

#### **Brussels Development Briefing No. 51**

Brussels, 27 June 2018

On 27th June 2018, CTA organised the 51st Brussels Development Briefing - part of a series of bi-monthly Development Briefings on ACP-EU rural and agricultural issues. Around 120 participants gathered in Brussels to discuss the role played by agriculture in fragile countries, particularly in terms of its contribution towards food safety and nutrition, job creation, economic growth and stability, peace and reconciliation

#### Agriculture as an engine of economic reconstruction and development in fragile countries

This Briefing focused on fragility, its definition and the factors contributing towards it. It highlighted successes in the agricultural sector in some fragile countries, and showcased initiatives on the ground that have supported agricultural activity, especially for women and youth, both in conflict and post-conflict scenarios. While many challenges exist, the Briefing demonstrated that new opportunities can be leveraged to promote resilience.

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Isolina Boto

Viwanou Gnassounou

Bernard Rev

Isolina Boto, Manager of the CTA Brussels Office and coordinator of the Briefings, welcomed all participants and thanked the coorganisers and the ACP Secretariat for hosting the Briefings. She pointed out in her introduction that the focus would be on the most fragile ACP countries that have faced persistent challenges, such as Somalia, South Sudan, Burundi, Chad and the Democratic Republic of Congo. She added that the debate would look at how fragility affects agriculture, and how agriculture could be part of the solution given the significance of this sector in these countries. More attention would also be placed on long-term development and the role of the private sector and not only on humanitarian responses.

Viwanou Gnassounou, Assistant-Secretary-General of the ACP Secretariat opened the Briefing by appreciating the opportunity for an exchange of views on this issue, emphasising the importance of fragility as a concern for ACP countries in particular. For this group, fragility is defined as widely as possible, taking into account conflict as well as climate change and other

major challenges faced by ACP countries. He also touched on the definitions of fragility of the World Bank and the OECD, noting that they were narrower in many cases than that used by the ACP Group. He went on highlight the importance of the relationship between the EU and ACP countries, and the need to address the institutional aspects of fragility as far as agriculture is concerned, from the level of cooperatives and producers and upwards, as well as state institutions. Finally, he concluded by hoping that the Briefing would produce a toolkit to help in building resilience in ACP countries and to improve anticipation and preparedness.

Bernard Rey, Deputy Head of Unit, Devco C1, Food Security, Nutrition, EuropeAid of the European Commission, stressed in his opening remarks the key position played by fragility in the EU political framework, notably in the EU Consensus on Development, and the Communication on a Strategic Approach to Resilience in the EU's External Action. Resilience has been a topic of interest for the European Commission, particularly resilience

James Putzel









process, ethnic and racial inequalities

Michael Hailu

various tools.

against food crises, looking at how to respond within the nexus between development, humanitarian response and peace, using the right tools depending on the nature of the fragility. This is why the EU initiated the Global Report on Food Crises, which enables discussions around the table on the best solutions and way forward. He acknowledged that some crisis are caused by climate, others by human conduct, so there is a need to better understand the crisis conditions and contributing factors. Given the changing approaches to development, he concluded that central to the Briefing should be a discussion on how best to support fragile countries with enabling conditions for a more sustainable food system, how best to support private sector investment in fragile conditions and how to balance the

Michael Hailu, Director of CTA gave the final opening remarks, linking this Briefing to CTA's ongoing work and focus on resilience building since the 30th Brussels Briefing on "Agricultural resilience in the face of crisis and shocks" which took place in 2013. He emphasised the SDGs as an important context for addressing fragility, given that most of the world's poorest live in fragile countries, with 70% of those affected being women and children. CTA has worked to introduce resilience measures including climate smart solutions and ICT innovations that allow farmers to prepare and respond to crises. This approach is a long-term one, which encourages

sustainability, knowledge building, exchange of experiences, and opportunities for jobs and livelihood creation for youth. He noted the lessons to be learnt and shared from states at different degrees of fragility as a point of particular interest for this Briefing, which reflects the broader Briefing model of having a global overview of the issue – based on the leading research and studies – but in addition, to have concrete examples based on different countries' experiences.

