

Worldconnectors statement

FOOD SECURITY

**RENEWED DUTCH LEADERSHIP NEEDED TO SUPPORT
GLOBAL FOOD SECURITY**



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2011

worldconnectors

WORLDCONNECTORS THE ROUND TABLE FOR PEOPLE AND THE PLANET

Worldconnectors in the Working Group on Food Security:

Ton Dietz (co-chair), Willemijn Aerdt (co-chair), Jan Berteling, Hans Eenhoorn, Jos van Gennip, Sayida Vanenburg, Erik Thijs Wedershoven, Lynn Zebeda, Annelies Zoomers, Rudy Rabbinge, Teresa Fogelberg, Dirk Elsen, Tineke Lambooy.

External advisors:

Hedwig Bruggeman (Agri-ProFocus), Han de Groot (UTZ Certified), Pierre van Hedel (Rabobank Foundation), Bram Huijsman (Wageningen University), Arie Kuyvenhoven (Wageningen University), Rutger Schilpzand (Schuttelaar & Partners), Frans Verberne (ETC Foundation), Harm-Evert Waalkens (former Dutch Member of Parliament), Eric Smaling (member of the Dutch Senate).

Observers:

Minette Kits Nieuwenkamp and Sophie Neve (Ministry of Economic Affairs, Agriculture and Innovation).

Support team members:

Pamela Moore, Gabi Spitz and Alide Roerink (NCDO), Iem Roos (SID), Koen Kusters (DPRN) and Ellen Lammers (WiW – Global Research and Reporting).

Colophon

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Worldconnectors
NCDO
PO Box 94020
1090 GA Amsterdam
www.worldconnectors.nl
roundtable@worldconnectors.nl

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The first version of the Vision Document (1.0) dates from December 6, 2010. This is an updated version and hereby presented as version 2.0. Comments and discussion on Vision Document 2.0 are welcome. The Worldconnectors are currently producing more concrete data on the financial consequences of the recommendations made in this statement. Please monitor the Food Security section of the Worldconnectors website for updates on developments.

Worldconnectors statement Food Security

Renewed Dutch leadership needed to support global food security

I. Excerpt

Today, more than 1 billion people suffer from a state of chronic hunger. This harsh reality underlines the enormous challenge of feeding a world with 9 billion people by 2050 in a sustainable way. This challenge demands urgent action to increase agricultural productivity, water management, climate control and biodiversity conservation. The Netherlands, with its experience and knowledge-base in agriculture and water management is uniquely placed to play a leading role in improving food and nutrition security in the world. It is also in the Netherlands' own interest to promote a stable and sustainable world with an adequate food supply for all. Coordinating and stimulating activities of the private sector, knowledge institutions and NGOs, the Dutch Government can make a major contribution towards food and nutrition security. International and, in particular, European cooperation should be actively pursued. To take the lead, a considerable increase of the Dutch ODA budget for agricultural development is required. The Round Table of Worldconnectors recommends that for this purpose a budget of no less than € 1 billion per year for a period of 10 years should be made available.

II. Vision

The global community is confronted with two major food-related challenges. In the short term, one billion people with chronic hunger require immediate help. In the long-term, there is a need to ensure food security for a growing world population (an estimated 9 billion in 2050) in the context of the increasing scarcity of land, water, energy and minerals. In recent years there has been a growing awareness that enormous investments in agriculture, both public and private, are urgently needed to ensure food and nutrition security. It is also increasingly recognised that the agricultural sector can function as a catalyst for sustainable, climate-smart and fair development in developing countries.

Globally it is apparent that we have to invest resources in fighting global hunger and malnutrition, as these threaten global stability and the common good. The urgency of the issues at stake requires immediate action from the Dutch government. But, how and where should the Dutch government invest? In search of the answer to this question, a Worldconnectors Working Group on Food Security reviewed a range of recent international reports and conference outcomes on agricultural development and food security (see box 1) and interviewed a large number of experts in the Netherlands and abroad regarding the Dutch policies needed in this field.¹ These have been used to formulate policy recommendations for the Secretaries of State for the Ministry of Economic Affairs, Agriculture and Innovation and the Ministry of Foreign Affairs.

