



Rural development

Agricultural policy

The challenge

For many developing countries and emerging economies, the agricultural sector is still a key economic sector that produces food, energy and other agricultural raw materials. It generates income and jobs in rural areas. It therefore not only promotes food and nutrition security and combats rural poverty, but can also act as a driver for rural economic and social development through its rural-urban linkages and outreach to forward and backward linked economic sub-sectors.

This potential is often insufficiently developed due to conceptual and institutional shortcomings in the formulation, implementation and monitoring of development-oriented agricultural policies. Since the food price crises of 2007/08, the governments of many developing countries and emerging economies are once again giving a higher priority to agriculture and national food security strategies. However, when realigning their strategies, they are faced with major challenges. Although agriculture is set to experience a sustained period of growth with a positive impact on employment, governments in developing countries and emerging economies are also being judged on whether their growing urban populations have access to an adequate supply of affordable food. GIZ's agricultural policy advisory services focus on moderating such conflicts so as to achieve a long-term balance between a competitive rural economic sector that also provides social protection.

Our approach

We firmly believe that agricultural policy must be actively shaped so to exploit the potential of global agricultural trends to promote food and nutrition security and combat poverty, and also to support rural transformation in a development-oriented manner. Our view is that modern agricultural policy should not be limited to the agricultural sector in the narrow sense of the term. Rather, it should be

coherently linked with the goals of economic development and environmental, climate and resource policy as well as with socio-political measures to mitigate rural poverty. New global agreements such as the Sustainable Development Goals (SDGs) must also be taken into account.

Rural transformation calls for political moderation by an active government that seeks to minimise unwelcomed social and economic developments resulting from an overly rapid, poverty-driven exodus from the countryside and also to alleviate social conflict. The role of the state is to provide the necessary public goods through effective institutions, to implement targeted measures for promoting agriculture, and to offer the private sector a climate conducive to investment. Development-oriented agricultural policies contribute to economic and social development in rural areas that recognises both the economic differences between rural areas and the significance of agriculture and the rural non-farm economy. Such policies formulate differentiated strategies and options for different rural target groups.

Our Services

Agricultural policy advisory services: Our core services consist of worldwide advisory work focusing on the analysis, evaluation and formulation of agricultural policy objectives and tools, and also the administrative aspects of introducing, implementing and monitoring their results in developing countries and emerging economies. We can advise on the entire policy cycle or individual aspects of it.

Supporting negotiation processes: We also see policy advice as providing support for creating fair conditions for transparently negotiating private and public interests, the end result of which is an enabling environment for the entire sector.

Organisational management advice: Agricultural policy advice is therefore supplemented with technical and organisational advice for the agricultural institutions involved.



The benefits

With a modern agricultural policy, partner countries improve underlying conditions for the agricultural sector, enabling it to effectively address national economic, environmental and socio-political challenges.

GIZ's many years of experience in agricultural policy advice and the stable relationship of trust built up between GIZ experts and partners are conducive to shared success. The capacities of local experts are strengthened, enabling them to shape sector-specific policies independently and coordinate donor contributions. GIZ has a unique structure and is represented in 170 countries worldwide. We combine the local and technical knowledge of our national experts with the specific skills of international experts.

An example from the field

Since 2007, GIZ has been supporting the implementation of the *Comprehensive Africa Agriculture Development Programme* (CAADP) on behalf of the German Federal Ministry for Economic Cooperation and Development. CAADP was initiated in 2003 by the African Union Commission as a lead executing agency and is being implemented by the *New Partnership for Africa's Development* (NEPAD) agency. GIZ is helping both institutions to develop agricultural policy reform strategies and to implement these strategies at a coun-

try level. The capacity of the AU Commission and the NEPAD agency is being strengthened, particularly in the areas of agricultural development and education, and in adapting agriculture to the consequences of climate change. Involving farmers' associations, the private sector and non-governmental organisations in the policy reform process has made it possible to significantly improve the previously very bureaucratic, technological approach to agricultural policy.

Since 2005, the CAADP process has significantly increased the political willingness of African governments to provide targeted support to the agricultural sector. This is evidenced by the 24 national CAADP agricultural investment plans (NAIPs) for which the *CAADP Support Programme* has provided advice. NAIPs are country-specific development plans that describe how the public sector would have to engage politically with the agricultural sector of the countries in question to combat hunger and generate rural growth.

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