

5 Africa

5.1 Global policy developments

The international development community is currently bestowing renewed attention on agriculture and its role in economic development and putting special emphasis on Africa. Over the last number of years, along with new African (e.g. by the African Union and by NEPAD, the New Partnership for African Development; see Section 5.2) and global initiatives (e.g. by the G7 and the European Commission) on Africa, several multilateral and bilateral development agencies (including OECD, DFID, FAO and the UN millennium Project,) have published reports on the role of agriculture in pro-poor growth and reducing hunger. Perhaps most important among these reports is the World Development Report 2008 'Agriculture for development' of the World Bank. There is now general recognition that the decline in donor investments in agriculture over the last two decades has had significant negative consequences for the sector's capacity to contribute to development, as well as to the realization of the Millennium Development Goals, MDG 1 (eradicating extreme poverty and hunger) in particular. This observation applies, even in spite of growing economic performance of (African) states at the macro level (see Table 3). Such growth is being attained mainly in the industrial and trade sectors and in the ever-expanding cities and metropolises. In Africa, so far, the rural populations hardly share in their country's macro-level gains.

<p><i>Table 3</i> <i>Average economic growth 1997-2007 in Africa by sub-region (in % GDP)</i></p>					
Sub-region	1997-2003	2004	2005	2006	2007
North Africa	4,4	4,7	4,8	6,3	5,6
West Africa	3,8	4,9	4,4	5,3	5,5
Central Africa	4,2	5,1	4,8	5,0	3,6
Eastern Africa	3,5	7,0	5,6	5,3	5,6
South Africa	2,8	4,6	5,0	6,0	5,7
Total Africa	3,7	5,3	4,9	5,8	5,5

Source: AfDB/OECD, 2007

In summary, the new international policies on agricultural development, as mentioned above, argue for:

- *Increased agricultural productivity*, mainly through technological innovation, higher investments in agriculture and in agricultural research and pro-active involvement of the private sector. Priority investments are needed in soil, water and planting and breeding material. Restoration of soil fertility is a must, as is water management.
- *Access to resources and services*. There can be no agricultural growth without improved access to resources, including natural resources, and services which range from supply-side interventions to safety provisions.. Farmers need access to local, regional and international markets. This requires empowerment of farmers through capacity development and institutional reforms. Agricultural research and innovation plays a pivotal role provided the new knowledge can be circulated efficiently amongst stakeholders.
- *Market development*. Markets are deemed essential in attaining food security and economic growth. Markets should not be looked at in isolation but be integrated in chain approaches. Improved infrastructures and financial services as well as sound legal and regulatory frameworks and market information systems are needed.
- *Institutions* are critical in reshaping agricultural development. This reflects a shift away from the historical focus on increasing agricultural productivity toward a much broader agenda for sustainable agricultural development.. The latter includes the recognition that the poor are often excluded from entrepreneurial activities and from

accessing resources and (new) opportunities. Also, market externalities, inefficiencies and failures have negative impacts on the poor in particular.

5.2 Africa's response

Africa's own role in turning the global developments in terms of today's processes of economic, social and environmental change in the world into challenges for its agricultural sector is being articulated in the 'Comprehensive African Agriculture Development Programme (CAADP)' and in 'Framework for African Agricultural Productivity (FAAP)' of NEPAD and FARA (Forum for Agricultural Research in Africa) respectively. CAADP's four pillars include: (i) Extending the area under sustainable land management and reliable water control systems, (ii) Improving rural infrastructure and trade-related capacities for improved market access, (iii) Increasing food supply and reducing hunger and (iv) Agricultural research, technology dissemination and adoption. Each of these pillars incorporates policy, institutional reform and capacity building actions. CAADP's fourth's pillar constitutes NEPAD's strategy for strengthened agricultural knowledge systems by revitalizing, expanding and reforming agricultural innovation systems in Africa. FAAP underscores the need to address three shortcomings in order to facilitate innovation: capacity development, farmer empowerment and improving the effectiveness of research and advisory services. Implementation of both the CAADP and the FAAP programmes takes place in the larger framework of achieving the Millennium Development Goals.

5.3 The Netherlands' policy on Africa

General

As from its start in the 1950's, the Netherlands' policy on development cooperation, like that of the Nordic countries, has been among the more generous and –more importantly– among the more innovative policies applied globally. The Netherlands' financial commitment of 0.8% of the GDP (€ 11.7 billion in 2007) to be allocated on international development is among the highest in the world. Moreover, the Netherlands' development programmes and activities have been explicitly pro-poor and demand- and problem driven.

