Food and Agriculture Organization of the United Nations

Evaluation of FAO's contributions to Sustainable Development Goal 2

"End hunger, achieve food security and improved nutrition and promote sustainable agriculture"

Support to agricultural investment

About this document

Agricultural investment is key to achieving Sustainable Development Goal 2 (SDG 2). This study – part of the evaluation of the role of the Food and Agriculture Organization of the United Nations (FAO) in supporting SDG 2 – examines the FAO Investment Centre's role in promoting agricultural investment in Africa, focusing on investment programme design and implementation.

The study finds that despite an increase in lending, international financial institutions have less and less capacity to prepare and supervise ever more complex operations and are particularly short of in-country capacity. This makes it difficult to contextualize interventions for sustainability and results. In-country specialists who understand and have experience of working with farmers are therefore needed, making the Investment Centre a critical resource. Notwithstanding recent infusions of support, however, it remains understaffed and underfunded.

As far as the Investment Centre's 2018 cooperative agreement with the African Development Bank is concerned, the study finds that while the Centre has undertaken some work under the agreement, financial and political constraints may be why it has not yet gained significant programmatic traction.

It also finds that the Centre's World Bank partnership is strong, but faces a number of challenges. The Investment Centre is working with the Office of FAO's Chief Economist to develop a programme of engagement, which will give World Bank country managers the data they need to make informed decisions on agricultural investment. The study also calls for greater FAO senior management and country office support in FAO's interactions with the World Bank.

SDGs

Required citation
FAO. 2021. *Evaluation of FAO's contributions to Sustainable Development Goal 2 - Support to agricultural investment.* Rome.

Contents

Abbreviations and acronyms

AfDB	*African Development Bank*
FAO	*Food and Agriculture Organization of the United Nations*
IFAD	*International Fund for Agricultural Development*
IFI	*International financial institutions*
IGAD	*Intergovernmental Authority on Development*
IDDRSI	*IGAD Drought Disaster Resilience and Sustainability Initiative*

1. Introduction

This study – part of a larger set of case studies for phase 2 of the evaluation of the Food and Agriculture Organization of the United Nations (FAO) role in supporting Sustainable Development Goal 2 (SDG 2) – examines the FAO Investment Centre's role in promoting agricultural investment in Africa. The Centre's work includes investment programme design and implementation, support for good investment policy, advocacy for responsible private investment, capacity development for national stakeholders (including economic, social and financial analysis) and sharing knowledge and best investment practices. This study focuses on investment programme design and implementation, which is at the core of the Centre's work.

The findings are set against the need to strengthen donor, national and private-sector financing to achieve SDG 2, especially investments that support the SDG principles.[1] They should also be viewed against the backdrop of a 2012 evaluation of FAO's investment role that called for a number of actions, which are largely being addressed (FAO, 2012a). These included a stronger corporate approach to investment, more robust relationships with international financial institutions (IFIs), greater engagement between the Investment Centre and other parts of FAO, greater focus on mobilizing private-sector finance and an expansion and strengthening of the role of the Centre in supporting investment in food and agriculture. An evaluation of FAO Strategic Objective 1 in 2018 affirmed progress on a number of these areas (FAO, 2018a).

The findings are also set against the upcoming Food Systems Summit in 2021. The Summit should be a breakthrough in bringing diverse stakeholders, including investors, to a common understanding of a more sustainable food-systems framework and systematically aligning policy and financing for transformation. To this end, it will need to demonstrate what works in terms of simultaneously feeding the world, enhancing livelihoods, furthering social justice, promoting economic inclusion and protecting the environment, as well as how these strategies can be put into practice and scaled up with investment. The Investment Centre will play a decisive role in this regard and is currently conducting some 60 food-system assessments to guide food-policy investment.

The study involved a wide-ranging document review and conversations with Investment Centre and partner staff (see Bibliography and Appendix 1). The team also undertook an analysis of the Investment Centre's experience in the Horn of Africa crisis of 2008–2010 (Appendix 2) as an illustration of successful engagement in addressing a crisis through strong analytical work, partnership and investment support.

2. Background

The Investment Centre has a 56-year history of promoting agricultural investment more broadly across the food system. Its work cuts across FAO's Strategic Objectives and spans everything from identification, design and appraisal to implementation support, including technical assistance, supervision, evaluation and supporting favourable policy environments for public and private investment. The Investment Centre's global footprint, specialist expertise and large portfolio of operations for international institutions are key entry points for capitalizing on the entirety of FAO's technical expertise and strategic approaches to achieve SDG 2 (FAO, 2019c).

Over the years, the Investment Centre has worked with partner organizations to help leverage investments worth more than USD 140 billion. The Centre's work has historically been focused on supporting World Bank project design and supervision. It also works with the International Fund for Agricultural Development (IFAD), the European Bank for Reconstruction and Development, regional development banks, the Green Climate Fund and the Global Agriculture and Food Security Programme (GAFSP), as well as through a number of public–private financing facilities, the largest of which are managed by the European Union.

3. Relevance to SDG 2

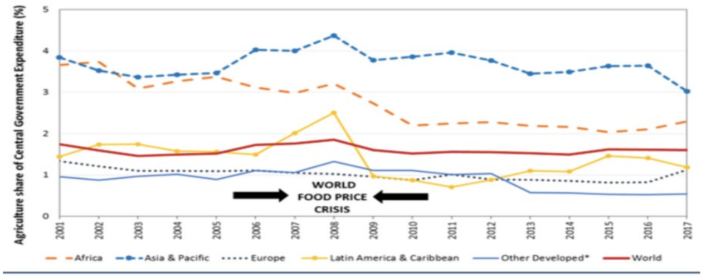
Agricultural investment is key to achieving SDG 2. Target 2.a aims to "increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries". It is also key to contributing to other SDG 2 targets, in particular Target 2.3, which aims to "double, by 2030, the agricultural productivity and incomes of small-scale food producers" and to do so sustainably (Target 2.4).

