

## Back to office report

### Traveler

*Christian Mersmann*

### Date

*1 -2 March 2017*

### Destination

*Geneva, Switzerland*

### Purpose and expectations

International Trade Centre (ITC): Practitioners Workshop and Conference: *Inclusive and Sustainable Agri-Business Development - are we fit for purpose?*

### Persons met

*Gerry McDermott, SONOCO International Business Department, University South Carolina; Barton Clarke, CABI; Pierre B. Berthelot, ACP Secretariat, Brussels; Veronika Kling, GIZ Eschborn; Steven Hartrich, ILO Geneva;*

## Background

Trade and inclusive agribusiness are important thematic areas of the Platforms work. Following the Annual General Assembly of 2016 which was held on the topic of enhancing the relationship between Trade and Rural Development, the trade stream has embarked on the following agenda:

- (1) **Policy coherence – Mutually supportive actions in trade and agriculture:** Enhanced common understanding of the trade and ARD donor communities on policy directives, development objectives and new forms of economic growth
- (2) **Trade instruments - Institutional and legal opportunities** - Potential of trade and trade benefits made available to ARD for effective and inclusive rural transformation and the role of donor support
- (3) **Market place – highlight initiatives at the interface of ARD and trade**

Additionally, the parallel work stream “Inclusive Agri-Business” (IAB) of the Platform prepared a workshop in Brighton, UK on 7&8 March 2017 in cooperation with BEAM Exchange and SEAS of CHANGE Initiative/ Wageningen University based on an initial analysis of potentials of IAB for rural transformation.

The practitioners’ workshop and conference organized by ITC complements the work of the Platform and ITC will join the Platform work stream based on their engagement in the AGA Geneva on trade and ARD.



## ITC workshop and conference on inclusive agri-business

### Practitioners Workshop

The indirect objective of the workshop was the establishment of a community of practice. Therefore, the workshop included participatory sessions on three thematic areas: major trends affecting IAB support; sharing of innovative case studies (and collectively thinking on implications); and, approaches to capture impact and improve transparency.

The workshop was an opportunity for networking and sharing concrete examples - implemented by different stakeholders- on innovative design, delivery and evaluation approaches to promote more inclusive and sustainable agribusiness. Each attending participant was asked to share and present case studies and innovations underway in the field to stimulate a discussion and exchange of best practices (and failures) as well as lessons learnt.

Interesting presentations were given and will be made available together with the report of the workshop. Next to the trends and concrete examples of successful IAB, the final session was on „capturing impact through effective monitoring and evaluation. The RISE tool of ITC („Ethical Lifestyle Framework”) is of particular interest as it will offer the opportunity to companies to evaluate themselves. The tool is still under construction.

The workshop left work unfinished as it was only the first step into sharing knowledge and experiences.

### Conference

In order to achieve the SDGs, what innovative methods, ways of working and alliances are needed to be employed through inclusive agri-business?

This conference brought together a diverse range of experts from international organizations, policy makers, the private sector, NGOs and academia for a comprehensive discussion on how to deliver sustainable impact on rural transformation through IAB. Across two panels on trends and new approaches/ strategies and programs, experts shared their perspectives on key trends and experiences affecting agricultural development and rural transformation by inclusive and sustainable agri-business development.

The first panel on trends affecting IAB outlined the path from free trade to fair trade (Costa Rica banana production), research on new partnerships with private sector and producer groups in a regulatory framework (University South Carolina); new and changing focus of ODA on trade and agri-business for job creation and economic development (Global Donor Platform for Rural Development – see annex 1) and child labor in family farms in the cocoa production (International Cocoa Initiative).

The second panel presented basic strategic considerations and models of IAB like World Business Council on Sustainable Development (WBCSD) – Global Agro-Business Alliance; the role of regional economic communities in Africa (ECDPM); Good Growth Plan and small-scale farmers (Syngenta) as well as Alliances for Action linking supply and demand through ITC and partners in staple crops and other commodities.



The discussions of the conference were informed by the preceding workshop and the discussion was very lively – clear consensus that there is a growing interest by private sector, NGOs and the public sector to come to a better understanding on what inclusive agri-business means and what actions could possibly be taken.

