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## Stakeholder Workshop on Tracking Investments in Agricultural Research for Development

Organized by GFAR, EIARD & GDPRD, Berlin January 20, 2012

### Summary of meeting and recommendations

The need to significantly increase investment across the agricultural research for development continuum (AR4D<sup>1</sup>), to obtain the great development impacts required from agricultural knowledge, was prioritized as an issue of great importance by thousands of participants in the 2010 Global Conference on Agricultural Research for Development (GCARD). GCARD analyses determined that investment in the sector has stagnated for the last two decades, while the scale of agricultural and rural development problems faced around the world requires urgent reinvestment in knowledge generation and innovation processes to meet the challenges of today and of tomorrow. Alongside this was recognized the clear need for aid effectiveness and for evidence of impacts to justify increased investment.

Processes such as AFSI and the Maputo commitments have placed the need for increased agricultural and rural development investment centre stage in national policies and aid assistance priorities. With this has come clear recognition that, to provide effective pathways to impact, research investments must become better embedded in development commitments and investments by national agencies and development partners. At present there is often little clarity on the **source of funds** for agriculture & rural development (whether public or private) and the different **utilization** of these funds, nor clear national or donor **rationales to tracking** these investments, or clarity on the bounds of **what can and should be tracked effectively for optimal returns**.

With clear recognition by the international community that, given the complexities of agricultural research for development (AR4D<sup>2</sup>), each current system of monitoring investments in AR4D only provides part of the overall picture, **a technical workshop on tracking investments in AR4D was organized by GFAR** in Berlin at GIZ headquarters on January 20, 2012. A group of experts from the diverse monitoring systems presently operating, including representatives of the civil society, met to discuss this topic, to

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<sup>1</sup> Here taken to include all elements and actors involved in development-oriented innovation pathways between poor consumers, small agricultural producers and research institutions

<sup>2</sup> Support to AR4D (in the form of capital investments, salaries and other operational costs, as well as in-kind contributions e.g. through seconded experts) are made by national governments, bilateral and multi-lateral agencies, Foundations, the private sector and civil society etc....

identify possible improvements that could be recommended at donor or recipient levels and to integrate and increase coverage and efficiency of the systems and mechanisms in place for tracking information on AR4D programmes and investments.

GFAR worked with the European Initiative on Agricultural Research for Development (EIARD) to develop the background concept for this meeting, which was supported by funds provided by EIARD under its EC-FSTP supported program. GFAR and others are also active in the Research Working Group of the Global Donor Platform (GDPRD) and took advantage of the GDPRD Annual General Assembly in Berlin, 17-18 January 2012 as a timely opportunity to bring together technical specialists, representatives of regional organizations and donors actively involved in GDPRD & EIARD.

The workshop recognized the range of ongoing activities initiated worldwide by donors in this domain and discussed a) donor perspectives on the need for determining AR4D investments; b) investment-tracking instruments including UNECA-OECD/DAC Mutual Review on Development Effectiveness, and Credit Report System(CRS) tracking investment in agricultural development, publication of African Economic Outlook; c) specific monitoring studies focusing on investment in AR4D conducted by ASTI-IFPRI and Regional Fora to determine research investments and capacities around the world; d) recent trends and challenges in major multilateral and bilateral agencies like the World Bank, FAO and USAID; and e) identifying additional research and development investments and capacities needed, particularly those that will more directly involve smallholder producers at the centre of demand-led processes.

The recent drive for international donors to demonstrate increased accountability in the use of international public funds under the G8 and G20 calls for investments in food security and agricultural development is welcomed. The objective is to make this a routine for donors and recipient countries. Workshop participants were informed of the G8 initiative to report on how L' Aquila commitments are met, and of the decision to include annual expenditures for agricultural research *for* development in their reporting of investments. **The working group on Reporting and Managing for Development Results (AFSI-MfDR) will meet in Washington DC February 2-3, 2012**, at the initiative of USAID, in the context of the U.S. Government's contribution to the global hunger and food security initiative. The Washington meeting is organized to make progress on this issue prior to the Chicago G8 Summit. US participants requested that **recommendations from the Berlin investment workshop should be brought to the attention of the AFSI meeting.**

Most ongoing initiatives tracking research investments were developed essentially at macro-level (global, continental) level and with a particular focus on Sub-Saharan Africa. Initiatives coordinated by regional organizations operating under the guiding principles of the Global Forum on Agricultural Research (GFAR) in monitoring specific investments in ARD are timely and contribute to **a global baseline of the present status of research investment and capacities**, mobilized through the ASTI initiative, itself co-funded by GFAR to create this global baseline. Systemic challenges were recognized in incentives for data collection and sharing, as well as in the numerous redefinitions of agricultural and research investments that have occurred in recent years.