A significant investment gap needs to be plugged. The World Bank estimates that global demand for food will increase by 70 percent by 2050 and that at least USD 80 billion in additional annual investment will be needed to meet this rise in demand (World Bank, 2020). This will largely have to come from domestic budgets, overseas development assistance (ODA) and the private sector (including farmers themselves). Public spending on agriculture as a share of overall public expenditure has fallen far short of what is needed (Figure 1).[2] While ODA to agriculture increased annually in absolute terms from 2012 to 2017, it remained unchanged (and low) as a share of total concessional resources (averaging about 4 percent from 2005, Figure 2).

[1] *Among the most relevant to agriculture are: environmental sustainability and climate sensitivity, holistic programming across the SDGs, a focus on the poorest, and mobilizing partnerships, including the private sector.*

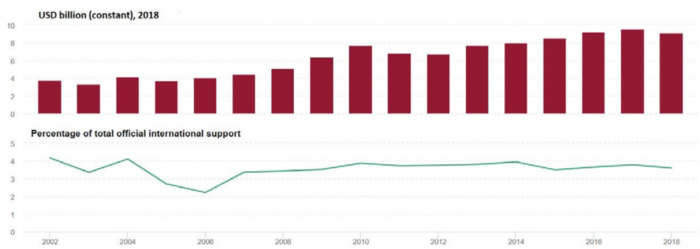
[2] *The global percentage government contribution to agriculture compared with the sector's contribution to gross domestic product (GDP), known as the agriculture orientation index, fell from 0.42 in 2001 to 0.31 in 2015 and to 0.28 in 2018 (UN DESA, 2020).*

Figure 1. Share of central government expenditure on agriculture



Source: FAO (2019d).

Figure 2. Total official international support for agriculture

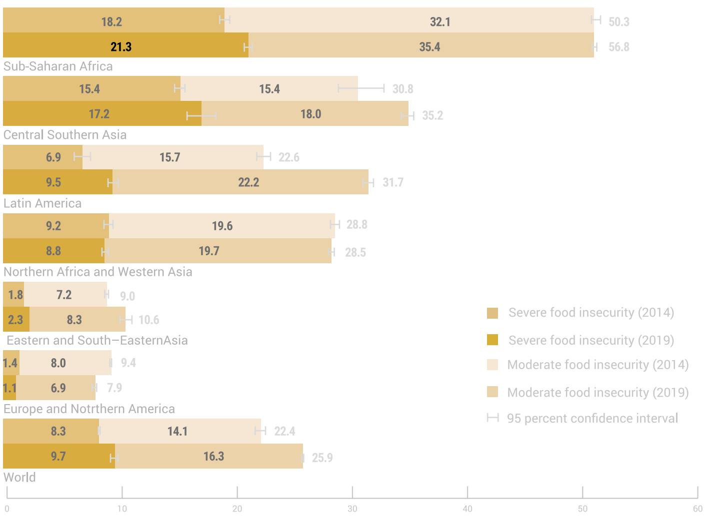


Source: OECD (n.d.a.).

The World Bank, with which the Investment Centre conducts most of its business, is the largest international funder of agricultural investment in developing countries and the largest investor in Africa. It has led the charge in applying cutting-edge knowledge on the ground. In 2018, following an extensive review, FAO and the World Bank renewed their commitment to work together ahead of an increase in World Bank lending for agriculture in Africa. In 2019, World Bank lending for agriculture in Africa rose by some USD 400 million from the previous year to USD 1.17 billion. This trend is expected to continue (World Bank, 2019).

Agricultural investments favour the poor, and Africa has the largest number of people living in poverty (see Figure 3). According to the World Bank, increasing investment in the agriculture sector, which accounts for a little less than one-third of global gross domestic product (GDP), is two to four times more effective than other sectors at raising the incomes of the poorest (World Bank, 2008).

Figure 3. Prevalence of moderate and severe food insecurity, 2014 and 2019



Source: UN DESA (2020).

The investment gap is particularly large in Africa. According to the African Development Bank (AfDB), investment in African agriculture (not including farmer-owned investments) was USD 9 billion in 2016, leaving a shortfall of USD 23–31 billion a year to be mobilized if African agriculture is to be transformed (AfDB, 2016). African countries are particularly reliant on ODA, receiving more than USD 3 billion for agriculture annually, compared with less than USD 2 billion in government investment (Mason-D'Croz et al., 2019).

Fewer than half the 27 African signatories of the Maputo Declaration have met their commitment to spend at least 10 percent of their national budget on agriculture. Where spending is taking place, it is sorely lacking in areas such as the provision of better seeds and extension services, which can significantly improve yields and conserve soil and water. Less than 3 percent of commercial bank lending in Africa goes to agriculture, even though the sector accounts for about 70 percent of all employment and more than 40 percent of GDP (Pernechele et al., 2021).

There are reasons to be optimistic that additional investment in Africa will pay off. Prior to the COVID-19 crisis, African agricultural output was forecast to reach USD 1 trillion by 2030 (Adesina, 2017). Large tracts of uncultivated and unirrigated land, a youthful workforce, an improved policy environment (including for land administration, leading to more secure land tenure, more liquid land markets and greater farmer-owned investments) (Saghir, 2014) and the emergence of tech-savvy agricultural entrepreneurs have been – again, prior to COVID-19 – transforming whole economies (African Centre for Economic Transformation, 2017). With one billion mobile subscribers, Africa's increasing connectivity is also being used to power innovation and growth in farming, on which two-thirds of Africans depend for their livelihoods (Kemp, 2017). Lastly, increasing amounts of international finance are expected to support climate-smart agriculture (CSA), giving African countries the opportunity to effectively mainstream climate-friendly approaches into country plans, programmes and policies.

Africa arguably faces the most severe longer-term challenges of any region. Africa will see the largest increase in population, coupled with severe land degradation and water scarcity, exacerbated by the impacts of climate change. The World Bank is making CSA a priority for African governments. From 2016 to 2018, it approved 83 projects supporting CSA in Africa, with investments worth a cumulative USD 3.8 billion. The World Bank is currently preparing investments in 30 countries, covering 5 million farmers, focused on the climate resilience and productivity of around 3 million hectares of land.

