



## Development flows to agriculture

June 2019

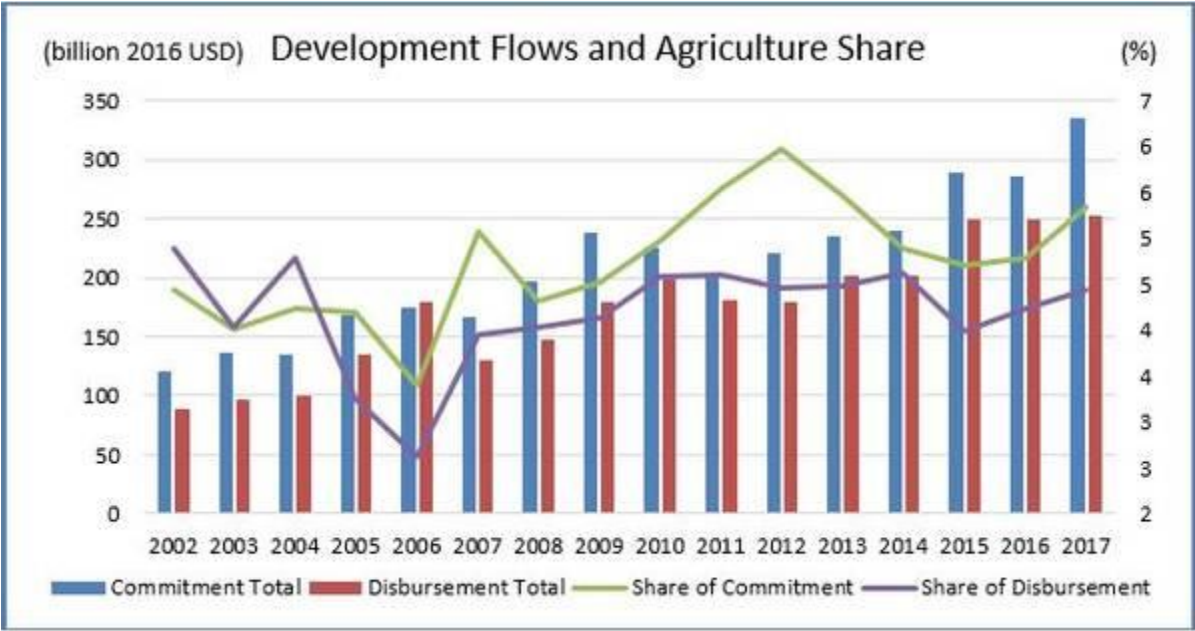
### Highlights of 2017

- 18 billion USD were committed in 2017 globally as Development flow to Agriculture (DFA), accounting for 5.3 percent of total Development flows. In the same period, donors disbursed 11 billion USD to agriculture, or 4.4 percent of the total disbursed flows.
- Leading donors were the International Development Association (IDA) of the World Bank, United States of America, the European Union (EU) Institutions, the International Bank for Reconstruction and Development (IBRD) and Japan.
- Africa received 41 percent, while Asia & the Pacific received 37 percent.
- The top 5 recipient countries were India, China, Morocco, Ethiopia and Turkey.
- The Agriculture Orientation Index (AOI) in terms of disbursement was 0.54 in 2017, up by 0.05 from 0.49 in 2016. This level is still far from 1.00, indicating that agriculture received a portion of development flows that is smaller than its relative contribution to GDP.

### Global Trends

In 2017, donors disbursed funds for 11 billion USD for development assistance to agriculture, or 4.4 percent of total ODA disbursements. Whilst the commitments to agriculture increased by 4 billion USD from 2016, the disbursements to agriculture increased only by 0.6 billion USD. The share of commitments and disbursements to agriculture increased from in 2016 by 4.8 percent to 5.3 percent and from 4.2 percent to 4.4 percent, respectively. [Chart 1].