This is not to say that the Netherlands' programmes and activities have always, and in equal measure, addressed sustainability issues in the forefront of policy inception and implementation. Orientation on the three main interacting components of sustainable development, i.e. its social, ecological and economic dimensions, has grown mainly since the nineteen nineties, along with increasing global recognition of their importance. In particular such events as the publication of the Brundtland Report ('Our Common Future', in 1987), the UNCED Conference in Rio de Janeiro (1992) and its ensuing Agenda 21, the World Summit on Sustainable Development (WSSD) in Johannesburg (2002), the launch by the UN of the Millennium Development Goals, and the Global Fora on Water and on Climate Change have spurred political and public interest as well as policy action on sustainable development.

Box 5
IOB Evaluation of the Netherlands' Africa Policy

The Policy and Operations Evaluation Department (IOB) of the Netherlands' Ministry of Foreign Affairs recently completed an extensive evaluation of the Netherlands' Africa Policy over the period 1998 – 2006. On the results in the areas of Rural Development and Agriculture, the evaluation is generally negative. Although these were two key areas of the Netherlands' approach in the 1980's and early 1990's, most of the support dwindled when sector policies were introduced. In that context, some of the agriculture-related development activities did continue under the headings 'private sector development' or 'environmental sector development. The main conclusions of the IOB study are:

- *The Netherlands' government should set more priorities.*
- *The sector policy made poor people increasingly go unnoticed.*
- *Funds for cancellation of export debts should not be ODA-earmarked.*
- *Be more reticent with general budget-support in countries where human rights are violated.*
- *Productive sectors need more-focused attention.*
- *When developing sector programmes through policy dialogues, little more than lip service was paid to (African) ownership.*
- *Applying blends of different forms of aid is more effective than budget support only.*
- *Focused attention on women has decreased and more attention is needed for women in conflict areas.*
- *Coordination between Netherlands' ministries has been a positive development.*

Our common concern: The new Netherlands' policy on development

In 2007, the Netherlands' Minister for Development Cooperation formulated a new strategy in the policy document 'Een zaak van iedereen': *'Our common concern: The new Netherlands' aid policy'* (www.minbuza.nl/en/developmentcooperation). The document analyses four main changes that have occurred in recent years:

- Changing aid structures: different sources and more players are now present.
- The Paris Agenda for effective aid, points at the need for political leadership and less bureaucracy.
- There is increasing demand for results and accountability.
- More emphasis is being put on modesty and the consideration of differences between countries and situations.

The analysis resulted in four policy priorities, with a special geographic focus on Sub-Saharan Africa:

- A focus on *'fragile states'* as these in particular are lagging behind on the MDG's. In applying this focus, however, The Netherlands' government, continues to emphasize the importance of Good Governance for sustainable poverty reduction. To achieve sustainable development, a state must be stable and safe. This requires an integrated approach that combines Defence, Diplomacy and Development ('Triple D) in (post-) conflict situations. In this regard, respecting human rights is important as well, as it contributes to stability and development around the world. This respect, in combination with strengthening the constitutional state with a strong judiciary, is a priority of the foreign and development policies in the coming years.
- A greater focus on *'equal rights and opportunities for women'* and on *'sexual and reproductive health rights'* as, so far, virtually no progress has been made in terms of MDG's 3 and 5 ('Promoting gender equality and empowering women' and 'Improving maternal health', respectively).
- Greater emphasis on *'growth and equity'* issues. Sustainable economic development must move-up on the agenda. At country level, the focus must be on promoting

pro-poor growth in the private sector and on growth in the agricultural and informal sectors.

- Better recognition for the importance of '*environment and energy*' in achieving the MDG's, as well as for the impact that climate change will have.

Next to these four policy priorities in the Netherlands' development policy, attention will be given also to social development and environmental governance. Focus in social development is on health care -especially prevention of HIV/AIDS- and development of, and access to, good health care systems -including insurance schemes-, and education. As to the latter, most attention goes to access and quality of basic and secondary education opportunities. In that way developing countries create their own skilled workforce.

With regard to environmental governance, the Netherlands tries to counteract environmental degradation, loss of biodiversity and ecosystems and the impact these have on livelihoods the world over, but in Sub-Sahara Africa in particular. Special focus is on environmental governance. By stimulating (local) governments to create rules concerning the environment, -especially the exploitation thereof-, and by enabling them to monitor degradation and the violation of rules, environmental degradation can be slowed down or even halted.