Key documents and conference outcomes

Apart from 'expert opinions', the Worldconnectors Working Group on Food Security draws upon the statements, outcomes and recommendations of a series of recent international documents and conferences with regard to agriculture, rural development, food security and climate change, in particular:

- The Future of Food and Farming, UK Government, 2011;
- Global Conference on Agriculture, Food Security and Climate Change, The Hague, Oct. 2010;
- The Montpellier Panel Report, Oct. 2010;
- IFAD: Rural Poverty Report 2011. November 2011;
- 139 Oxfam Briefing Paper: Halving Hunger Still Possible? Sept. 2010;
- AGRA Green Revolution Forum, Accra, Sept. 2010;
- WRR rapport: Less Pretension More Ambition, Jan. 2010;
- World Summit on Food Security, Rome, Nov, 2009;
- L'Aguila, Joint Statement on Global Food Security G8/G20, July 2009;
- Joint Statement OS/LNV, Agriculture, Rural Development and Food Security, Sept. 2008;
- World Bank: World Development Report 2008, Agriculture for Development;
- Declaration of the High-level Conference on World Food Security, Rome, June 2008

The interviews – and the contributions of the working group members themselves – yielded a surprising level of consensus about the choices the Dutch government would need to make. On the one hand, these are related to the short-term goal of addressing chronic hunger (lack of sufficient calories) and malnutrition (lack of sufficient vitamins and minerals), with special attention to women and those who are dependent on women, such as children, the sick and the elderly. On the other hand, the choices deal with the long-term objective of sustainable, fair and climate-smart agricultural development. We believe they represent a true paradigm shift.

¹ In addition, the working group organised an essay competition on the subject of how and where to invest in food security. The working group, in cooperation with WiW – Global Research & Reporting, also prepared a 'scoping document' presenting the state of affairs on food security in the world and listing some of the main private and public organisations involved in improving food security and malnutrition. The winning essays and the 'scoping document' are accessible on the Worldconnectors website: www.worldconnectors.nl

First and foremost there is agreement that the share of the ODA budget spent on global agriculture and food security should indeed be drastically increased to help force a global transition towards sustainable, inclusive and resource-efficient agriculture.² This implies a completely new approach towards agricultural intensification, i.e., harvesting more per hectare without the increasing environmental costs currently associated with intensive agriculture. In this global effort, the Netherlands can and should take on a leading role, and needs to focus on the niches where it can make a difference, making use of the strength and expertise of the Dutch private sector where people are looking for more just and sustainable business (see also box 2). Moreover, science plays a crucial role and must be linked up with research, education and extension in developing countries. Dutch Knowledge Institutions (academic ones like WUR, hands-on ones like KIT but also multidisciplinary think-tank initiatives like the former DPRN) have a lot to offer.

There is widespread international agreement that the agricultural sector has significant potential for contributing to climate change mitigation and adaptation. Linking efforts dealing with climate change to efforts supporting agricultural development and food security offers important new opportunities. However, care is needed to prevent the climate change agenda from driving attention away from poverty alleviation.

The World Economic Forum

At the recent World Economic Forum meeting in Davos, the private sector's crucial role in ensuring global food security was emphasised. The WEF press release speaks for itself:

“Davos, Switzerland, 28 January 2011 – A coalition of business, governments and farmers today launched a strategy to significantly increase food production while conserving environmental resources and spurring economic growth. The approach is already being implemented in two countries, Tanzania and Vietnam. Led by 17 global companies, the strategy sets ambitious targets for collective action to increase production by 20%, decrease greenhouse gas emissions per tonne by 20%, and reduce rural poverty by 20% each decade. Building on the private sector's capacity for innovation, investment and growing markets are a key focus of the strategy. Entitled ‘Realizing a New Vision for Agriculture: A Roadmap for Stakeholders’, it recommends better coordination among business, government and civil society to improve agriculture systems holistically. Over 350 leaders from all sectors around the world contributed to its conclusions and recommendations.”

