in all areas and through all channels. Women play a key role in natural resource management at the local level, and women small

farmers and grass roots organisations will be given priority in Norwegian support to sustainable resource management.

Norway has for many years focused on development co-operation between Norwegian NGOs such as the Development Fund, Care and Norwegian Church Aid and peoples in dryland areas, especially in Africa. At the same time Norway has supported competence-building in research both at home and in Africa as a contribution to more knowledge-based development. Norway will maintain this focus, and will emphasise co-operation with NGOs in Norway and civil society in partner countries and also with drylands research institutions in Norway and in partner countries.

The government will:

- seek to strengthen partner countries' own administrative systems and their capacity for natural resource management.*
- seek to ensure that the principle of sound management of natural resources, including the ecosystem approach, is included in national agricultural development plans and in multilateral organisations' efforts to promote agricultural development in developing countries.*
- continue to make a special effort to follow up the Johannesburg Summit in the areas of water, energy, health, agriculture and biodiversity.*
- facilitate a flexible approach that allows the individual producer to make use of variations in the available resources. Investment in innovation among small producers must be made parallel with investment in larger producers who can act as driving forces in the development process.*
- maintain the substantial increase in support for indigenous peoples' efforts to preserve their culture, realise their rights and participate in development processes. These efforts should take place in co-operation with national authorities, indigenous peoples' organisations and NGOs. It will be important to take account of the links between rights, rights of use over land and other natural resources, environmental and biodiversity issues, and education and training. Norwegian civil soci-*

ety actors and Norwegian indigenous peoples' organisations will in many situations be appropriate channels for Norwegian assistance. Norwegian engagement in Central and South America will be continued, while Asia and sub-Saharan Africa will become new priority areas.

- seek to ensure that the International Treaty on Plant Genetic Resources for Food and Agriculture and other international rules concerning plant genetic material enter into force and are accepted as the overarching framework for the protection of the right of small-scale and medium-scale farmers and research institutions to use properties of plant genetic material to combat poverty in developing countries.*
- act as a prime mover in the efforts to secure open access to plant genetic material, among other things through the work of the CGIAR system to follow up the Treaty on Plant Genetic Resources and initiatives to facilitate access for developing countries.*
- seek to ensure that the conservation of plant genetic resources is integrated into the ordinary agricultural policies of the relevant multilateral organisations and into bilateral development assistance, and support the development of national legislation that will promote the effective implementation of the Treaty.*

e) Strengthening basic services and poor people's rights of use and properties rights to land and water

The issue of the formalisation of rights has been put more firmly on the agenda. Large amounts of "dead capital" are managed by poor people in rural districts (and in towns) in developing countries, and it is an important task to mobilise this capital. If this is to be achieved on a large scale, poor people's rights to land and capital must be formalised, for example by strengthening rights of use and property rights so that farmers can make profitable long-term investments designed to increase their agricultural production. However, property rights and the formalisation of rights are complex issues, which are often the result of long historical and cultural traditions. Thus formalisation of the rights of the poor must always be carried out in a local context.

Poor rural populations also need better services and infrastructure. They need financial services (loans, savings, insurance and money transfers) that are adapted to their special needs, information on prices, products, quality requirements and markets, business registration systems, roads, energy supplies and sales organisations in which the producers participate.

The government will:

- seek to ensure that steps to strengthen the rights of use and property rights of the poor are integrated into national plans and strategies for poverty reduction.*
- seek to strengthen poor people's rights of use and property rights to land and water, and thus improve their access to capital and financial services, by stepping up financing for specific reform processes, especially in Norway's partner countries, and by co-financing with multilateral organisations.*
- support land reforms and measures that strengthen family operations, including legislative amendments that increase poor people's security under the law.*
- seek to ensure that women in rural districts, especially in Africa, are ensured access to land and livestock, among other things through amendments to inheritance legislation.*
- support the demands of small farmers and landless farm workers for respect for human rights, minimum wages, regulated working hours and the right to organise.*
- seek to ensure that poor people are given access to financial services adapted to their needs. Norwegian development assistance will focus on facilitating the establishment of such services at the local level in co-operation with partner countries and other donors. Norway will only give direct assistance to local financial institutions in exceptional cases.*
- contribute to capacity-building for independent producer organisations that promote the interests of small farmers and meet their needs as regards purchases and marketing. An important objective is to ensure that the small farmers themselves, including women, participate in the development and operation of these producer organisations.*



- *give priority to providing equity capital and loans to commercially and environmentally sustainable projects in the agricultural sector through Norfund and in co-operation with financial institutions in developing countries.*

f) Strengthening education and research

The development of primary industries is becoming increasingly dependent on expertise and international factor inputs. Research and education are essential to efficient agriculture. Norway will therefore seek to ensure that investment in agriculture in developing countries is based on sound, up-to-date knowledge. Research and technological advances are vital for increasing productivity and the income base in agriculture. The developing countries need to diversify their production and develop their capacity for processing agricultural products. In order to ensure that increasing investment in research and education will contribute to poverty reduction, priority should be given to applied research, which is of direct benefit to small producers.