Development Cooperation/LNV New policy on Agriculture, Rural Entrepreneurship and Food Security

In line with the recent re-emerging recognition of the important role that agriculture plays in furthering economic development in countries in the south (see Sections 5.1 and 5.2 above) also the Netherlands is re-formulating its strategy on '*Agriculture, Rural Entrepreneurship and Food Security*' (DGIS, 2008). This policy document is a joint statement of the Netherlands' Ministry of Foreign Affairs/Development Cooperation and the Ministry of Agriculture, Nature and Food Quality (LNV). The document elaborates on the general Netherlands' policy to achieve the MDG's by 2015 and makes the following observations:

- The sector approach, which was meant to increase the effectiveness of development aid, resulted in an increased focus on health and education and in a decreased focus on agricultural and rural development, as well as on relevant societal target groups. Also, it came along with cut backs in (Netherlands') technical assistance.
- The support to productive sectors has decreased, among other things because of uncertainties about the role governments should play. Also, the potential of having quick and visible successes by supporting the social sectors played a role.
- Technological innovations, which form the basis of increased productivity -also in the agricultural sector-, have to be adapted to location-specific conditions.
- Market incentives are important in steering economic development.
- An enabling institutional environment is a key requisite for development. A clear policy vision, public investments and effective institutions enable national governments to create the conditions and frameworks that make markets to function and that allow different stakeholders to take their shares in economic and social development.
- Checks and balances are of major importance in the public domain. Political institutions and strengthening of accountability structures require continuous attention. This may be done through capacity strengthening, organizational development and institutional change.

Based on these lessons learned, five priority areas have been identified now, which are necessary for sustainable agricultural development and to make the rural private sector prosper. These priorities, which have a main focus on Sub-Sahara Africa, need to be based on ownership within the recipient countries and require to be further identified and developed within their specific contexts. The five priorities are:

1. *Increased productivity.* Research and local innovations remain necessary to increase productivity in developing countries, especially in Africa (see Cases 6 and 7). They enable producers and rural entrepreneurs, men and women, to meet the increased demand with a higher production. In the new agenda for agricultural development

central roles are given to diversity, sustainability, adaptation and risk management. The challenge is how to strengthen local institutions and networks, in order to enable them to articulate relevant knowledge requirements from producers and absorb, generate and apply the new knowledge. The Netherlands' experience with capacity building and the development of innovations in small-scale, knowledge intensive forms of agriculture as well as the integral start of new chains, will be available when requested (see Case 1 and 3)). The Netherlands will strengthen regional centres and networks of excellence and link to African initiatives such as the Comprehensive African Agriculture Development Programme (CAADP) of NEPAD.

2. *Enabling environments.* Whereas it is the private sector's task to take care of production, (value-adding) processing, trading, etc., National Governments are responsible for facilitating the right frameworks and effective services and institutions. Developing these, requires the involvement of civil society organisations, including producer organizations, in order to create the necessary checks and balances. The Netherlands is convinced that national governments should not be the sole owner and driver of development processes. Producer and farmers' organizations have to play a key role in the process of policy formulation and priority setting.
3. *Sustainable development of supply chains.* Improving supply chains (including production, processing, trade and consumption) and making them (more) sustainable is key in establishing the required balance between economic equality, ecological sustainability and economic growth: the People, Planet, Profit' principle). Initiatives such as Fair Trade and ecologically-sound production are important as they acknowledge both the socio-economic position of producers and the vulnerability of natural resources. Further up-scaling and mainstreaming of these initiatives is currently taking place. The Netherlands will continue to stimulate and facilitate creation of such chains, building on, or extending, Public-Private-Partnerships. Special focus will be on situations where competing claims are being exercised on land for food, feed or biomass production, nature conservation and biodiversity management, urban and industrial expansion, etc. (see Case 6). Often, societal groups -especially those that are vulnerable- see their claims unacknowledged., leading to inequality and social unrest. The further institutional development of bio energy chains (setting standards and creating instruments) will receive specific attention with regard to second generation bio fuels (see Section 5.4).
4. *Improved access to markets.* Economic development will be stimulated through stronger functioning of local and regional markets and by promoting access to international markets and trade. The aim is to have stronger linkages between producers and consumers and to allow small producers to profit from new market opportunities. Transparency in the chain, with collaboration and exchange of knowledge on sustainable production and legal requirements -for instance with regard to food safety- among stakeholders results in stronger capacities and in better access to markets. The Netherlands will continue to support such partnerships (e.g. in horticulture in Ethiopia; See Case 2) and start new ones (e.g. on water for food and ecosystems in South Africa and Mozambique).
5. *Food security and re-distribution mechanisms.* Attention is required for the most-vulnerable groups in society that carry risks of being excluded from development efforts. Climate change, rising food prices, HIV/AIDS, ecological disasters and conflicts are some of the factors that impede access to food and, therefore, food security. Traditional agriculture knowledge practices are under pressure as a result of rural-urban migration. It is anticipated that as a result, poverty and structural hunger will continue to exist, even in regions with considerable economic growth. National governments and civil society organisations need to address this problem. The Netherlands' will actively support the development of employment opportunities through mechanisms such as *payment for environmental services*, *productive safety nets* and *cash for work* programmes. In addition, *low-external-input agriculture* and *skills development* are priorities. In this respect multilateral aid (e.g. through IFAD, WFP and FAO) may be mobilized as well.

