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## The Role of the Domestic Private Sector in Agriculture

FAO Expert Meeting  
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behalf of Jon Mitchell



## The Policy Knowledge Platform

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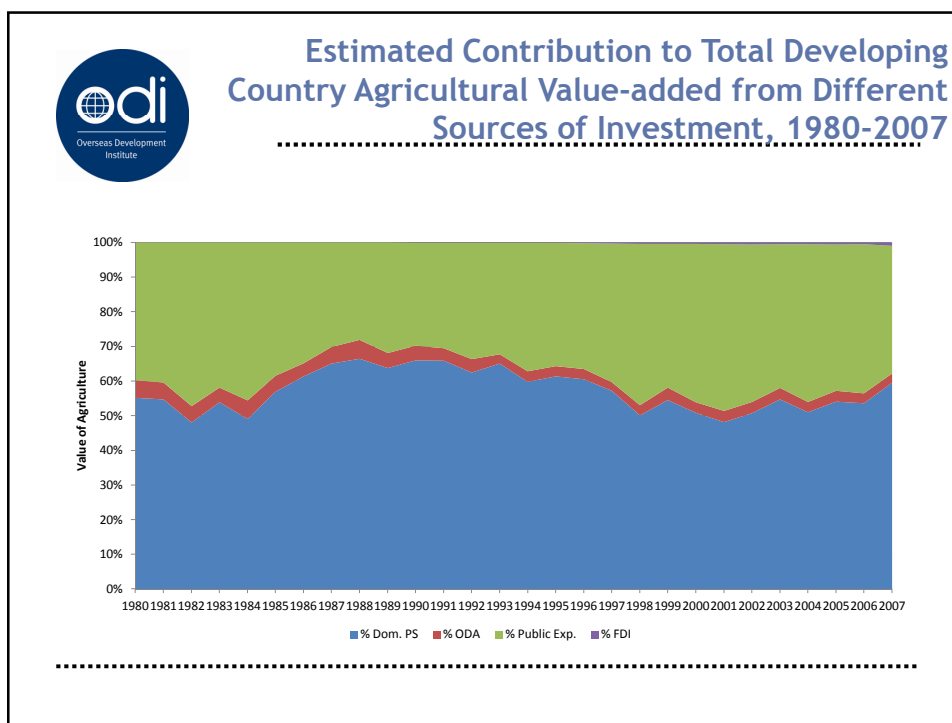
- ODI work for the Global Donor Platform
  - Initial results from ongoing work on the **strategic role of the private sector in rural areas**
  - What is financing transformation of rural areas?
    - FDI
    - ODA
    - Public expenditure on agriculture
    - Domestic private resources
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## How to Capture Domestic Resource Flows?

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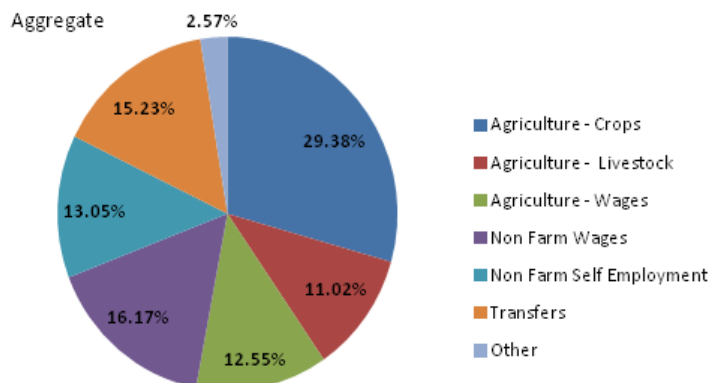
- Lack of systematic data at global level on domestic resource flows in developing countries
  - Initial approximation to gauge importance:
    - National value added data
    - Assume direct relationship between investment/expenditure and value added
    - Remove known values (FDI, ODA, public expenditure)
    - Residual = domestic resources
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-  **Sources of Domestic Private Sector Resources**
- Lack of systematic information on this (research gap?)
  - But, possible sources:
    - Savings/surplus for reinvestment from agricultural production
    - Non-farm rural economy
    - Non-rural economy
    - Processing companies



## Sources of Income in Rural Areas



7 Source: FAO (2007)



ODI is the UK's leading independent think tank on international development and humanitarian issues. We aim to inspire and inform policy and practice to reduce poverty by locking together high-quality applied research and practical policy advice.

The views presented here are those of the speaker, and do not necessarily represent the views of ODI or our partners.

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