The government will:

- *seek to improve agricultural education through political engagement and network-building, and through specific support for higher education in agriculture at pioneering institutions in the form of scholarship programmes.*
- *seek to enhance opportunities for agriculture-related education following basic schooling in developing countries in co-operation with the countries' authorities and relevant multilateral organisations, and continue the co-operation with Norwegian universities and colleges.*
- *seek to ensure that agricultural universities give greater weight to production-oriented knowledge, economics, enterprise development and co-operation with local communities.*
- *help developing countries to enhance their capacity for agriculture-related research of relevance to small farmers and support measures to promote higher quality and encourage the processing of agricultural products in developing countries.*
- *continue its support for the CGIAR centres, and will give priority to supporting research*

of particular relevance to agriculture in sub-Saharan Africa.

- *seek to ensure that Norway's direct involvement in research focuses on areas where we have special expertise, such as land consolidation, the development of guidelines and legislation concerning the management of public goods such as resources in uncultivated areas and common land, forest, hunting and fishing rights, co-operatives, integrated plant protection, food safety, food rights issues, sustainable natural resource management and drylands research.*
- *emphasise the right of small farmers, especially women, to participate in the development of extension services for agriculture in order to ensure that these services reach the poorest groups and are relevant to their situation.*

g) Promotion of market development

The WTO is the most important arena for improving market access for agricultural products from developing countries. Market access, domestic support and export competition are the issues being discussed in the current agriculture negotiations in the WTO. Norway will seek to ensure that this round results in better international trade conditions for the developing countries. Parallel with improved market access under the WTO agreements, the developing countries should be given improved access to the industrialised countries' markets through GSP schemes. Norway has under its GSP scheme granted full duty- and quota-free access for all imports from the least developed countries. Other developing countries are granted duty-free access for non-sensitive agricultural products and in general they are granted tariff reductions of 10-15 per cent for agricultural products that are also produced in Norway.

Formal market access is necessary but not sufficient to ensure access for developing countries to international markets. Factors like productive capacity, processing, infrastructure and product quality also play a role here. At present poor developing countries have few agricultural products for sale that meet the standards for quality, food safety and reliability required for exports to international markets. A great deal of technical and finan-

cial assistance will be needed to build up production capacity and competence in these countries. Areas where such assistance is required include facilitating the financing of production and export, training in production and marketing for export purposes and, in particular, in the development of products that will meet western countries' quality and health standards, organisation of production for export, expansion of infrastructure and improvements in the institutional framework conditions for exports.

Norway also wishes to encourage local and regional trade, and is supporting a number of initiatives for increasing South-South trade. The developing countries are becoming increasingly important markets for other developing countries as well as industrialised countries, and trade between developing countries has increased considerably in the last few years. It is often simpler to sell products to a neighbouring country than to a country in another continent. Greater economic integration and closer co-operation between countries in the South will enable these countries to gradually adapt to increasing competition and build up competence, which will lay a foundation for exports to international markets.

The government will:

- *seek to ensure that the current round of negotiations in the WTO results in improved access to world markets for agricultural products from developing countries.*
- *through Norfund and as part of the implementation of its strategy for private sector development in the South promote the development of the agricultural sector in partner countries.*
- *assist in eliminating the obstacles to creativity and entrepreneurial activity among the peoples of developing countries by facilitating agricultural development.*
- *give priority to measures to improve infrastructure and basic services, which will help to increase productivity, sales, entrepreneurship and innovation, and will also reduce vulnerability.*
- *provide technical and financial assistance to help developing countries to exploit their*

export potential. Priority will be given to measures for increasing productivity and improving product quality.

- *intensify its efforts to increase the volume of exports to Norway from developing countries, especially LDCs, among other ways by co-operating with the private sector and organisations that promote ethical trade.*
- *assist developing countries in their efforts to increase South-South trade in agricultural products at the local, national and regional levels.*

h) Follow-up and administrative measures

The government will strengthen the overall capacity of the development assistance administration to implement the measures in this plan in co-operation with the authorities of the recipient countries and with other donors.

The agricultural development effort must be followed up and reviewed at regular intervals. The results of such reviews must be used as a basis for further plans and efforts in the agricultural sector. But Norwegian efforts cannot and should not be evaluated in isolation. It is important to take into consideration the results achieved by the developing countries themselves and by other donors as well as our own results.

The government considers it important to put the action plan into practice in co-operation with Norwegian specialists in the field. This will ensure that the plan is implemented flexibly and that it incorporates up-to-date knowledge and information about new opportunities.

The government will invite relevant Norwegian specialists to annual consultative meetings where the implementation and further development of agricultural development measures can be discussed.

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