### Next steps

The workshop and conference were one action undertaken. ITC has to offer a wide range of experiences, partnerships and networks. Next steps could include:

1. linking up with agric. value chain development programs of GIZ and re-enforce the cooperation with GLOBE on IAB
2. involve ITC fully in Platform work on IAB and trade
3. develop a joint work plan for 2017/18 and share with constituencies like BEAM Exchange, Grow Africa/Asia
4. undertake a brief survey amongst Platform member organizations on their work/ strategies/ programs on IAB

## Annex 1:

ITC Conference 2 March 2017:

### Inclusive and Sustainable Agribusiness Development Are we fit for purpose?

Three key messages for Panel A (trends) – Christian Mersmann

1. **Small-scale farmers and SMEs versus multi-national agri-business players – donors need to minimize political risks at home and care for development effectiveness;**
  - trends – return of sustainability through Agenda 2030 and different financial architecture following FfD (complexity) and trade as a promoter of development (economic growth and job creation)
  - role of „recipient“ governments in times of diversification of macro-economic development – from ODA to partnerships – economic partners instead of development partners
  - donors need to respond to the political constituencies at home – short project cycles, high expectations and development effectiveness – do donor or IFI programmes respond to recipient needs or to other agendas?
  - conventional ARD approaches – poverty reduction and environmental safeguards
  - economic growth and job creation relatively new on the ARD agenda – stepping out, stepping in and hanging in triangle of DFID not yet discussed!
  - overbidding development rhetoric does not help – all inclusive, leave no one behind, sustainable and economically viable – what is the cost benefit analysis considering all safeguards of ARD imported into agri-business? Would ministers of finance in any given developing country agree to finance a „donor designed project“?
  - Migration draws a different picture – young generation does not want to stay in ARD
  - Opportunities of urbanisation not tapped into – what does this actually mean and for whom?
  - Multi-nationals better than their reputation – OXFAM behind the brands – sensitive issue around contract farming or production – market alliances (ITC – Fair Trade International in Ghana)
  - Closer to private sector – what does this mean in terms of finance and investment? Private sector does not substitute governmental spending – are PPPs the way out?

Summary:

- How holistic can recipient governments be?
- Shrinking ODA – what is catalytic here? What will donor IFI programmes look like in 2030?
- Turning to the private sector decreases interactions with recipient governments – BUT frame conditions like governance, legal provisions and basic democratic rules like participation not yet ensured – can an improvement in governmental services be expected with IFIs and the international community at large?

**2. Policy coherence in rural development and agri-business – finding the middle ground between poverty reduction, environmental safeguards and business – how inclusive, sustainable and economically viable will new programmes be?**

- Learning from trade negotiations and trade agreements – what is so difficult about trade and agriculture?
- What does trade offer in terms of support measures (trade facilitation etc.)? Do these instruments fit the ARD agenda and share the same or complementary objectives?
- Is trade and inclusive agri-business fit for purpose in terms of increasing competitiveness of ARD in developing countries?
- Not a common language – trade and ARD communities need to exchange their policy priorities, look at joint actions and institutional cooperation – governance is very important, but also time and finance consuming
- What would policy coherence actually mean – how far would ARD move towards an economic agenda?
- Inclusive agri-business versus „value-chain development“ – ARD community is afraid of market forces, free trade and globalisation of trade – would regional integration, continental trade facilitation and local standards and phyto-sanitary standard setting reduce the prejudice?

**3. Shying away from in-house debates – donor agencies on a new path of communication between two detrimentally different sectors of rural development and agri-business – learning from trade negotiations!**

- some donors and IFIs decide on a new agenda – are their institutions and silos (communities) fit for purpose?
- Clear development and trade nexus in some cases (Australia, Canada, Netherlands) and some clear expressions of political priority to engage and support private sector engagement in ARD
- Not directly related actions might be supportive – equity finance, blended finance, risk mitigation finance etc. have not yet been widely discussed for the nexus of ARD and trade. Except for Finance in Motion and others.
- What is the spill over from trade negotiations into the development agenda – not only policy coherence in developing countries, but also policy coherence in donor countries and in IFIs.