**Chart 1. Development Flows and Agriculture Share: 2002-2017**

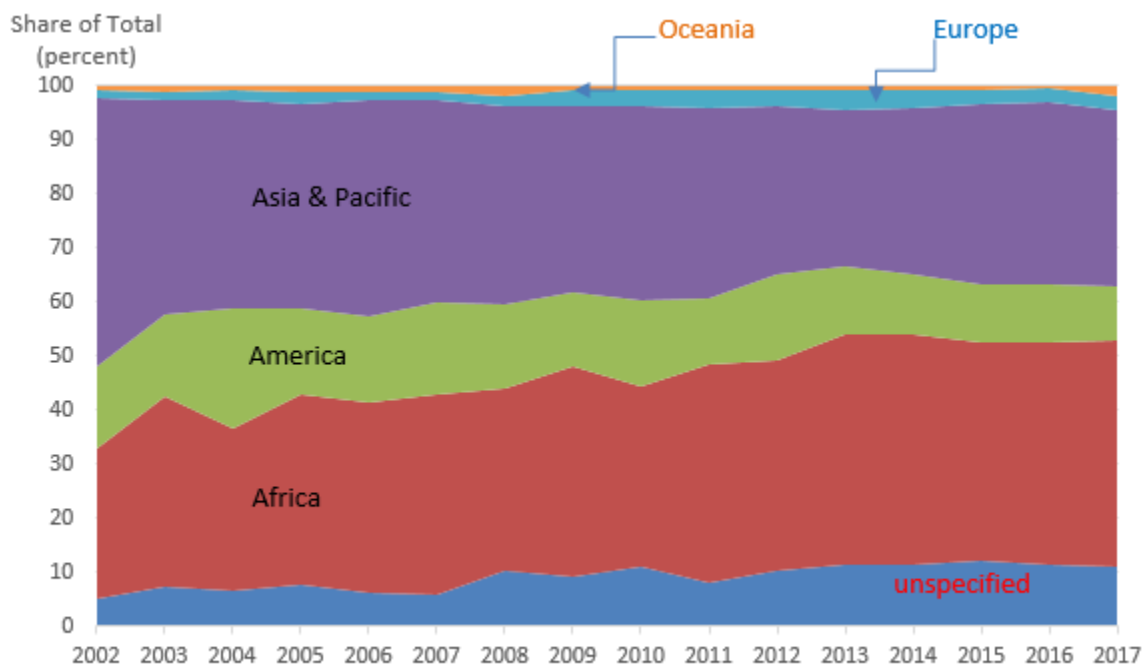


Source: FAOSTAT, based on OECD-CRS data.

**Regional shares in Development Flows to Agriculture (DFA)**

Between 2002 and 2017, donors disbursed to Africa and the Asia & Pacific together more than 70 percent of the total DFA. Asia and Pacific received relatively more than Africa until 2010, but Africa saw a continuous increase of its portion, which reached 42 percent of total DFA in 2017. [Chart 2].

**Chart 2. Development Flows disbursed to Agriculture in regions: 2002-2017**



Source: FAOSTAT, based on OECD-CRS data.

\*The unspecified includes aid flows to more than two regions and support to global activities, such as research and development

**Top 10 Recipients and Donors of DFA: 2002-2017**

Asian countries such as India, China, Afghanistan, Pakistan and Vietnam ranked among the highest recipients between 2002 and 2017. Some Latin American countries, such as Colombia, Mexico, Bolivia (Plurinational State of), have also absorbed substantive shares in 2005 and 2010; but they were no longer among the most important recipients in 2015 and 2017. [Table 1].

**Table 1. Top 10 Recipient Countries of Commitment to Agriculture (2005-2017)**

|   | 2005                        | 2010            | 2015            | 2017            |
|---|-----------------------------|-----------------|-----------------|-----------------|
| 1 | India                       | India           | Ethiopia        | Indonesia       |
| 2 | China, mainland             | Afghanistan     | China, mainland | India           |
| 3 | Afghanistan                 | China, mainland | Viet Nam        | China, mainland |
| 4 | Pakistan                    | Indonesia       | India           | Morocco         |
| 5 | United Republic of Tanzania | Turkey          | Morocco         | Pakistan        |
| 6 | Egypt                       | Senegal         | Pakistan        | Ethiopia        |
| 7 | Colombia                    | Egypt           | Kazakhstan      | Malawi          |

|    |            |         |             |            |
|----|------------|---------|-------------|------------|
| 8  | Indonesia  | Morocco | Uganda      | Kenya      |
| 9  | Mexico     | Kenya   | Egypt       | Uzbekistan |
| 10 | Mozambique | Mali    | Afghanistan | Viet Nam   |

In the same period, IDA, USA, EU, IBDA, Japan and Germany were among the most important donors, while the Bill & Melinda Gates Foundation ranked 8th in 2015 and 10th in 2017 [Table 2].