International collaboration is a top priority. The Netherlands needs to step up its support for global agencies such as the International Fund for Agricultural Development (IFAD), the United Nations Environmental Programme (UNEP), the World Food Programme (WFP), the Consultative Group on International Agricultural Research (CGIAR), the International Food Policy Research Institute (IFPRI), the Global Food Security Trust Fund GAFSP and the Alliance for a Green Revolution in Africa (AGRA). At the European level, the Netherlands could take the lead in a ‘coalition of the willing’ that includes likeminded countries such as the United Kingdom and the Scandinavian countries (the ‘Utstein group’). The Netherlands should push for the removal of trade barriers for imports from developing countries and support (fair) trade arrangements in which exporting developing countries can improve the standards of the quality of their food exports. Also, European policy needs to ensure that environmental externalities are included in the price of agricultural products on the European market. The fact that most food is produced and consumed locally, however, warrants giving primary attention to increasing local production for local markets.

In developing countries, and particularly in Africa, the Netherlands needs to support new ‘home-grown’ green revolutions. Assistance should be targeted at primary production, with special attention for the opportunities presented by crops with higher values in terms of money and nutrition. Related to this, the opportunities, limitations and possible negative effects of genetic modification vary from case to case and should be judged in a balanced and contextualised manner. To improve primary production, Dutch assistance would need to support the development of technological innovations through research in the agricultural sector, education and extension. Prime attention needs to be given to the role of women, as they play a crucial role in the production and handling of crops (often under unjust and unfavourable conditions), while men tend to receive a greater proportion of technical assistance and extension services, even for tasks and crops that women manage. Moreover, special attention should go to the role of women in relation to household food and nutrition needs. In primary production the reduction of risks is crucial. Risks can be reduced through diversification, securing land tenure, appropriate land-use planning, insurance-systems and early warning systems.

² The World Bank calculated that, between 1990 and 2004, the share of Official Development Aid (ODA) spent on global agricultural development fell by two-thirds, from 12% to 4% (WDR, 2008).

Assistance should also be directed at developing sustainable and inclusive value chains, for example connecting the production of smallholders to food demand in expanding cities. Here too, reduction of risks is crucial: this can be achieved through investing in quality control, price stabilisation and, importantly, the prevention of price speculation. Within the agro-food chains, which include food processing companies and the retail sector, there is an urgent need to develop entrepreneurship and management skills, focussing particularly on quality improvement and local provisioning. Also, promoting the sustainability of food chains is crucial. This can be done through round tables for various cash crops and public private partnerships such as the Dutch Sustainable Trade Initiative.

Public private partnerships (PPPs) are essential. They combine the strengths of businesses, governments, civil society organisations and research centres, and can operate on both local and international scales. Most experts agree with a geographical focus on a limited number of regions and support the idea of establishing Dutch focal points or Agri-Hubs, in which Dutch NGOs, businesses, knowledge institutes and banks work together with local counterparts.

Waste and post-harvest losses

Producing sufficient food to meet global food demand by 2050 requires that we address the issues of post-harvest losses and food waste, as they represent squandered resources, and perhaps most importantly, increase the consumer price of food and reduce food security. It is estimated that at least 30% of food grown is lost post-harvest and thus never enters the food value chain. Waste in the retail trade and at consumer level is also significant (the terror of the 'best before' date). In the Netherlands alone, we throw away an estimated 3 billion Euros per year in processed and unprocessed food products. There are many efforts being made to reduce post-harvest losses and waste, but the business as usual scenario suggests that food is still too cheap to make this a priority. Currently, 95 percent of all funding for agricultural research and extension is for production, while only 5 percent is for post-harvest issues. This ratio must change.