The first panel, chaired by Bernard Rey, discussed **fragility and its implications for agriculture**, looking at the concepts and approaches to fragility, lessons learned from selected countries and the implications for the agricultural sector and the rural communities.

Professor James Putzel, from the London School of Economics presented the latest research on the issue of fragility. He began by clarifying that state fragility is not synonymous with poverty, that is to say extreme underdevelopment, but rather, it is a vulnerability to violence, and all players must recognise this, from international donors to leaders within the country. It is important to understand how agriculture is linked to fragility, as it can contribute, but also present solutions, against fragility, as many of these countries count agriculture as a national priority for their development. The policy issues and politics that contribute to fragility, such as the exclusion of groups from the political

and factors contributing to in vulnerability, are key. Because the definition of fragility has evolved over time, reflecting security concerns in developed countries as well as broader trends in development, funding for the countries with the greatest need of support has in fact fallen over the last decades. Putzel presented a critique of the OECD's initial classification of fragility, under which most underdeveloped countries could fall, as well as the World Bank CPIA Index, which was used to measure fragility. He used the example of Mali in contrast to Tanzania, Zambia and other countries in Sub Sahara Africa to demonstrate that poor countries that remain peaceful tend to avoid fragility, and more can be learnt about fragility by understanding what has been resilience. The current OECD definition was also criticised for being too broad. Finally, it was argued based on his research, that four key dimensions or diagnostic tools influence the position of a country on the fragility - resilience spectrum. These are security, the territorial reach of the state, the state's fiscal authority, and the extent to which the state's institutions are hegemonic. The implications for agriculture are widespread. Funding and support should counterbalance ethnic or political dynamics that could lead to violence. External programmes and funding should focus on promoting internal economic integration through agriculture - linking farmers to urban markets - rather than trying to promote entry into global











value chains, an approach Putzel recognised in the work of CTA. Production of staple and cash crops should be balanced, and productivity should not be the leading benchmark for projects. State capacity also has to be promoted, rather than channelling interventions and funding through parallel institutions, which can weaken the state in the longer term. Programmes, especially in relation to land rights issues, should have the buy-in of local elites and more generally, there should be a clear opportunity for wealth creation.

Rajendra K. Aryal of the FAO, discussed agriculture as a way to bridge the humanitariandevelopment-peace divide in fragile contexts. He began his analysis with reference to The State of Food Security and Nutrition in the World 2017, noting that the number of chronically hungry and malnourished people worldwide has grown, and that 60% of them reside in conflict-affected countries. Further figures related to food crises were presented, with the conclusion that two significant contributing factors were at play: increased conflict or insecurity, and consecutive climate shocks. The conflict in South Sudan was given as an example of the correlation between conflict and food insecurity. Further reference was made to the Global Report on Food Crises, which also presents a negative forecast in 2018 for many of the fragile countries. Agriculture is a key issue because the majority of people who are facing severe food insecurity live in rural areas,

relying on agricultural activities for their livelihoods and survival, as well as being the most vulnerable to external shocks. Agriculture is also part of the solution for vulnerable communities to gain resilience, livelihoods and food security, and Aryal emphasised that humanitarian aid, whilst necessary, is not the answer to vulnerability. Furthermore, he argued, agriculture can also contribute towards sustaining peace, as loss of land and livelihoods due to conflict and displacement can in part be addressed by enabling communities to return to agriculture. In Pakistan's Swat Valley, the example was shared where displaced men, many of whom had been apple and pomegranate growers, were given seeds, inputs and the opportunity to return to agriculture, helping them to feel rehabilitated. Agriculture can also improve relationships between host and displaced communities, with examples of programmes with Syrian refugees in Turkey, many of whom may have had skills coming from other areas such as ICTs, but who were retrained to work and gain livelihoods using those skills in agriculture. Therefore, development and peacebuilding should not be conditional to the conclusion of humanitarian action. Finally, the partnerships and cooperation in delivering these efforts around agriculture and resilience in fragile countries was highlighted by Aryal, from the flagship publications, to advocacy and policy work, as well as global initiatives to scale up successful approaches on the ground. As a concluding point, he

highlighted the opportunities that agriculture presents as an entry point for youth employment in fragile contexts.