**Table 2. Top 10 Donors (2005-2017)**

|    | 2005        | 2010    | 2015                               | 2017                               |
|----|-------------|---------|------------------------------------|------------------------------------|
| 1  | IDA         | USA     | USA                                | IDA                                |
| 2  | IBRD        | IDA     | IDA                                | USA                                |
| 3  | Japan       | Japan   | EU                                 | EU                                 |
| 4  | USA         | IBRD    | IBRD                               | IBRD                               |
| 5  | EU          | IDB     | Germany                            | Japan                              |
| 6  | Germany     | EU      | Japan                              | Germany                            |
| 7  | AfDF        | Spain   | UK                                 | UK                                 |
| 8  | France      | Canada  | Bill & Melinda<br>Gates Foundation | AsDB                               |
| 9  | UK          | AfDF    | AsDB                               | France                             |
| 10 | Netherlands | Germany | France                             | Bill & Melinda<br>Gates Foundation |

Source: FAOSTAT, based on OECD-CRS data.

AsDB: Asian Development Bank

IsDB: Islamic Development Bank

IBRD: International Bank for Reconstruction and Development

EU: European Union (EU) Institutions

IFAD: International Fund for Agricultural Development

IDA: International Development Association

AfDF: African Development Fund

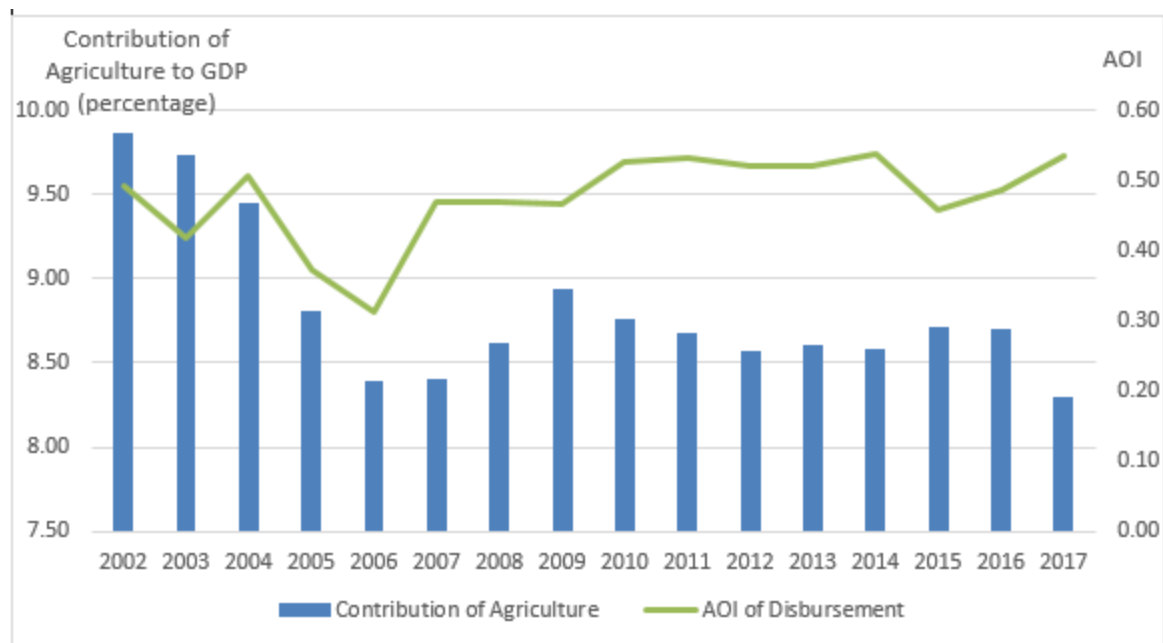
IDB: Inter-American Development Bank

### **The Agriculture Orientation Index (AOI)**

The AOI measures the share of flows to agriculture relative to the contribution of Agriculture to total GDP.

Globally, between 2002 and 2017, the share of development flows received by agriculture was lower compared to the contribution of the sector to GDP. The AOI, computed on disbursements of assistance to agriculture, increased from 0.49 in 2002 to 0.54 in 2017; but it presented significant reductions in 2006 and 2015, to 0.31 and 0.46, respectively. [Chart 3].