5.4 Policy for sustainable production of biomass for energy generation

In order to mitigate climate change, the Netherlands' Government has formulated ambitious targets for the reduction of greenhouse gas emissions. In 2020 these emissions need to be reduced, at national level, by 30 % as compared to the levels of 1990. By then also, 20 % of the total energy consumption in the Netherlands is derived from sustainable sources. Biomass is seen as one of the components to reach these targets, also because it decreases dependency on oil.

Biomass for energy is regarded as offering good possibilities for the agricultural sector, for the processing industry and for the logistics sector in the Netherlands and in other countries. Developing countries in particular, having comparative advantages in terms of the production of biomass, may profit from an increasing demand. They are competitive in terms of growing conditions and (low) labour costs. Because of this, the production of biomass for energy purposes may offer opportunities for both economic growth and local energy supply. The Netherlands, however, is aware of the risks associated with unsustainable biomass. Making biomass production for energy purposes sustainable is therefore an absolute priority for the Netherlands' government. It is not acceptable for the use of bio fuels to cause considerable environmental or social problems in producing countries.

Unsustainable production may result in negative CO₂ savings and it may have adverse effects on biodiversity, environmental quality and human well-being and prosperity. At the macro-level biomass production may compete with food production, affect food prices and cause changes in land use leading to loss of biodiversity. Societal and political discussions on the pro's and cons of biomass production are on-going and spreading, in particular given the current rising food prices that are coming along with increasing demand for biomass for energy generation. Given these risks, the Netherlands has commissioned the development of a set of sustainability criteria for biomass production for energy purposes. This National Commission on Sustainable Biomass compiled the set of criteria in the report '*Testing Framework for Sustainable Biomass*'. These criteria form the basis of the Netherlands' policy on energy production from biomass.

The demand and supply of biomass for energy purposes is an international issue. Therefore, approaches towards sustainable production of biomass need to be developed at the international level, including the biomass-producing countries. The Netherlands' policy on this follows a three-track approach:

1. Agreement at the international level on how to ensure the sustainable production of biomass for energy purposes. The Netherlands is eager to play a significant role in the international debate on the sustainability of biomass production.
2. Addressing the macro-effects of biomass production for energy purposes. Biomass production may have effects on land use, availability of resources and food prices. As these, in their turn, may impact on food security and on poverty they may also contribute to social unrest and conflicts/ Therefore, it is vital to gain better insight into these effects in order to formulate policy responses.
3. Stimulating the sustainable production of biomass through the development and implementation of testing-frameworks and by stimulating certification. The Netherlands' government is currently cooperating with Indonesia and Mozambique in order to start pilot projects that will test the sustainability framework. In these pilots special attention will be paid to the position of smallholder farmers.

5.5 Lessons learned from practice

Case 1: Capacity building and institutional change: the biogas case

Building capacities for effective institutions

Current understanding of sustainability has a strong focus on building capacities and making institutions more effective. Knowledge still is important, but in addition each country needs individuals and organizations with the competences to apply knowledge in

daily practices, adapt knowledge to local preferences and needs, and have access to resources, which allow them to perform according to their ambitions and visions. In addition, societal development efforts can not be achieved by a single organization, be it the government, private sector, civil society or donor agencies. An example is provided by the results of the biogas sector development approach, as achieved by the SNV Netherlands Development Organisation.