**Alexandros Ragoussis** of the IFC / World Bank Group focused his presentation on two themes: understanding the agriculture-fragility and development-conflict dynamics, and how this applies to investing in agricultural in conflict-affected and fragile countries. Conflict can be thought of as a barrier to economic activity including agriculture, or inversely, agricultural and economic activity can be thought of as a response or solution to conflicts. Ragoussis advised against separating these two perspectives when developing interventions in fragile countries. According to the World Bank's list of fragile and conflict afflicted countries, agriculture is twice as likely to be at the top of these 40 countries' economic sector in terms of value addition, compared to other countries in the world. Agriculture is part of breaking the cycle from economic exclusion towards conflict - it is between two to four times more effective at lifting people out of extreme poverty than investment in any other sector of economic activity. Ten to fifteen years ago, the World Bank did not engage in fragile countries, but Ragoussis emphasised that this approach has changed, and a great part of this transformation has been through agriculture - by investing in the sector, encouraging others to do so, mobilising resources to the sector and promoting enabling conditions in order to foster the





Bing Zhao

potential of agriculture. The IFC has doubled its investment commitments in agriculture in fragile and conflictaffected states over the past five years. The leading challenge they face is a lack of suitable entry points into agriculture in fragile countries, which is characterised by informality, limited organisation and mechanisation of production, and insufficient targeting of growth. Because of this, FDI into agriculture in fragile countries is scant - only 1% of global FDI goes to the 40 countries on the IFC fragility list, with most of this investment going to the extractive, telecoms and construction sectors. Subsequently, IFC creates its own entry points through local investment agents, partnerships, networks and laying the groundwork for private sector operators like Cargill and Bayer to invest in fragile countries. Finally, they put in their own resources for investment and mobilise resources from other donors through blended finance, for example the Global Agriculture and Food Security Program (GAFSP), whose fund is worth US\$1.35 billion. They also provide important complementary support through advisory services for every dollar committed to fragile states, IFC spends twice that amount in advisory services in these countries, compared to other low-income countries. Ragoussis added that the domestic market in fragile and conflict-affected state is not sufficient to support growth in agriculture, so IFC guarantees three times the amount for cross-border trade in fragile and conflict states compared to in other low-income states.

Notwithstanding that the World Bank Group / IFC is the largest multilateral donor in fragile and conflict affected countries by any measure, Ragoussis recognises that a lot of work has gone towards improving its own processes, standards and measures of success, especially at the macro level.

The questions and answers session considered a variety of perspectives from participants. NGO members expressed a strong appreciation of the panel and provided examples from their own experiences on the issues discussed. Recommendations were made that global institutions and researchers should focus more on the local solutions developed by people in fragile countries to avoid conflict, and that concrete action is derived from the debate. The issue of limited entry points was also picked up, and mirrored by a similar challenge in respect of scaling up smaller successful approaches. Participant lent support to the argument that state institutions should not be bypassed in fragile countries and local markets should be the focus of productivity investments. From representatives of producer groups came the issue of cooperatives as an investment entry point, and the need to focus on long-term solutions. ACP embassy representatives wanted to know about which types of agriculture would reduce fragility, whilst private sector representatives bemoaned the lack of access to data about fragile countries, and recommended to scale up successful approaches.

James Putzel responded by arguing that the role of the private sector in fragile countries is often exaggerated as it has the smallest risk tolerance, and it would be inadvisable to rely on PPPs to resolve issues around agriculture in fragile countries. He emphasised the importance of understanding power structures in fragile countries, and argued that Rwanda provided a good example of using local solutions to address fragility, especially in the agricultural context. Rajendra K. Aryal noted that FAO works with NGOs - local and international - and wherever possible with local governments. He pointed out that although local solutions can be found, they require a big time investment, as does working with the private sector. He also called on the World Bank to ease some of its procedures for partners in fragile countries. Alexandros Ragoussis welcomed the stimulating feedback from the participants, expanding on the World Bank's approach, which tries to balance working with state versus non-state actors, and using international versus domestic solutions, to ensure the best outcome in fragile states.