On the basis of the individual expert opinions and the (international) reports and declarations, the working group concludes that the Dutch ODA strategy should give the highest priority to agricultural development, aiming to:

- *achieve* a new and sustainable green revolution;
- *strengthen* a leading role for The Netherlands in international and development cooperation;

- involve the Dutch private sector throughout the agro-food supply chain;
- *support* international political stability;
- *alleviate* chronic hunger for 1 billion people;
- *feed* a world with 9 billion people in 2050.

In this respect there is a need to overcome the so-called 'democratic deficit'; although the government is in power for a maximum of four years, it should ensure a long-term commitment by the Netherlands in the area of global food security. Political 'statesmanship' supported by civil society is required.

Sustainability

The principle of sustainability implies the use of resources at rates that do not exceed the capacity of the earth to replace them. Thus water is consumed in water basins at rates that can be replenished by inflows and rainfall, greenhouse gas emissions are balanced by carbon fixation and storage, soil degradation and biodiversity loss are halted, and pollutants do not accumulate in the environment. Capture fisheries and other renewable resources are not depleted beyond their capacity to recover. Sustainability also extends to financial and human capital; food production and economic growth must create sufficient wealth to maintain a viable and healthy workforce, and skills must be transmitted to future generations of producers. Sustainability also entails resilience, such that the food system, including its human and organisational components, is robust to transitory shocks and stresses. In the short to medium term, non-renewable inputs will continue to be used, but to achieve sustainability the profits from their use should be invested in the development of renewable resources. The political reality is that sustainability cannot be pursued in the absence of food security. Nevertheless, it is important for policy-makers to appreciate a range of trade-offs affecting decisions involving the food supply and ecosystem services. Important trade-offs include yield versus ecosystem services; trade-offs between different ecosystem services; land sparing versus wildlife-friendly agriculture; and the relationship between biodiversity and the needs of the poor.

Source: The Future of Farming; Foresight report by the UK Government, 2011, executive summary page 31.

III. Recommendations

There is widespread international consensus that the challenges in terms of global food and nutrition security are enormous, and that huge investments in agriculture – and related water-management – are urgently needed. The Conference on Agriculture, Food

Security and Climate Change that took place early November 2010 in The Hague called for increased Dutch efforts in this field.³ This is in line with the report 'Less Pretension, More Ambition' by the Scientific Council for Government Policy (WRR) which recommends a new Dutch approach to global development and advises placing far more emphasis on a few sectors where there is obvious Dutch involvement and expertise. As the world's second largest trader in agricultural produce, the Netherlands has the potential to play a leading role in agricultural development by combining the innovative strength of its agro-sector and know-how on farming, rural development and water management.

Based on the contributions of a wide range of experts and a review of recent documents and conference outcomes, we recommend a drastic increase of the budget for global agricultural development and food security, with a long-term commitment of at least ten years. The Dutch government should use the ODA budget to allocate at least one billion Euros per year to this field.⁴ One billion Euros is a lot of money, but against the backdrop of one billion chronically hungry people it is only one Euro per human being per year, or one Euro cent per chronically hungry African per day. Can the Netherlands afford to do less?

We suggest the following framework for the € 1 billion ODA budget targeted at 'agriculture for global food security and climate smart, fair and sustainable growth':

1. Ten percent of the budget (€ 100 mln.) for research, research collaboration, higher education and knowledge exchange.
2. Fifteen percent (€ 150 mln.) of the budget should be spent on more short-term poverty alleviation and food-security goals, directed at subsistence-oriented smallholders, in particular women and their Farmer-Based-Organisations (FBO's). Agri-Hubs should play the leading role in allocating and

³ In 2008 the Ministry of Foreign Affairs and the Ministry of Agriculture, Nature and Food Quality jointly emphasised the need to invest in agriculture and food security with the policy note 'Agriculture, rural economic development and food security'. The recent letter by the Dutch Secretary of State for Foreign Affairs and Development regarding development cooperation ('kamerbrief van 26 november inzake basisbrief Ontwikkelings-samenwerking') stresses the importance of agriculture in relation to food security and private sector development (see: http://minbuza.nl/nl/Actueel/Kamerstukken/2010/11/Kamerbrief_inzake_basisbrief_Ontwikkelings-samenwerking/Bijlage/Bijlage).