**Investments in extension and advisory services should also be integrated into an efficient tracking system for AR4D. However, this is challenging due to the variety of definitions used by donors to aggregate their investments.** Building on extension studies and assessments by many donors including USAID, and the IFPRI-FAO-IICA Worldwide extension study, FAO worked on **a country specific target for extension and advisory services investment**. This definition, based on service provision in relation to socio-economic

macro indicators<sup>3</sup>, provides new ex-ante guidance for adjusting international development funds to specific overall investment targets (public and private) for extension ranging from 1% to 6,57% of GDP. FAO recommends that **1 to 2 international aid dollars be contributed for every national dollar invested by the poorest countries, in which the required annual extension investment substantially exceeds 1% of the AgGDP.**

Though official data for ARD was found to be very incomplete, a **recent study commissioned by EIARD (July 2011) to assess donor support to CAADP Pillar 4 found that flows of ODA in sub-Saharan Africa were largely directed to International and regional agricultural research programs with the CGIAR acting *de facto* as the investment target and in turn the “donor by default” to national systems.** Out of a total of 470 MUS\$ in 2009, programs under the CGIAR received around 2/3 of the total aid investment in AR4D, while Regional and Sub-regional organizations received around 10% MUS\$. Strikingly, there was little direct aid support to national agricultural research & development institutions (CAADP Pillar 4-linked investments), which received in total around 18% of the aid funds tracked and continue to depend on allotments from national loans (particularly from the World Bank), international public and private grants, and very limited national budgets. This highlights a major challenge: increased investments in international agricultural research have so far **not been matched** in most cases by either national or aid investments. This challenges assumptions of effective national pathways to transform international research products into farm-level innovation and development. International investment increases require matching national increases along intended value chains in Africa.

Multilateral/bilateral donors and “recipient” countries recognize that collecting and analyzing detailed and accurate data, as well as reporting, require enduring interactions among them and procedures that are grounded in Regional/national-local monitoring commitments. However, **current shortcomings in capacity at regional and national/local levels** imply that the more efficient approach remains to build on global/ regional initiatives to strengthen national/local levels. The workshop highlighted the need to construct appropriate national capacities to anchor these processes. This may require the development of regional blue prints for strengthening technical capacity, based on an assessment of technical resources available for data collection activities and identifying what data is critical for monitoring and at what point returns on the effort diminish.

**Lessons learned** from Donors approaches and mechanisms confirm the **need and desire of the diverse systems presently operating to collectively build a robust and effective system for specifically tracking investment in ARD.** This system: 1) should be built progressively 2) focus on inputs before attempting to track outcomes 3) avoid technical sophistication (small number of well defined indicators) and 4) be able to gain rapid –if not immediate- endorsement by donors and recipient countries/SROs/NARS.

Reports were made by the Regional Fora APAARI (Asia-Pacific), AARINENA (Near East & N Africa) and CACAARI (C. Asia & Caucasus), which are supported by GFAR to obtain new regional research investment data into the ASTI system. These reports highlighted major investment deficiencies in many national systems, for example in much of C Asia only 0.1% of AgGDP is currently invested in research; well below levels anticipated to be required for effective returns. **The responsibility of regional organizations and their value in advocating/convincing policy makers of the need for endorsing such a strategy was emphasized.** To meet the daunting challenges of food security and poverty alleviation a major

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<sup>3</sup> [= base line scenario: rural population density (WB), poverty and malnutrition (FAO, WB) - poverty headcount ratio at \$2 a day - prevalence of undernourishment (WB) - GNP/capita (PPP) (WB) etc...]

requirement in all regions is the formulation (or updating) of regional development strategies (e.g. CAADP) and priorities identifying appropriate investment in AR4D. National policy-makers are ultimately accountable for investments in AR4D and their monitoring and reporting.

The high dependency on foreign aid and investment across regions was recognized and regional/national representatives agreed to convey to policy-makers a sense of dual accountability. The current structure of investment in AR4D implies a **dual accountability** towards: a) national stakeholders including the civil society and political representation - parliament - on achievements in food security, nutrition, growth b) the international community.

Main recommendations from the workshop include:

- 1) The recognition that measuring global ODA flows (inputs) is not sufficient in itself to improve aid effectiveness in food security. It should be complemented by measuring private flows, and combined with assessing specific investment in ARD, as well as, measuring outputs (developmental impact) at a later stage.
- 2) The need to better inform decision-makers in bilateral and multilateral agencies on the design and functioning of the OECD/DAC tracking system, and its setup: current data disaggregation (projects coding by investments objectives, target group, sub-sector, geographical location etc.
- 3) The feasibility of improving data quality and reporting under the OECD/DAC system by including data on agriculture (and specifically AR4D) and the suggestion to discuss this topic at the next meeting of the DAC Working Party on Statistics (June 2012) where a report on data quality is expected to be shared with members.
- 4) A proposal to task a network of practitioners to carry this agenda forward and help identify required data for tracking specific investments in AR4D (additional markers/indicators specific to AR4D) to optimize cost-efficiency in data gathering.

These issues are expected to be reported on and discussed further at the forthcoming GCARD 2 which will take place in Punta del Este (29 October-1 November 2012).