4. Effectiveness

4.1 Delivering and acting at scale

The Investment Centre's work programme to support agricultural investment has been substantial. In 2019, it undertook 904 assignments in 133 countries and contributed to the design of 32 projects financed by IFI partners in 26 countries, for a total investment value of USD 5.7 billion. It produced 13 agricultural strategies, nine policy and analytical studies and 27 sector studies and facilitated 13 public–private policy dialogue processes. In 2018, the Centre contributed to 47 projects in 32 countries worth a total USD 7.2 billion. The year before, it contributed to 55 projects in 35 countries worth USD 6.5 billion. Currently, implementation support for ongoing investment projects accounts for the majority of the Centre's investment support services (58 percent), followed by investment design (30 percent) and policy support (12 percent).

Between 2012 and 2019, the Investment Centre supported the design of 362 World Bank investment projects for a total investment value of USD 45 billion. It also supported the preparation of 14 GAFSP projects worth a total of USD 438 million. In 2018 and 2019 alone, the Investment Centre supported the design of 50 World Bank projects valued at some USD 10.1 billion. GAFSP has been an important driver of the development of national agricultural investment programmes, making incremental funding available as a result.

Last year, as in previous years, about half of all Investment Centre support for the Word Bank was in Asia-Pacific. Around 15 percent of approved projects and 13 percent of all financing went to sub-Saharan Africa. However, implementation support accounts for nearly 60 percent of the Investment Centre's work programme and 30 percent of this is focused on Africa. In many ways, implementation support is more impactful than support for project design, as supervisory staff remain on the ground with the project for the duration, allowing them to build longer-term capacity, generate and share lessons and build relationships to influence policy over time.

The Investment Centre provides a quarter of its project design capacity to IFAD, which focuses on the poorest farmers, women and youth in Africa and their engagement in agricultural value chains. The Centre supports around 40 percent of IFAD's operations, on average, accounting for about 30 percent of the value of all IFAD operations. Over the last five years, the Centre supported the design of 48 IFAD-financed investment projects, for a total value of USD 4.3 billion. In 2019, the Centre helped design seven projects (five in sub-Saharan Africa), with a total value of more than USD 1.3 billion. The Investment Centre routinely contributes to the design of some of IFAD's two-year country strategic opportunity programmes, which enable IFAD to make strategic choices at national level, including opportunities for financing. Over the last two years, the Investment Centre has assisted IFAD in developing nine country strategic opportunity programmes – eight in sub-Saharan Africa alone.

The Investment Centre has been gaining experience in agribusiness, which will need to see far greater investment if Africa is to turn a corner. The public sector is critical to creating a supportive policy and regulatory environment, as well as to investment in agriculture-specific infrastructure, natural resource development, research and food safety nets. However, SDG 2 cannot be achieved without collaborative private-sector investment, most of which will involve smallholders investing in their own farms.[5] International private investment, while accounting for a relatively small share of total investment in developing-country agriculture, is also crucial to achieving food security, by creating jobs, connecting countries to global markets, introducing new technologies, influencing domestic norms for quality control, food standards and consumption patterns, and improving the ability of local people to buy more –and more nutritious – food.[6]

The Investment Centre, with the support of its in-house partners, is making modest but steady progress with the private sector in Africa. One promising initiative is AgrInvest, launched together with the European Union in 2019, in partnership with the European Centre for Development Policy Management. It is implementing a project called "Enabling inclusive and efficient private sector investment in agrifood systems," which aims to foster SDG-aligned investments in agrifood systems in Africa to contribute to sustainable economic growth and boost rural employment, particularly for women and youth. The project is being implemented in Burkina Faso, Ethiopia, Kenya and the Niger. In 2019, the Investment Centre, through AgrInvest, provided technical support to the Uganda Development Bank to increase its lending portfolio to the agriculture sector.

The Investment Centre has supported investment frameworks under the Comprehensive African Agricultural Development Programme. The Centre played a key role in the design of the Economic Community of West African States West Africa Food Security Resilience Programme and the Southern African Development Community Regional Agricultural Investment Plan, as well as National Agricultural Investment Plans (NAIPs) in Namibia, Zimbabwe, the Comoros, Rwanda and elsewhere.

The Investment Centre will be a key element in the success of FAO's Hand-in-Hand Initiative (HIHI). Since the launch of HIHI, the Investment Centre has been assisting the FAO corporate task forces established to implement the initiative. The Centre is helping the first set of priority countries to identify opportunities that will drive transformation. To this end, it is match-making financial and development partners and working with member countries to mobilize more and better public and private investment. Out of the 19 countries in which the HIHI has started, to date, the Centre has managed to establish connections with financial partners in seven countries. In the coming years, the Centre will be instrumental in helping countries to develop investment action plans for their transformation. FAO digital platforms offer growing opportunities to attract IFI investment in HIHI countries, as does the early involvement of IFIs in investment planning.

[3] *A grant fund financed by multiple donors and hosted by the World Bank.*

[4] *Data based on the allocation of staff weeks to activities by region.*

[5] *Smallholder investment in agriculture is estimated to be three times as much as all other sources of investment combined (FAO, 2012b).*

[6] *The latter is from a study of 50 major private agribusiness investments in Africa and Asia (World Bank, 2017).*

Lastly, the Investment Centre has a wealth of experience in responding to crises and is leading FAO in its response to COVID-19. As illustrated in the case study in Appendix 2, FAO was instrumental to the success of the national and international response to the Horn of Africa crisis in 2010–2012. Last year, the Centre led the preparation of 16 funding proposals for financing submitted to GAFSP, which offered competitive grant funding for fragile and conflict-affected countries. Eight were approved, worth a total of USD 111.6 million. This year, the Investment Centre's response to COVID-19 has been robust, adjusting its work programme to address the agrifood system challenges arising from the pandemic. The Centre stepped up its collaboration with IFIs and is supporting the response packages announced by key partners under the umbrella of "Making agrifood value chains work under COVID-19".