The **second panel**, chaired by Michael Hailu, shared successes from the field from selected fragile countries, highlighting sustainable practices in production and market development, and looking at the positive impact at the local level.

**Bing Zhao**, P4P (Purchase for Progress) Director and Global





Annick Sezibera

Coordinator at the World Food Programme discussed how the programme connects farmers to markets in fragile countries, with examples from the Democratic Republic of Congo. WFP is best known for its humanitarian work, particularly in relation to food assistance where it is the largest humanitarian agency, covering 90 million people in over 80 countries in 2017 alone. It works with a broad range of stakeholders to build nutrition outcomes and resilient food systems that contribute to food security and sustainable development. One of the aims of P4P is to link smallholders to the market responding to demand from the WFP. from local government services such as food reserves or school feeding programmes, and from the private sector. P4P is also engaging with the WFP's other smallholder initiatives to develop an integrated programmatic approach which will have a deeper impact on food systems. This approach targets broader benefits, including working with refugees and displaced groups, enabling returns, rehabilitation of livelihoods and the settlement of disputes over shared resources. P4P works with smallholders to strengthen their resilience to shocks and to improve their access to markets. To date, it has assisted over 2 million smallholders in over 60 countries, purchasing over US\$ 250 million worth of food from them, mainly through farmer's organisations and cooperatives, effectively encouraging producers and external investors

to invest in smallholder agricultural productivity. Local partners, civil society and institutions are important to the WFP in order to achieve zero hunger, so they also receive capacity building and support. In South Sudan, WFP is providing lifesaving supplies, but also engaging in food in return for work, to help the smallholders to create productive assets. In the Sahel region, which faces a threat of famine, the WFP is helping to address the early onset of the dry season. In the DRC, over 7 million people are in need of food assistance in 2018, representing an increase of 30% in comparison to 2017, a situation largely caused by human factors as the country is otherwise resource rich and could afford to feed its population. A coalition of the Rome agencies (FAO, IFAD, and WFP) launched a joint programme to strengthen the resilience in fragile states, particularly in vulnerable populations in north and south Kivu province. The objective is for smallholders to increase their incomes, production and build resilience through improved agricultural and financial capacity for sustainable production and market engagement. Women are also targeted for support. P4P has developed farmer's organisations assessment tools to identify the right local partners and to design capacity building. WFP is also involved in the rehabilitation and expansion of market oriented rural infrastructure, to create a conducive and enabling environment for smallholders.

Annick Sezibera, Executive Secretary of CAPAD in Burundi, provided a compelling presentation on this confederation of agricultural producers. CAPAD was created in 2000 following the civil conflict in Burundi, which resulted in a significant displacement and fleeing of populations and led to constraints in productivity factors and land. As a result, there were many women and orphans remaining who had to provide for families. CAPAD was initiated with the support of NGOs with the goal of supporting displaced individuals to return to their land and to farming without fear of being killed. As members started cultivating the land, their confidence and numbers grew from 25 members to 117,000 agricultural households who cultivate on average 1ha of land each. Today, CAPAD aims to improve and diversify production of smallholder farmers involved primarily in subsistence to feed their families. CAPAD supports them to grow a surplus, by offering seeds and other inputs, and helping farmers to access funding and credit including through mutual support for even the poorest households. Value is added to this surplus through a collective marketing approach and selling competitive products on the markets. Although CAPAD grew to the point that it was supplying the P4P programme, challenges such as the lag between delivery and payment for farmers led them to consider other markets better suited to the poorest farmers. In its 18 years, CAPAD has had major successes,











including to help return communities to peace, and to build social cohesion based on common interests. CAPAD helped break the mould for farmers' organisations in Burundi, starting from scratch, overcoming negative perception of cooperatives by working with community leaders and women. Ultimately, they helped to increase the yields of their members by 50% and created many temporary and permanent jobs. There was an improvement in the socioeconomic conditions of women, youth and young men returning to rural areas, many of whom were ex-soldiers. Success for CAPAD was made possible by the failure of the state in relation to agriculture, which created a vacuum for producer groups. Additionally, the explicit choice by CAPAD from the outset to be politically neutral also helped it grow and avoid capture or manipulation. Ongoing and regular dialogue with members to discuss conflict around many issues has allowed them to anticipate and develop response strategies and build resilience. Finally, Sezibera acknowledged the opportunities that CAPAD gained from external support, such as with AgriTerra, the EU and CTA, who placed trust in CAPAD and helped to build its capacity. CAPAD has worked with other organisations at the national level to promote policies that create an enabling environment to support agriculture. One of the strategies they developed to build their resilience to shocks and crisis is their informal and formal advocacy and fundraising - staying in touch

with political actors and giving recognition to the important role played by the government.