**Chart 3. Global Agriculture Orientation Index (AOI) and Contribution of Agriculture to GDP**

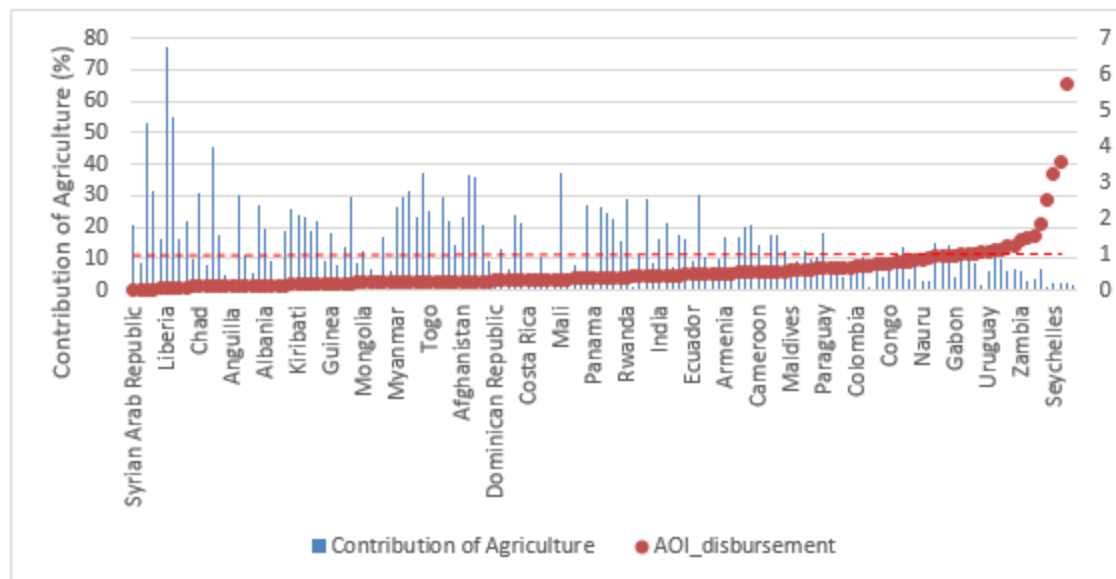


Source: FAOSTAT, based on OECD-CRS data.

#### **The 2013-2017 average Agriculture Orientation Index\* (AOI)**

Only few countries reported an average 2013-17 AOI larger than 1, indicating that in most cases the share of assistance devoted to agriculture is smaller than the contribution of the sector to GDP. This is especially the case where the size of agricultural Value Added relative to GDP is large. There are seventeen countries showing an average AOI larger than 1 in the 2013-17 period: Antigua and Barbuda, Saint Lucia, Botswana, Seychelles, Montserrat, Saint Vincent and the Grenadines, Cuba, Palau, Zambia, Peru, Argentina, Eswatini, Belize, Uruguay, Djibouti, Timor-Leste and Republic of Moldova [Chart 4]. Most of these are countries in which the Value Added of agriculture is small, both relative to GDP and in absolute terms.

**Chart 4. The AOI and the contribution of Agriculture to GDP (Average: 2013 to 2017)**



**Note**

The Development Flows to Agriculture (DFA) dataset is an important component of Agricultural Investment Financing Statistics which also includes Government Expenditures on Agriculture (GEA), Foreign Direct Investment in Agriculture (FDI), Credit to Agriculture (C2A) and Foreign Remittances (FR).

The DFA dataset is based on the OECD's Creditor Reporting System (CRS), which includes DFA from FAO. The CRS database provides the most comprehensive coverage of development flows by donor and recipient country. Use of CRS in compiling the DFA dataset capitalizes on the expertise of the OECD, and minimizes respondent burden and duplication of work.

The DFA dataset covers flows recorded in both commitment and disbursement bases from 1973 to 2017, and provides analytical indicators based on commitment 2016 USD constant value unless otherwise stated. Due to progressive improvement of donor coverage, analysis of levels focus on post 2002 data only.

Contribution of Agriculture to GDP is measured as a ratio of Value Added in Agriculture (VAA) over total GDP.

Share of Agriculture in total development flows is the ratio of total flows to crop, livestock, forestry and fishing sectors (AFF) over total development flows.

The Agriculture Orientation Index (AOI) for DFA measures the share of flows to agriculture relative to the sector's contribution to the GDP. An AOI greater than 1 indicates a donor preference to agriculture sector keeping in view the contribution of various sectors of economy, while an AOI less than 1 indicates less emphasis on agriculture.