Need, potential and benefits of domestic biogas

About 2.5 billion people in developing countries are increasingly facing problems with energy supply. Their availability of traditional cooking fuels such as wood, agricultural waste, dried dung and charcoal is declining, while commercial fuels are too expensive and their availability unreliable. Collection of traditional fuels devours time, in particular for women and children, which could have been spent otherwise at school or in productive activities. By burning these fuels, particularly women and small children are exposed to smoke and prone to respiratory illnesses and eye ailments. It is estimated that about 1.3 million people die prematurely every year because of respiratory diseases originating from traditional fuel burning. In addition, the collection of traditional fuels and production of charcoal exhausts natural resources and damages the environment on which the people heavily rely. There is –in short- an urgent need for alternative, more sustainable energy sources. Domestic biogas can be one solution by making use of manure produced by animals like cattle, pigs and poultry as well as human excreta. The biogas sector programmes facilitated by SNV in for instance Nepal and Vietnam managed to become successful and have met with international appreciation and recognition

Careful development of capacities among actors and making stronger institutions

The five interlinked components or features of the SNV biogas approach are: (i) building ownership in the institutional context; (ii) designing a vision for a sustainable sector with agreed upon production targets, institutional mandates and necessary capacities; (iii) intertwining quantitative targets (number of biogas

Biogas sparks new institutional capacities and initiatives.

plants) with qualitative capacity development (setting quality standards with feedback on performance); (iv) promoting a market-oriented approach with private sector carrying out the key-functions on construction and micro-finance, whereas institutional arrangements for other required functions like training, quality control and coordination of the program have been carefully grounded in the national context ; and (v) agreeing on the required sector functions amongst government, private and civil society sector at different levels. These components explain the success of the SNV approach, especially in Asia, where biogas technological innovation has resulted in tangible economic, social and environmental results. SNV facilitated the process through which biogas sector partners formulated their vision of the sector and agreed on the required capacities and institutions necessary to materialize that vision.

Case 2: Ethiopian-Netherlands' Horticulture Partnership

Background and results

Horticultural exports from Ethiopia are growing very rapidly and are an important element in the country's efforts to diversify exports and to contribute directly to poverty reduction. All stakeholders – growers, the Ethiopian Horticulture Producers and Exporters Association and the Ministry of Trade and Industry – agree that joint efforts are needed in order to secure continuing well-balanced growth of the sector and increase societal benefits in terms of employment and foreign exchange earnings, as well as minimizing possible negative impacts on the natural resource base.

The Dutch Government has committed itself to strengthening an enabling environment for the horticulture sector in Ethiopia through a public-private partnership program in line with those of the World Summit on Sustainable Development, in South-east Asia and East

Africa. The mission of this partnership is to contribute to: (i) a competitive, demand-driven, self-sustaining and innovative horticulture cluster well-connected to international networks; (ii) environmentally and socially friendly production; human resource development and enlarging positive spin-offs for local, regional and national social and economic development; (iii) a strong international reputation for the Ethiopian Horticulture Cluster; (iv) an institutional framework that enables the sector to meet (future) market demands and opportunities and to operate in a socially and environmentally friendly and broadly accepted manner; and, (v) strengthening cooperation between Ethiopia and the Netherlands.

In close collaboration with private and public sector organisations, the partnership has developed an activity programme. To date, the main outputs include: (i) a full fledged capacity building programme; (ii) broadly supported a code of practice; (iii) capacity and institution building in phyto-sanitary issues; (iv) testing and introducing Integrated Pest Management programme, including an institutional framework; and, (v) Designing and start up of a Market Information System.

Success factors

There are successful and active linkages between private and public partners in the process of demand articulation and the implementation of activities. All activities involve public and private Ethiopian partners as well as Dutch knowledge institutions. Program results have had a direct impact on national government policies. Strong links to the private sector ensure that priorities continue to reflect sector needs. The program is governed by a Partnership Committee, which represents the major public and private stakeholders in the sector.. This ensures that the program is well-embedded in the (development of) Ethiopian horticultural policy.

Case 3: Sustainable bio-fuels: the case of Mali BioCarburant SA.

The Royal Institute for the Tropics (KIT) in the Netherlands aims to introduce a Dutch business model 'Mali Biocarburant SA' in West Africa. In this model bio-fuel is being produced and marketed –supplementing farmers' income and, thus, contributing to poverty alleviation- but that will also be used locally without taking a toll on the environment. The company is jointly financed by the Netherlands through public investments totalling 60 % and KIT, the Pension Fund of the Netherlands Railways (SPF)) and a private company 'FM Flowermachines' are shareholders. Partners in Mali are the Farmers' Association ULSP (Union Locale des Sociétés Cooperatives des Producteurs de Pourghère) and the private company 'Interagro' which purchases and distributes the fuel.

Mali BioCarburant produces biodiesel from *Jatropha curcas*. Small-scale farmers (both female and male) supply the *Jatropha* nuts to ULSP, which extracts the oil. The Association sells the *Jatropha* oil to Mali BioCarburant, adding value to the nuts, whereas the press-cake is used by the farmers to improve the fertility and structure of their soils. In this way they 'supplement' their income. Mali BioCarburant processes the oil into biodiesel that can be directly used in generators and in cars with diesel engines. Glycerol, a by-product, is sold to a women's cooperative to produce high-quality soap.