Together with the World Bank, the Centre prepared an Investment Diagnostic Assessment Tool to rapidly collect and analyze information to modify World Bank project proposals and identify new investment themes. To date, the Centre has contributed to the development of more than 20 assessments and studies (impact assessments on agriculture, fisheries, One Health, etc.) in 13 countries, in collaboration with FAO technical and decentralized offices. Investment Centre staff have also been working with the World Bank to provide technical advice and assistance to restructure project operations and reorient financing for COVID-19 emergency and mid-term responses. Overall, it has contributed to the restructuring of eight projects (two in sub-Saharan Africa and six in Latin America) and the formulation of 12 new projects with a COVID-19 emphasis.

4.2 Quality of investment: Promoting environmental sustainability, social inclusion and a holistic approach

The Investment Centre's project support for the World Bank and others is guided by the environmental and other safeguarding policies of these institutions. In 2018, the World Bank's Board of Directors approved and launched an Environmental and Social Framework, aimed at expanding the protection of people and the environment in World Bank-financed projects. The Environmental and Social Framework, which includes ten environmental and social standards, or safeguards, is the result of lengthy consultations that began in 2012 and were held with nearly 8 000 stakeholders in 63 countries, including governments, development experts and civil-society groups. The Environmental and Social Framework replaced older policies that had emerged piecemeal since the 1980s in response to damage caused by investment projects the World Bank had financed.

The safeguards address a broad range of issues. These include i) the assessment and management of environmental and social risks and impacts; ii) labour and working conditions; iii) resource efficiency; iv) pollution prevention and management; v) community health; vi) measures on road safety, emergency response and disaster mitigation; vii) land acquisition, restrictions on land use and involuntary resettlement; viii) biodiversity conservation and the sustainable management of living natural resources; ix) indigenous peoples and underserved traditional local communities in sub-Saharan Africa; x) cultural heritage; xi) financial intermediaries; xii) stakeholder engagement; and xiii) the disclosure of information throughout the project cycle.

There is some concern that the World Bank's Environmental and Social Framework is less-than-optimally aligned with the 2030 Agenda commitment to "leave no one behind". The Overseas Development Institute (ODI) and other non-governmental organizations have found that the World Bank could do more to tackle group-based inequality and discrimination, two of the major drivers of poverty (Lucci et al., 2019). According to ODI, the World Bank's results framework does not sufficiently disaggregate data for vulnerable groups to allow the effective monitoring of the commitment to "leave no one behind", although there are plans to improve disaggregation for critical groups, in line with the World Bank's increasing focus on fragility.

FAO's contribution to the World Bank's Environmental and Social Framework was a well-received set of social-analysis tools. The tools – a manager's guide, a practitioner's guide and a field guide – demonstrate how to apply social analysis to investment programmes and projects in agricultural and rural development. Their main message is that agricultural investment must be proactive, people-centred and socially inclusive. The message is important in the context of the World Bank and IFAD's move away from people-centred, community-driven development towards infrastructure and value-chain development. At the World Bank, this has been the result of the fragmentation of the Rural Development Department into separate sub-sectors, such as agriculture, water, forestry and rural finance. By bringing a broad range of disciplines to the project development and supervision mix – from sociologists to gender and mechanization specialists – the Investment Centre is seen as championing a people-centred, holistic approach.

The Committee on World Food Security (CFS), with the assistance of FAO's technical divisions (including the Investment Centre), together with IFAD, the United Nations Conference on Trade and Development and the World Bank, developed a set of principles for responsible agricultural investment to promote respect for rights, livelihoods and resources, which are proving useful in guiding investment (CFS, 2014). Over the years, for both public- and private-sector investments, FAO has developed key findings on what it means to make responsible and sustainable investments in agriculture. These include:

i. Farmers, most of whom are small-scale family farmers, are the largest investors in developing-country agriculture. It is, therefore, crucial that their capacity to invest and their ability to benefit from investment are strengthened.
ii. Inclusive business models are more likely to benefit local communities than large-scale land investments, which are risky for all involved, especially when local land rights are not clearly defined and governance is weak.

[4] *In 2016, the three Rome-based Agencies strengthened their partnership with China to enhance South–South Cooperation.*

[5] *Benin, Cameroon, Côte d'Ivoire, Guinea, Kenya, Mali, Nigeria, Senegal, United Republic of Tanzania, and Uganda.*

[6] *For example: GCP/RLA/182/SPA – "Reforzamiento de las políticas de producción de semilla de granos básicos en apoyo a la agricultura campesina para la seguridad alimentaria en países miembros del CAC" and GCP/INT/053/JPN – "Intra-African training and dissemination of technical know-how for sustainable agriculture and rural development with Africa–ASEAN country cooperation within the framework of South–South cooperation". There are also some examples of triangular cooperation involving the European Union, such as GCP/GLO/028/EC – "Sustainable development of fisheries and aquaculture value chains in ACP countries".*

iii. Important factors affecting investment are the legal and institutional framework of the host country, the terms and conditions of the investment contract and the social and economic conditions in the investment area.
iv. Agricultural investment may affect women and men differently. It is important to enable women and men to benefit equally from investment and agro-value chains.
v. Meaningful consultations with communities tend to contribute to the financial success of investments (FAO, 2016).

The Investment Centre has lent substantial support to making NAIPs nutrition sensitive. It has conducted several week-long seminars at sub-regional level, for instance, bringing together all countries developing NAIPs and stakeholders from various sectors (agriculture, health, social protection, planning and finance) to develop concrete, customized roadmaps that incorporate nutrition considerations, including nutrition objectives, actions and indicators. This work resonated in West Africa, in particular, where all NAIPs now feature food security and nutrition. The work also led to the development of FAO's toolkit on nutrition-sensitive agriculture and food systems (FAO, n.d.), which includes, among other things, the 2015 guidelines on designing nutrition-sensitive agriculture investment, a key tool for capacity development (FAO, 2015).

