

Response to the World Development Movement's campaign about the role of large businesses in African Agriculture

Thank you for getting in touch regarding the World Development Movement's campaign about the role of large businesses in African Agriculture.

Economic development is the main driver of long term poverty reduction and shared prosperity. Ending hunger and undernutrition is the first step in securing self-sufficiency, but this problem cannot be solved by governments and donors alone. Working together with business, NGOs and governments, we can help transform economies, create jobs and ultimately end poverty and aid dependency for good.

Within the agricultural sector, DFID works to ensure that any investment is responsible and inclusive, with clear development impacts that genuinely benefit the poorest. It is in this context that we support initiatives such as the New Alliance for Food Security and Nutrition.

The New Alliance for Food Security and Nutrition is a joint initiative involving African governments, global and local companies, and donors. It aims to lift 50 million people out of poverty by 2022 by catalysing inclusive and responsible private sector investment into agriculture. It is led by an independent Leadership Council co-chaired by the African Union Commission, a donor and a private sector partner. It is a political initiative that secures commitments from different stakeholders to meet the agricultural development needs in African countries.

While agricultural investment can make a valuable contribution by sourcing products from small-scale farms and by providing research, training finance and improved technologies, investments must be managed responsibly. Growth is more sustainable and has a greater impact on poverty reduction if it focuses on all segments of society, in particular girls and women. This requires action to tackle the structural barriers that deny marginalised people the chance to find jobs and raise their incomes.

Governments have a critical role in planning for the right sort of investments, encouraging responsible business, being demanding customers of private sector providers, and helping markets work better for poor people. The UK has worked hard to deliver a structured process for responsible investment, specifically to align land related investment with the UN Voluntary Guidelines on the Responsible Governance of Tenure of land, fisheries and forests (VGGTs) which all parties investing under the New Alliance are committed to support.

DFID is also playing an active role in the global negotiations on the principles for responsible agricultural investment (rai), which were endorsed at the Committee for World Food Security on 15 October.

Following the Leadership Council meeting of the New Alliance in September, members of the New Alliance have committed to develop operational guidelines for the implementation of the VGGTs and establish a shared platform for monitoring, learning and technical support for private sector compliance with international norms for responsible agricultural investment.

The UK Government supports interventions that will increase agricultural productivity and incomes for smallholder farmers while reducing their costs and minimising the impact on the environment. We recognise the importance of farmers having access to improved agricultural technologies, including seeds, but do not support policies which oblige farmers to use them. Developing country governments and farmers should have access to appropriate information to make informed decisions about improved seed varieties and the extent to which they can help address food security concerns.

The UK is increasingly focused on helping developing countries to make the operating environment for businesses and for smallholders simpler, fairer and more transparent. This is one of our priorities for the New Alliance. We will continue to provide significant public investment in agriculture in support of smallholder farmers and to build their long term resilience. We also need to create more income opportunities for poor people in and outside of farming. That will require responsible investment by African and global agribusinesses and I believe initiatives such as the New Alliance can make an important contribution to this.

JUSTINE GREENING