⁴ Based on the 'Copenhagen Accord' (and the 'Cancun Conference 2010' confirmation), the working group proposes to make extra funding available for agriculture-related activities to support climate change mitigation and adaptation in developing countries. This is not necessarily funded from the ODA budget alone.

- controlling these investments. Also, food aid through schools (using locally produced food) should receive special attention, linking food security to education.
3. Forty percent of the budget (€ 400 mln.) to support a selection of global and regional institutions (global food security organisations for emergency aid, existing UN organisations, WFP CGIAR, IFAD and recently established institutions such as the Global Agriculture and Food Security Trust Fund with the World Bank and the Alliance for a Green Revolution in Africa).⁵ Dutch influence on the spending of these means should be guaranteed. For example, earmarking financial support for the Dutch focus countries could be considered.
4. Twenty-five percent (€ 250 mln.) of the budget for the development and functioning of a limited number of focus areas (or 'Agri-hubs')⁶, mostly in Africa. These hubs should be located around the major urban centres of demand. Within these hubs local governments, the private sector, knowledge institutions and civil society organisations cooperate to improve food supply-chains, food and nutrition security and water management. This should be organised as much as possible through public-private-partnerships together with partner organisations from The Netherlands and other European countries. The Netherlands and in particular The Dutch private sector should take the lead.⁷ Emphasis should be on 'sustainable intensification' of agriculture (higher yields per hectare without additional stress on the environment). This budget should thus go to supporting long-term PPPs in the fields of agriculture and water (and related S-S-N learning). This includes efforts to support export zones in becoming more fair and sustainable and efforts to put pressure on the EU to diminish trade barriers.
5. Ten percent (€ 100 mln.) of the budget should be directed at agricultural education, extension and capacity building for smallholders, organised, coordinated and controlled through the Agri-Hubs.

⁵ Nepal's CAADP program should be taken into account when supporting the Global fund, IFAD and AGRA.

⁶ Agri-ProFocus, a partnership of Dutch donor agencies, credit institutions, companies and training and knowledge institutions, is already promoting farmer entrepreneurship in 7 African countries through Agri-Hubs. Agri-ProFocus collaborates closely with DGIS and EL&I and its experience should be used as much as possible.

⁷ A special form of stimulating agro-food value chain development is provided by the African Agribusiness Academy (AAA), initiated by Wageningen University and Dutch Entrepreneurs. The objective of the AAA is to support the African agro-food SME sector in their commercial activities by strengthening individual entrepreneurial activities.

Further RTW recommendations are:

- To experiment with the development of finance mechanisms that work more with guarantees than donations or loans, providing more leverage from the funds made available and increasing their effectiveness. Dutch financial institutions should be involved and FMO should take the lead.
- To experiment with the development of 'Agro-Industrial parks', following Asian examples.
- To request attention for global food security at European and international levels and to achieve more international policy-coherence.
- To facilitate honest and sustainable trade-arrangements with food producing developing countries.
- To pay maximum attention to Dutch policy coherence and an efficient interdepartmental approach.
- To pay attention to consumer education in the Netherlands. Through product information and product certification direct influence can be exercised on responsible and sustainable food-flows. Related to this, education regarding food-waste reduction (as proposed by the Ministry of Economics, Agriculture and Innovation) is also important.
- To pay sufficient attention to the nutritional aspects of food-security (vitamins and minerals) and support initiatives to improve the nutritional value of food for malnourished people.⁸
- To support private sector initiatives that promote sustainable export-oriented value-chains.⁹

'Besteed meer ontwikkelingsgeld aan landbouw'

■ Vergaand advies van Worldconnectors

Han Koch

Nederland moet de komende tien jaar een miljard euro per jaar besteden aan het bestrijden van honger en het vergroten van voedselzekerheid. Dat geld is nu hard nodig om 1 miljard mensen die lijden aan chronische honger en ondervoeding te helpen. En het is een goede investering om straks, in 2050, bij te dragen aan voldoende voedsel voor een wereldbevolking van 9 miljard mensen.