The Investment Centre has made a significant mark by enabling the World Bank to focus more on the livestock sector in Africa, where there is considerable potential to drive economic growth, reduce poverty, hunger and malnutrition and strengthen the resilience of some of the poorest and most vulnerable communities. Some 43 percent of Africans (270 million people) are pastoralists. FAO, working with the International Livestock Research Institute and the French Agricultural Research Centre for International Development (CIRAD), have developed the Livestock Sector Investment and Policy Toolkit. The toolkit helps teams and decision makers to increase and improve policies and livestock investments that contribute to achieving the SDGs, enabling a shift from the traditional production-centred approach to one focused on households and human well-being, targeting poverty reduction.

CSA is an area where the Investment Centre has significantly influenced the World Bank. According to the World Bank, the Investment Centre's technical support has been instrumental in guiding its investments in building food systems that are more resilient and part of the solution to climate change, rather than major contributors to it. All World Bank agricultural projects are required to address climate change, and agricultural staff generally incorporate CSA into any investment projects on which FAO assists. Some 207 of the 376 World Bank and GAFSP projects (55 percent) explicitly mention CSA, the environment and natural resource management.[7] Investment Centre partner support for policy work and investment knowledge on CSA is evident in its publications: between 2017 and 2019, nine publications specifically addressed CSA issues, either in their entirety or as substantial chapters. CSA is also typically embedded in NAIP development processes supported by the Investment Centre.

The Investment Centre has developed a number of analytical tools to foster CSA. One very promising tool, called Ex-Ante Carbon-balance Tool (EX-ACT), is a land-based accounting system, estimating carbon stock changes (i.e. emissions or sinks of CO^2) as well as greenhouse gas emissions per unit of land, expressed in equivalent tons of CO^2 per hectare and year. The tool helps project designers to estimate and prioritize project activities with strong economic benefits and climate-change mitigation impact. EX-ACT can be applied to a wide range of development projects, from all agriculture, forestry and other land-use subsectors, including projects on climate-change mitigation, sustainable land management, watershed development, production intensification, food security, livestock, forest management and land-use change.

The Investment Centre's guiding principle in developing NAIPs – that no intervention should be considered in isolation – is consistent with the need to promote integration both across the food system and between the food system and other sectors. For example, Malawi's NAIP introduced a matrix of four programmes and 16 intervention areas that cut across various themes, with a strong emphasis on nutrition, climate change adaptation, marketing, trade, value addition and resilience. With this new structure, funds can be allocated by programme and/or intervention area, making it easier for potential investors to identify priority domains, target groups and technical areas.

The Investment Centre has successfully mainstreamed itself into FAO. The Centre has tended to be seen as separate to the Organization more broadly, with cost-share arrangements and an outward orientation – something that was, perhaps, more envied than appreciated by other departments. Today, the Centre's work programme is integrated into the Organization and well connected beyond the technical departments and country offices. Importantly, it includes a strong emphasis on policy analysis and knowledge management. This connectively has helped to open up the rest of FAO to greater external collaboration, as well as to implementation realities on the ground (as illustrated by just one department in Figure 4), as manifest in the 46 staff seconded to the Centre from other areas of the Organization in 2019 (30 from technical departments and the rest from decentralized offices).

Figure 4. Collaboration with FAO's Agriculture and Consumer Protection Department

Key areas of collaboration

Agroecology | Farmer field schools | Livestock Sector Investment and Policy Toolkit | Global Livestock Environemnt Assessment Model

Collect Mobile | RuralInvest training | African swine fever management

Collaborations on studies and tools

- Support for farmer field schools skill-building with advisory services for Africa
  - → Partners: World Bank; International Fund for Agricultural Development; AFASS
  - → Budget: USD 400 000
- Sustainable mechanization in Africa – trends and implications for investment
  - → Partners: African Union, ACT, ECAF, BF, Nazi Bon University
  - → Budget: USD 474 000
- Sustainable pastoral rangeland systems – tools and analytics for planning interventions
  - → Partners: EBRD; African Development Bank; MSU; United States Department of Agriculture; BBCA
  - → Budget: USD 70 000

Source: FAO (2020a).

[7] *In the same reporting period (2007–2019), around 193 of the 376 projects (51%) FAO helped to design explicitly mentioned support for smallholder farmers and pastoralists (Investment Centre communication).*

5. Challenges and recommendations

It is critical that we increase investment in agriculture from ODA, which, with the exception of investments by farmers themselves, will remain the main source of investment in Africa. Despite an increase in lending, however, the IFIs, by their own admission, have less and less capacity to prepare and supervise ever more complex operations. They are particularly short of in-country capacity.

The lack of specialized IFI capacity makes it difficult to contextualize interventions in a way that is needed for sustainability and results. Past programmes have shown that context is key to sustainable, results-driven investment. This includes all sorts of factors, such as land ownership, land size, rainfall, groundwater, water rights, soil fertility, market access, infrastructure, institutions, the regulatory environment, social justice and government management capacity to ensure that technologies and production systems are appropriate, available and, indeed, desirable (including, for example, from a nutritional perspective).

The lack of specialized in-country IFI capacity also makes it difficult to lend sufficient support the USD 150 billion in agricultural capital that farmers themselves invest every year (World Bank, 2019). It is crucial that individual farmer investors understand how they can gain sufficient value from, say, ecosystem benefits and other measures, so they adopt sustainable farming methods. There is also a need to understand that their choices will depend on the above-mentioned factors. In-country specialists are needed, who understand and have experience of working with farmers.

Consequently, Investment Centre and FAO staff, plus a wide array of headquarters-based and in-country consultants, are a critical resource. Notwithstanding recent infusions of extra support (including more staff for an additional African service), however, the Centre remains understaffed and underfunded, even for its current workload.

The Investment Centre will need more staff and resources to meet the challenges ahead.

The Investment Centre has a relatively new (2018) cooperative agreement with the AfDB, which is increasing its investment in agriculture. AfDB lending for agriculture has averaged about USD 1 billion annually over the last three years, but the World Bank has committed to increase that figure to USD 2.4 billion a year (World Bank, 2019). The FAO–AfDB Collaborative Programme for 2019–2026 covers technical assistance in the design and implementation of public and private investment operations financed by the AfDB.