KIT is dedicated explicitly to small-scale projects with smallholder farmers and it integrates its activities into existing agricultural production systems. Growing *Jatropha* and processing of the nuts does neither affect the regular cultivation of food crops nor the quality of the environment. The plants are grown either in multiple cropping systems with food crops or in kilometres of fences stretching along roadsides.

The main innovative aspect of this enterprise is that the Farmers' Association owns 20 % of the shares of the company: farmers draw direct benefits from the sales of products and gain indirectly through increased share value and

Innovation: Smallholder farmers own shares and draw benefits and dividends from bio- diesel production and trading carbon credits.

dividends. Moreover, Mali BioCarburant is the first company in Africa that has contracted its carbon credits to 'Trees for Travel'. The latter organization has a contract with KIA Motors the Netherlands. These investments allow for up-scaling of the project: In 2008, ULSP plans to cultivate 1,500,000 *Jatropha* plants.

With this project, KIT is taking advantage of the global trend to use biomass as an alternative to fossil fuels. Aside from the fact that fossil fuels may dry up, other benefits of bio fuels are that they are cleaner and they reduce dependency on oil from unstable regions. KIT's business model was adopted by African Ambassadors as the 'most promising model contributing to economic growth in Africa' and it has won the 'Egg of Columbus' innovation award of seven Netherlands Ministries. Most recently KIT has been nominated for the 'European Business Award for the Environment'.

Case 4: Natural Resources and Environmental Governance Programme, Ghana

The Natural Resources and Environmental Governance Program in Ghana¹ aims at achieving governance reforms in environmental and natural resource management. Good governance is a priority of the Netherlands' development policy.

The Government of Ghana faces serious challenges if it is to achieve its aims of securing the natural resource base, reducing environmental degradation, protecting communities that depend on natural resources, and increasing revenues from the timber and mining sectors. Recent impressive growth rates cannot be sustained in the face of alarmingly high rates of natural resource depletion, which represent costs of about 10 % per cent of the Ghana's GDP. Moreover, product stocks are decreasing rapidly, while wildlife populations and biodiversity are in serious decline. Over 70 % of the country's population depend on natural resources for their basic food, water and energy requirements. Decreasing environmental quality, notably through nutrient mining, air pollution and inadequate water supply and sanitation, drastically constrains the quality of life and productivity in Ghana. Furthermore, changing patterns of resource exploitation are the cause of social tension. Much of these conflicts can be traced back to poor access to, and poor management of, natural resources, weak environmental protection and limited community involvement.

Mainly, the program addresses governance issues in the forestry and wildlife, mining, and environment sectors. Forestry and wildlife are not only key to Ghana's economy, but they share common challenges, including revenues that are not well-captured. Environmental considerations need to be strengthened to effectively control land degradation and pollution and reduce long-term, negative health and economic impacts. Socio-economic impact of improved governance will be monitored closely. Over time, the scope of the operations may be expanded to include other sectors, such as fisheries and water- and land management.

The program will support policy changes aimed at improving the management of revenues and financial flows and that secure peoples' livelihoods in the forestry, wildlife and mining sectors. By supporting civil society engagement in natural resource governance issues, the program will also reinforce cross-sector linkages and country systems for environmental protection. Expected outcomes include (i) increased revenues and finances from the forestry and mining sectors, (ii) reduced illegal logging, (c) reduced social conflict in forestry and mining communities, and (iv) integration of environmental considerations in policy formulation and implementation.

¹ The NREG Program is supported by the Government of Ghana, the Netherlands' Directorate-General for International Cooperation, the World Bank, L'Agence Française de Développement, the United Kingdom's Department for International Development and the European Commission.

Case 5: Virunga-Bwindi Nature Parks, Democratic Republic of Congo, Uganda, Rwanda

The Virunga-Bwindi Nature Parks lay in the southernmost part of the Central Albertine Rift, of the Great Rift Valley. The parks comprise one of the world's richest ecosystems in terms of biodiversity, including rare species like the Mountain Gorilla. Fog and rain in the mountains form important sources of water for both the Nile and the Congo rivers. The parks stretch from Lake Albert in the South (between the Democratic Republic of Congo and Uganda) toward the north of Rwanda. They border on densely populated areas that are unstable and conflict-ridden. The parks therefore serve as a refuge for rebels, as a source of bush meat and timber for traders and as a source of food, cooking wood, water and medicines for refugees and the local population which poor, mostly.