The experience of South Sudan was presented by Harma Rademaker, Programme Manager of Cordaid on the basis of their disaster risk reduction and resilience building activities, which began in 2012. Rademaker presented the lessons based on various projects where Cordaid worked with agropastorals - ProAct, and Peace, Governance and Development. In one context, a conflict had arisen from disagreements over use of resources, thus preventing productive agricultural activities. Cordaid worked with a partner who convened different local actors to engage in dialogue to assess their own situation, and develop an action plan. This led to the creation of joint multi-stakeholder committee to guide implementation of the action plan, using 30 acres of land provided to them to farm. They built a warehousing facility, and began marketing to Uganda demonstrating the potential that agriculture can provide for conflicting communities to restore peace. In the EU funded ProAct programme, focused on community resilience and food security, there was a need to respond to the internal civil war that led to significant displacement. Cordaid mobilised resources for humanitarian aid, enabling them to help many displaced locals with minimally conditional cash transfers. Subsequent to the stabilisation of the

situation, as people return to their villages, Cordaid was able to divert more support to resume the ProAct programme activities. Capacity to respond to disasters constitutes Cordaid's entry point and its mission is to build the capacity of people who are vulnerable. They also work with the government, as it is important to have their buy-in. Cordaid has developed replicable steps in their DRR. These are based on conducting a participatory disaster assessment including a conflict analysis, a joint action plan and implementation benefiting conflict groups, establishing structures in local ownership and stakeholder engagement, and finally, ensuring flexibility to adjust to changing situations and applying the LRRD as a crisis modifier. This approach has garnered results in terms of community empowerment, food security and agriculture, livelihoods and social security, water and peace. Rademaker drew from these some key lessons such as the importance of community plans that solve priority needs first, not overlooking food security and livelihoods, and joint action plans that are inclusive of all conflicting groups. Additionally, there should be an adaptive and innovative LRRD approach, matched by flexible funding which can move between relief and development, as well as preparedness to scale activities down during crisis and scale up with stability. Finally, the government must be engaged. In conclusion, Rademaker explained challenges of working in conflict areas, such as the



destruction of system, structures and infrastructure, different priorities for local communities than doing DRR, limited funding, volatile security situations, burdensome local procedures, high inflation, and working with multitudes of ethnic groups.

The final presentation by **Katharine** Downie from World Vision in Somalia began by providing a context and background to SomReP - a consortium of seven NGOs with livelihood programmes in Somalia, which was initiated in 2013. Approximately US\$ 80 million went into funding Phase I of SomReP, which is in its conclusion, and it is anticipated half that figure will go into funding Phase II of SomReP, which will continue until 2023. She shared results from a positive deviance household study, which aimed to identify the characteristics of these households, and use these characteristics as proxies for resilience. The findings saw that food security and capacity to cope were positively correlated with belonging to a savings group (e.g. having village savings and loan accounts or VSLA) and access to early warning information. Additionally, these households were associated with improved outcomes relative to the amount of work they did. Other characteristics included higher levels of education of female head or spouse of households, and having farm crop/production and sales as main source of income. Downie the provided an overview of the SomReP theory of change, which looks at building development plans with the community, then at informal financial systems as safety nets, and diversification of livelihood strategies and natural resource management. The second phase will be centred around agricultural livelihoods, with a focus on economic growth strategies through agriculture, but SomReP has donor engagement challenges to enable the implementation of Phase II ToC, as Somalia is typically categorised as needing humanitarian, rather than development, assistance. Phase II ToC assumes that households that invest part of their cash transfers in VSLAs will eventually be able to upgrade to formal financial services, opening up lines of credit etc. Additionally, the ToC foresees that the VSLAs will eventually transition into cooperatives and a collective risk mitigation group to benefit women and youth in terms of new opportunities across value chains. Additionally, the ToC will also anticipate work with government to create an enabling regulatory environment. The approach of the ToC is to employ push and pull strategies for inclusive market growth and participation, which build capacities of smallholders to engage competitively in markets, and facilitate the development of market systems that are diverse and present appropriate opportunities for the poorest by working with governments and the private sector. Downie concluded by discussing the challenges of achieving impact,