While the Centre has undertaken some work under the agreement, financial and political constraints may be why it has not gained significant programmatic traction yet. Given the importance of AfDB investments and concerns about their quality in the past, this needs urgent attention.

The World Bank partnership is strong, but faces a number of challenges, most notably in terms of focusing the attention of governments and World Bank managers on agricultural investment. Country directors tend to have most influence on how much investment the World Bank makes in a given country. They are typically economists, primarily interested in the contribution of agriculture to economic growth and poverty reduction. The Investment Centre is working with the Office of FAO's Chief Economist (formerly of the World Bank) to develop a programme of engagement, which will give World Bank country managers the data they need to make informed decisions on the contribution of agriculture to development.

The World Bank prizes the Investment Centre's engagement with its country directors, as well as the upstream development of country-level projects at the concept stage, so this should be strongly supported by FAO senior management and country offices in their interactions with the World Bank.

The World Bank has underpinned its partnership with an annual contribution to the Investment Centre of around USD 14 million. The two parties have undertaken various types of collaboration over the years to maximize the efficient use of these funds and both parties have, on the whole, been highly satisfied with the partnership. At the same time, they recognize that as the World Bank increases the size of its agricultural lending portfolio, better planning is needed to match project needs with the most appropriate technical specialists and to reduce the end-of-fiscal-year scramble to spend money or lose it. Indeed, 40–50 percent of the Investment Centre's work is undertaken in the last quarter. While the funds have always been spent, they might have been spent more effectively had they been planned and allocated earlier.

The Investment Centre–World Bank workplan needs improvement. This should become easier as the World Bank devolves the management of its cooperative programme relationships to regional sector managers, who should have more direct access to Investment Centre and technical department staff.

The COVID-19 crisis offers an opportunity to invest by "building back better", starting with the food production system. Agriculture is the predominant sector in the economies of most African countries. It accounts for 30–40 percent of GDP and is by far the largest source of jobs. The Building Back Better Working Group, one of six under the United Nations Department of Economic and Social Affairs (UN DESA) SDG Financing for Development Framework, also looks at agriculture and food-systems transformation (such as inter-cropping in the Aral Sea basin and youth engagement in sustainable horticulture in sub-Saharan Africa) as "low-hanging fruit" that can speed recovery from the pandemic.

While a green recovery is desirable, countries are under pressure to get people back to work and to restart economies quickly. While obtaining higher yields through ever larger inputs is the norm, and still the case in most countries, some will want to ratchet up existing, suboptimal technologies and approaches. In this environment, it is difficult to say, for example, that smallholder farmers in sub-Saharan Africa should not have greater access to inorganic fertilizer or that countries, such as Sudan and Ethiopia, should not embark on large-scale irrigation projects. COVID-19 or not, most countries will need to transition to greater sustainability, however; the direction and timing will depend on how well governments and investors understand, measure and monitor the local context.

The Investment Centre and FAO country offices understand the local context and can carry out a necessary "reality check" on "building back better". While the Investment Centre is working with IFIs on the COVID-19 response (devoting some 200 staff weeks to date), it

might also engage with those parts of the United Nations System that focus on a green recovery.

Investors have long neglected irrigation in Africa, largely because of resource governance and safeguarding issues. Only 6 percent of cultivated land in Africa is irrigated, compared with 14 percent in Latin America and 37 percent in Asia. FAO analysis shows that the potential to increase irrigation in sub-Saharan Africa is high, at 38 million hectares, compared with the current 7.7 million (Malo Montpellier Panel, 2018).

Expanding irrigation in Africa will encounter multiple challenges and have to meet emerging needs, such as increasing water access, managing competition for water use, ensuring more efficient and productive water use and focusing attention on the climate impacts of irrigation and water use. The shift from the first-generation "green revolution" to sustainable agricultural intensification highlights the importance of socially and environmentally sustainable irrigation interventions. In this context, the Investment Centre's 2020 Guidelines on irrigation investment projects outline experiences of and lessons learned from global irrigation investments (FAO, 2020c). The guidelines were produced by an inter-agency team, including irrigation specialists from FAO, the World Bank and IFAD. They should prove useful for IFIs, which have been reluctant to expand in this area, in part because of past mistakes, but also because irrigation has been hard to categorize. It has, for example, lost its traditional agricultural-sector home at the World Bank and now sits somewhat uncomfortably between agriculture and water resource management.

The Investment Centre might proactively promote the Guidelines on irrigation investment projects as part of a package, together with advocacy at the highest levels of the IFIs and among their country directors in the field, to steer government and IFI decision-making towards increasing irrigation in Africa, especially sub-Saharan Africa.

Bibliography

Akinnifesi, Festus. 2017. Why Deep Dive Fishing Needs Safer Standards. *Impakter* [online], 4 April 2017. https://impakter.com/why-deep-dive-fishing-needs-safer-standards/

Adesina, A.A. 2017. *Africa's pathway out of poverty.* Speech at World Food Prize Laureate Luncheon, October 20, 2017, in Des Moines, Iowa. Abidjan: African Development Bank. (also available at https://www.afdb.org/en/news-and-events/africas-pathway-out-of-poverty-by-dr-akinwumi-a-adesina-president-of-the-african-development-bank-world-food-prize-laureate-luncheon-october-20-2017-in-des-moines-iowa-17468).

African Centre for Economic Transformation. 2017. *African Transformation Report 2017: Agriculture Powering Africa's Economic Transformation.* Accra. (also available at https://acetforafrica.org/highlights/african-transformation-report-2017-agriculture-powering-africas-economic-transformation/).

African Development Bank (AfDB). 2016. *Feed Africa Strategy for Agricultural Transformation in Africa 2016–2025.* Abidjan. (also available at https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Feed_Africa-_Strategy_for_Agricultural_Transformation_in_Africa_2016-2025.pdf).

AfDB. 2020. *African Development Bank Group Annual Report, 2019.* Abidjan. (also available at https://www.afdb.org/en/documents/annual-report-2019).