In 2004, three park authorities (ICCN UWA and ORTPN) signed a Memorandum of Understanding for the collective management of the parks. In 2005, the responsible ministers of Uganda, Rwanda and the DRC signed a Declaration of Regional Cooperation and a 10-year strategic plan was developed. The Netherlands contributes € 4 million to the implementation of this plan. The Virunga-Bwindi Nature Parks Project should be self-financing after 4 years. Out of this total, € 1 million is budgeted for the practical cooperation between the three park authorities whereas € 1 million is earmarked per country to address conflicts of interests between the park and the population. This will be done by consulting the people to provide them with acceptable alternative livelihoods in order to stop over-exploitation of the parks.

In the course of the project, revenues of the parks (e.g. from eco-tourism) will gradually substitute the Netherlands' initial funding. By the end of 2012 external financing will not be required anymore. Mechanisms will be developed and implemented to share park revenues with the local population. In addition, improved cooperation between the three countries involved may come as a sign of hope in a region that is torn by conflicts. Most of all, the project contributes to the conservation of a unique ecosystem that provides the region with water and so much more, as well as the globe with a beautiful and diverse landscape.

Case 6: Partnership Programme 'Globalization and Sustainable Development'

Globalization processes, trade-liberalization, outsourcing, technological change and global conventions increasingly cause competing claims on natural resources in developing countries - and elsewhere. On the one hand these globalization processes offer opportunities for economic development. On the other hand, however, they may have negative effects on food security, poverty, rural livelihoods and environmental quality.

In the context of competing local, national and global interests and drivers of change processes, a partnership programme (2006-2010) between the Netherlands' Directorate-General for International Cooperation (DGIS) and Wageningen University and Research Centre (Wageningen UR) 'Globalisation and Sustainable Rural Development' aims to generate options for the poor to make use of the globalization processes. This will be done by the development of management scenarios for natural resources including biodiversity and for markets for ecosystem products and services. Target groups include small-scale producers and entrepreneurs in the agricultural sector as well as policy makers, knowledge and research institutes, local authorities and civil society. The program, which aims to provide scientific support to the design and implementation of development policies, has a main focus on Sub-Sahara Africa. It aims to contribute to the achievement of the targets of MDG 1 (eradicating extreme poverty and hunger), MDG 7 (ensuring environmental sustainability) and MDG 8 (building capacity for global partnerships).

The programme has three interrelated themes: (i) Sustainable pro-poor agro-supply chains, (ii) Competing claims on natural resources and (iii) Sustainable use and

management of agro-biodiversity. Capacity strengthening and institutional development are cross-cutting issues throughout the programme's activities.

Sustainable pro-poor agro-supply chains

The *agro-supply chain theme* aims at (i) developing capacity and expertise in supply chains in developing countries, (ii) analysing pilot chains and formulating lessons learned on how to facilitate market access, and (iii) evaluating such market-driven developments in terms of their contribution to income generation and improved rural livelihoods. Output of the programme targets the actual implementation level as well as national and international policy levels. A process of co-innovation, involving producer organizations, the private sector and knowledge institutes builds on sustainable and transparent arrangements between the parties. Pilot studies include 'The competitiveness of the Ugandan sunflower sector' and 'Institutional arrangements in sesame export chains in Ethiopia'. These are used to build capacities at all levels and components of the chain. Partners are investing in these pilots and go through a process of joint problem analysis, strategy development and implementation. This process is being implemented in an 'action-research-cum-development mode' and it includes –specifically- stakeholders in the south: traders, processors and retailers, small-holder producers and knowledge institutions. Output from this theme will include:

- Enhanced institutional and entrepreneurial capacities to meet (inter-) national agro-food standards.
- Private-sector driven chain approaches and mechanisms assessed for their impact on economic development.
- Co-innovative pilot projects implemented and evaluated.

Competing claims on natural resources

Increasingly, *competing claims on natural resources* (land, water, natural vegetation, fish-stocks, etc.) lead to conflicts that form obstacles for sustainable development and responsible use of the natural resource base. Yet these resources are the major assets available to sustain the livelihoods of poor rural communities. The main aim of the competing claims theme is the sustainable use of natural resources through building capacity in multi-disciplinary research approaches and analysis of complex systems. Poverty alleviation and development of novel, more equitable, local options for management of natural resources, and avoidance of conflict, are seen as key aspects. A methodological framework will be developed, and tested, to demonstrate the implications of policies on different stakeholders as well as the feedbacks as a consequence of stakeholder responses. The framework will enable the exploration of opportunities to harmonize policies across sectors. Emphasis is on:

- Strengthening local capacity to facilitate multi-stakeholder platforms for negotiation and priority setting.
- Enhancing stakeholders' abilities to innovate and respond to changing pressures.
- Identifying options for sustainable resource use at the local level in relation to differing access to resources, rights and power among stakeholders.
- Understanding the effects of policies at multiple scales and the constraints and opportunities that these create for sustainable development.