such as the limited capacity of local NGOs and the need to bridge the gap between smallholders and agricultural technology by having better partnerships between brokers, scientists and other service providers.

The questions and answers of the second session picked up on the practical experiences presented. Representatives of farmer organisations emphasised the importance of capacity building of governments and other local organisations, noting that they struggle to access programmes such as P4P because of red tape and procedures, and asked how the big international groups and NGOs make sure that they support the efforts of those groups who will ultimately stay around. Other participants commended Sezibera for the success of CAPAD, and CTA, for showcasing local groups who are delivering peace through agriculture. It was also noted that the issue of fragility is often regional, affecting neighbouring countries, and perhaps regional solutions, such as through trade corridors, need to gain more recognition. Additional questions related to the role of external institutions or actors inadvertently encouraging fragility through their interventions. From the private sector came questions regarding data and partnerships. A question was also raised on the issue of land rights in the case of Burundi. Bing Zhao preceded his response by expressing appreciation to the other panellists from whom he had

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learnt a lot about the experiences on the ground. He recognised the importance of data within WFP's operations, which is undergoing a digital transformation, and is considering using smallholder digital registration for the local level. Partnerships were also emphasised, coming as an important priority for the present Executive Director, David Beasley. He acknowledged the challenges and missed opportunities, recognising that WFP's demands are not always sustainable and delays in payments are a reality, but they are trying to improve efficiency through ICTs and such solutions. Harma Rademaker emphasised that the focus of Cordaid is really in building capacity of local communities, so they always work with local groups, and their objective ultimately is to leave the local groups stronger than when they arrived. However, the funding structure is such that often, local groups are forced to partner with international groups in order to access funding. Annick **Sezibera** noted that better policies are needed to support development in the great lakes region, to ensure that peace lasts. With respect to land rights, she explained that there

was a post-conflict commission created in Burundi to undertake land redistribution, which worked through dialogue in which CAPAD participated. A big issue is land registration, especially for women, as the inheritance customs only allow males to inherit land, so this is not a resolved issue. Furthermore. as agriculture becomes more lucrative, there is a growth in the number of investors, leading to a marginalisation of smallholders in some cases, and CAPAD has had some success addressing this through dialogue. Katharine Downie argued that local organisation really have limited capacity, and in the case of Somalia, it became evident that the biggest issue on all sides was that of accountability. Nevertheless, one of the greatest impediments in Somalia is that the country is that donors or scientists do not see it as a potential country to engage with in terms of economic growth or potential. NGOs could therefore be great institutions where these groups could test or pilot economic solutions or interventions in Somalia, as they work even in the absence of effective governments.

Michael Hailu closed the Briefing by thanking all the speakers, noting that the discussions were especially rich and comprehensive. He highlighted the role of agriculture in terms of peacebuilding, getting displaced groups back to being productive and returning to their lands, as well as the role of farmer organisations in enabling dialogue. He picked up on the importance of partnerships, as different groups and stakeholders play complementary roles, but need to recognise and partner with each other for shortterm or long-term responses and innovative approaches in between. He hoped that the examples from the field cases could encourage more support in this area, noting that their successes came even in the most difficult of circumstances. He thanked all the NGO's - Cordaid. World Vision, AgriCord - and the Briefing partners, and expected that the recommendations and outcomes of the debate would be taken into a practical context to inform action and policymaking in fragile countries.

#### Further information available online:

- Brussels Briefings: www.brusselsbriefings.net
- Reader: https://bit.ly/2LCJmmV
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