Het pleidooi komt van Worldconnectors, een groep invloedrijke Nederlanders onder voorzitterschap van Herman Wijffels (ex-voorman Ser en oud-topman Rabobank) en Sylvia Borren (voorheen algemeen directeur Oxfam Novib, nu directeur Greenpeace Nederland). De groep heeft zich met een serie aanbevelingen gewend tot staatssecretarissen Ben Knapen (ontwikkelingssamenwerking) en Henk Bleker (landbouw). Vandaag wordt in een commissie van de Tweede Kamer vergaderd over de landbouw in ontwikkelingslanden. Bleker en Knapen hebben de groep later dit voorjaar een gesprek toegezegd, een inhoudelijke reactie hebben beide bewindslieden nog niet gegeven.

De aanbevelingen van de Worldconnectors zijn gebaseerd op een serie gesprekken met experts op het gebied van armoedebestrijding en landbouw, maar ook met Haagse ambtenaren. Het werkstuk wordt gedragen door hoogleraren van onder meer Wageningen Universiteit als Rudy Rabbinge, Arie van Kuyvenhoven en Hans Eenhoorn (tevens oud-topman Unilever). De groep erkent dat er al geruime tijd meer aandacht is voor de landbouw, maar vindt het hoog tijd dat die aandacht ook leidt tot een verschuiving in de prioriteiten. Met name het aandeel voor de landbouw in wat de officiële ontwikkelingshulp (ODA) heet, moet drastisch omhoog. Dat de groep met een miljard euro per jaar komt, heeft vol-

gens een lid van de groep vooral ook een strategische betekenis. Met een bedrag van minder dan een miljard euro zit je simpelweg internationaal niet aan tafel. Een vergelijkbare verklaring heeft de groep voor de looptijd van tien jaar. Ook die meerjarige committering moet internationaal vertrouwen wekken.

Hoe het geld er komt, is onduidelijk. Het liefst ziet de groep dat de huidige bijdrage van Nederland, nu 0,7 procent van het bruto binnenlands product, omhoog gaat. Zo niet, dan is de logische consequentie dat andere posten binnen de begroting voor ontwikkelingsamenwerking moeten sneuvelen. Dat zal dan een stevige verschuiving zijn. Nu gaat ongeveer een half miljard euro naar landbouw of aan landbouw gerelateerde onderwerpen.

De groep van Wijffels en Borren gaat ver in het advies, zo ver zelfs dat wordt aangegeven waar het geld exact aan besteed moet worden. Zo moet 400 miljoen worden uitgegeven via 'het multilaterale kanaal'. Dat zijn organisaties van de Verenigde Naties, maar ook de Wereldbank. Met kleine projecten heeft de groep niet veel op, zo blijkt uit de verdeling. De groep wil grote slagen maken en geen geld in een lappendeken van projecten stoppen. Een kwart van het bedrag moet in de ontwikkeling van agri-hubs gestopt worden, dat zijn regionale centra waar overheden, wetenschap, bedrijfsleven en ontwikkelingsorganisaties gaan samenwerken. 150 miljoen euro wordt bestemd voor praktische bestrijding van honger, waarbij vooral aandacht moet uitgaan naar kleine boeren en kwetsbare groepen in de ontwikkelingslanden.

Eén wens van de Worldconnectors lijkt al vervuld. De groep wenst het aantal landen dat Nederland van hulp voorziet drastisch te verkleinen. Recent heeft staatssecretaris Knapen gemeld de landenlijst te halveren naar vijftien landen.

⁸ Initiatives in this field are among others: the global alliance for improved nutrition (GAIN), the Amsterdam initiative against malnutrition (AIM) and Harvest+.

⁹ The Dutch Sustainable Trade Initiative (IDH) and the round-tables for palm, soya, etc. are examples of such initiatives.