Aklilu, Y, Little, P.D., Mahmoud, H. and McPeak, J. 2013. *Market access and trade issues affecting the drylands in the Horn of Africa: Brief prepared by a Technical Consortium hosted by CGIAR in partnership with the FAO Investment Centre.* Technical Consortium Brief 2. Nairobi, International Livestock Research Institute. (also available at https://cgspace.cgiar.org/bitstream/handle/10568/27616/tc_brief2.pdf?sequence=2)

Committee on World Food Security (CFS). 2014. *Principles for Responsible Investment in Agriculture and Food Systems.* Rome. (also available at http://www.fao.org/3/a-au866e.pdf).

FAO. n.d. *Toolkit on nutrition-sensitive agriculture and food systems* [online]. Rome. [Cited 4 November 2020]. http://www.fao.org/nutrition/policies-programmes/toolkit/en/

FAO. 2012a. *Evaluation of FAO's Role in Investment for Food and Nutrition Security, Agriculture and Rural Development.* Rome. (also available at http://www.fao.org/3/mf599e/mf599e.pdf).

FAO. 2012b. *The State of Food and Agriculture: Investing in Agriculture for a Better Future.* Rome. (also available at http://www.fao.org/3/a-i3028e.pdf).

FAO. 2014. *Investment Centre: An Overview, 1964-2014.* Rome. (also available at http://www.fao.org/publications/card/en/c/258578e9-a591-4ae5-b156-bde49574f6c3/).

FAO. 2015. *Designing nutrition-sensitive agriculture investments: Checklist and guidance for programme formulation.* Rome. (also available at http://www.fao.org/3/a-i5107e.pdf).

FAO. 2016. *Supporting responsible investments in agriculture and food systems: Overview of the FAO Umbrella Programme.* Rome. (also available at http://www.fao.org/3/a-i6820e.pdf).

FAO. 2018a. *Evaluation of FAO Strategic Objective 1: Contribute to the eradication of hunger, food insecurity and malnutrition.* Rome. (also available at http://www.fao.org/3/i9572en/I9572EN.pdf).

FAO. 2018b. *East Africa Resilience Strategy 2018–2022.* Rome. (also available at http://www.fao.org/3/ca2776en/CA2776EN.pdf).

FAO. 2018c. *FAO Investment Centre Annual Review 2017.* Rome. (also available at http://www.fao.org/3/CA0238EN/ca0238en.pdf).

FAO. 2019a. *FAO Investment Centre Annual Review 2018.* Rome. (also available at http://www.fao.org/3/ca5343en/CA5343EN.pdf).

FAO. 2019b. *The State of Food and Agriculture 2019: Food Loss and Waste is a Global Issue.* Rome. (also available at http://www.fao.org/state-of-food-agriculture/en/).

FAO. 2019c. *Synthesis of findings and lessons learnt from the Strategic Objective Evaluations.* Rome. (also available at http://www.fao.org/3/ca3774en/ca3774en.pdf)

FAO. 2019d. *Government expenditure on agriculture. In: FAO Statistics* [online], February 2019. Rome. http://www.fao.org/economic/ess/investment/expenditure/en/

FAO. 2020a. *FAO Investment Centre: Collaboration with DDN Divisions. DNN Directors – Weekly Informal Meeting.* Rome. Internal document.

FAO. 2020b. *FAO Investment Centre Annual Review 2019.* Rome. (also available at http://www.fao.org/documents/card/en/c/cb0464en/)

FAO. 2020c. *Guidelines on irrigation investment projects.* Rome: FAO Investment Centre. (also available at http://www.fao.org/3/CA2608EN/ca2608en.pdf)

FAO & the International Fund for Agricultural Development (IFAD). 2016. FAO and IFAD's Engagement in Pastoral Development – Joint Evaluation Synthesis. Rome. (also available at http://www.fao.org/3/a-bd503e.pdf)

FAO & the Intergovernmental Authority on Development (IGAD). 2019. Promoting effective resilience investments: Delivering peace, agriculture-led growth and socio-economic transformation in the Horn of Africa. Rome. (also available at http://www.fao.org/3/ca3703en/ca3703en.pdf)

Fitzgibbon, C. and Crosskey, A. 2013. *Disaster risk reduction management in the drylands in the Horn of Africa: Brief prepared by a Technical Consortium hosted by CGIAR in partnership with the FAO Investment Centre.* Technical Consortium Brief 4. Nairobi, International Livestock Research Institute. (also available at https://cgspace.cgiar.org/bitstream/handle/10568/27614/tc_brief4.pdf?sequence=2&isAllowed=y)

Flintan, F., Behnke, R. and Neely, C. 2013. *Natural resource management in the drylands in the Horn of Africa: Brief prepared by a Technical Consortium hosted by CGIAR in partnership with the FAO Investment Centre.* Technical Consortium Brief 1. Nairobi, International Livestock Research Institute. (also available at https://cgspace.cgiar.org/bitstream/handle/10568/27611/tc_brief1.pdf?sequence=2&isAllowed=y)

Food Security Information Network. 2020. 2020 *Global Report on Food Crises.* Rome. (also available at https://www.fsinplatform.org/report/global-report-food-crises-2020/)

IGAD. 2016. *Mid-Term Review of the 1st Phase of the Implementation of the Drought Disaster Resilience Sustainability Initiative (IDDRSI) Strategy.* Djibouti.

Kemp, S. 2017. *Digital in 2017: Global Overview. We Are Social* [online], 24 January 2017. https://wearesocial.com/special-reports/digital-in-2017-global-overview

Lucci, P., Khan, A., Turner, J. & Sims, J. 2019. *Is the World Bank Leaving No One Behind?* ODI Working Paper 561. London: Overseas Development Institute. (also available at https://www.odi.org/sites/odi.org.uk/files/resource-documents/12724.pdf).

Malabo Montpellier Panel. 2018. *Smart Irrigation Strategies for Africa.* Accra. (also available at https://www.ifpri.org/publication/water-wise-smart-irrigation-strategies-africa).