Projects currently being implemented include 'Understanding bio-fuel-based development and its impact on rural livelihoods, Mozambique', 'Managing the consequences of timber legality standards on local livelihoods, Ghana', 'Improving livelihoods and resource management in the Central Rift Valley, Ethiopia, and 'Coping with competing claims on water, Mozambique and South Africa'.

Sustainable use and management of agro-biodiversity

The resource base consist of a wide variety of genes, species and ecosystems. *Sustainable use and management of biodiversity* is a matter of cultures, techniques and socio-economic actors and factors. Ecological processes determine the productivity of the resource base as well as its ability to cope with changes (resilience). The poor typically depend on the integrity of the resource base and their rights to access. Food security,

both in quantity and in quality, and health are directly influenced by the status of the resource base, in particular its biodiversity. Globalization processes, population growth and climate change all exert pressure on the biodiversity. Policies and -lack of- institutional capacity are determining the ways in which we can handle these pressures. Research under this theme is taking local socio-economic perspectives as the starting point in developing new approaches that take full account of both the opportunities and the threats related to globalization processes. The main goals of this theme are: (i) Better understanding of the linkages between biodiversity and poverty alleviation, (ii) Developing options for sustainable management of the resource base, (iii) Support small producers in the improved use and marketing of genetic resources, (iii) Up-scaling of viable options, (iv) Developing pro-poor bio-tech applications and IPR regimes, and (v) Contributing to (inter-) national policy development. Output of this theme may include:

- Studies supporting the development of national and global policies which enable sustainable rural development.
- Increased numbers of locally-adapted crop varieties and animal breeds.
- Increased capacity amongst local communities to manage agro-biodiversity and genetic resources.
- Increased market access for local varieties and breeds.
- Better understanding on the interrelationships between natural and agricultural landscapes.

Institutional development and capacity strengthening

The partnerships' cross-cutting issue, 'Institutional Development and Capacity Strengthening' focuses on environmental governance -including the effects of (inter-)national policy changes-, institutional change and capacity building. These are critical elements in fostering and sustaining pro-poor development efforts and sustainable economic growth. This theme will be closely linked to the WSSD Partnership Initiatives and to the Sub-Sahara Africa Challenge Programme. Within the DGIS-WUR partnership programme, institutional development and capacity strengthening will build on and foster the collaborative partnerships that Wageningen UR has established with many strategic partners in Africa and within the international community of donors, research and development organizations and the network of DGIS.

Case 7: Knowledge and Policy for International Cooperation

The 'Policy Support Cluster International Cooperation' is one of the key mechanisms of the Netherlands' Ministry of Agriculture, Nature and Food Quality to generate knowledge in support of policy formulation by the Ministry itself, as well as by partners abroad. The 'Cluster International', having an annual budget of about € 7 million, is being implemented by Wageningen University and Research Centre.

The development of policies on global issues, and the implementation thereof, is complex and highly knowledge-intensive. Inherent to agriculture, nature management and food quality is the issue of sustainable development, including its environmental, economic and social components. These tend to be balanced in complex trade-off mechanisms. Emerging new issues arising in the international policy debate, bio-energy for example or animal welfare, require both a solid foundation in science and a high degree of stakeholder involvement in the preparatory and implementation phases. Building, and effectively utilizing, the required capacities for these tasks in an international setting requires targeted initiatives.

The Cluster International covers collaborative research activities in conjunction with capacity building across five continents. These activities cover an array of themes that are central to the international focus of the Ministry, ranging from markets and trade, sustainable use of biodiversity and integrated water management to the development of knowledge and innovation systems. Important aspects are inter-disciplinarity, close linkages between research and capacity development and creation of effective mechanisms for policy development and implementation using the knowledge

generated. Projects of the Cluster are generally part of existing networks, or new ones, if needed. Policy objectives of the ministry vis-à-vis the Millennium Development Goals play a central role in the programming and priority setting. Both, policy makers in the various Directorates of the Ministry and the Agricultural Counsellors the Netherlands Embassies in target countries and regions are responsible for identifying thematic and geographic priorities. In doing so, the Cluster seeks to accommodate the different agendas and planning cycles of the Counsellors, their in-country networks with governmental, non-governmental and business organizations and other actors who might be involved.