Mason-D'Croz, D., Sulser, T.B., Wiebe, K., Rosengrant, M.W., Lowder, S.K., Nin-Pratt, A., Willenbockel, D. et.al. 2019. *Agricultural investments and hunger in Africa modeling potential contributions to SDG2 – Zero Hunger, World Development, 116: 38–53.* (also available at https://www.researchgate.net/publication/329904445_Agricultural_investments_and_hunger_in_Africa_modeling_potential_contributions_to_SDG2-Zero_Hunger).

Morton, J. and Kerven, C. 2013. *Livelihoods and basic service support in the drylands of the Horn of Africa: Brief prepared by a Technical Consortium hosted by CGIAR in partnership with the FAO Investment Centre.* Technical Consortium Brief 3. Nairobi, International Livestock Research Institute. (also available at https://cgspace.cgiar.org/bitstream/handle/10568/27615/tc_brief3.pdf?sequence=2&isAllowed=y)

Organisation for Economic Co-operation and Development (OECD). n.d.a. Creditor Reporting System (CRS) [online]. Database. Paris. [Last accessed 2 November 2020]. (available at https://stats.oecd.org/Index.aspx?DataSetCode=CRS1)

OECD. n.d.b. *International Development Statistics (IDS) online databases.* In: OECD [online]. (available at https://www.oecd.org/development/financing-sustainable-development/development-finance-data/idsonline.htm)

Pavanello, S. and Scott-Villiers, P. 2013. *Conflict resolution and peace building in the drylands in the Greater Horn of Africa: Brief prepared by a Technical Consortium hosted by CGIAR in partnership with the FAO Investment Centre.* Technical Consortium Brief 6. Nairobi, International Livestock Research Institute. (also available at https://cgspace.cgiar.org/bitstream/handle/10568/27612/tc_brief6.pdf?sequence=2&isAllowed=y)

Pernechele, V., Fontes, F., Baborska, R., Nkuingoua, J., Pan, X. & Tuyishime, C. 2021. *Public expenditure on food and agriculture in sub-Saharan Africa: Trends, challenges and priorities.* Rome, FAO. (also available at http://www.fao.org/3/cb4492en/cb4492en.pdf)

Republic of Kenya. 2015. *Common Programme Framework for Ending Drought Emergencies.* Nairobi: National Drought Management Authority.

Saghir, J. 2014. *Global challenges in agriculture and the World Bank's response in Africa. Food and Energy Security,* 3(2): 61–68. (also available at https://onlinelibrary.wiley.com/doi/full/10.1002/fes3.43).

Tilstone, V., Ericksen, P., Neely, C., Davies, J. and Downie, K. 2013. *Knowledge management and research for resilience in the Drylands of the Horn of Africa: Brief prepared by a Technical Consortium hosted by CGIAR in partnership with the FAO Investment Centre.* Technical Consortium Brief 5. Nairobi, International Livestock Research Institute. (also available at https://mel.cgiar.org/reporting/download/hash/IPDU4JI8)

United Nations Department of Economic and Social Affairs (UN DESA). 2020. *The Sustainable Development Goals Report 2020.* New York. (also available at https://unstats.un.org/sdgs/report/2020/).

World Bank. 2008. *World Development Report 2007: Development and the Next Generation.* Washington, DC. (also available at https://openknowledge.worldbank.org/handle/10986/5989).

World Bank. 2017. *The Impact of Larger-Scale Agricultural Investments on Local Communities: Updated Voices from the Field. Food and Agriculture Global Practice Discussion Paper No. 12.* Washington, DC. (also available at https://unctad.org/system/files/official-document/wb_unctad_2017_en.pdf).

World Bank. 2019. *The World Bank Annual Report 2019 Lending Data.* Washington, DC. (also available at http://pubdocs.worldbank.org/en/724041569960954210/WBAR19-Lending-Data.pdf).

World Bank. 2020. *Agriculture Finance & Agriculture Insurance. Understanding Poverty Brief.* The World Bank [online], 8 October 2020. Washington, DC. https://www.worldbank.org/en/topic/financialsector/brief/agriculture-finance

Appendix 1. People consulted

Surname	Name	Organization/Division	Position
Belete	Nathan M.	World Bank	Country Director, Africa
Cackler	Mark E.	World Bank	Manager, Agriculture and Food Security
Dankova	Rimma	FAO, CFID	Senior Adviser
Gebeyehu	Workneh	IGAD	Executive Secretary
Heinemann	Edward	IFAD	Lead Technical Specialist, Policy
Kray	Holger	World Bank	Practice Manager for Agriculture and Food Security
Labella	Patrizia	FAO, CFID	Consultant
Lampietti	Julian A.	World Bank	Manager, Global Agriculture Practice
Manssouri	Mohamed	FAO, CFID	Director
Mascaretti	Alberta	FAO, CFIA	Chief
Moussa	Mohamed	IGAD, Agriculture and Environment Division	Director
Preissing	John	FAO, CFID	Deputy Director
Santos	Nuno	FAO, CFID	Senior Economist
Thierry	Benoit	IFAD	Head of Hub and Senegal Country Director

10

Appendix 2. Mobilizing investments for resilience building: Investment Centre support for the Horn of Africa crisis

FAO has long been a partner of the member states of the Intergovernmental Authority on Development (IGAD)[8] and is currently assisting them in tackling the worst desert locust outbreak in more than 25 years, alongside shocks due to weather and insecurity, compounded by the COVID-19 pandemic. The Organization has experience in responding to past crises in the region, in particular, the Investment Centre's support of IGAD's Drought Disaster Resilience and Sustainability Initiative (IDDRSI) and investment programmes under the IDDRSI umbrella.

The Horn of Africa has historically suffered from famine and food insecurity as a result of weather extremes, conflict and insecurity, and economic shocks. In recent years, food insecurity in the region has increased steadily. As of end 2019, between 14 percent and 61 percent of the region's national populations were classified as being in need of urgent food assistance (Integrated Phase Classification (IPC) 3 or above),[9] bordering on conditions not seen since the droughts of the early 2000s, 2009 and 2011.

Appendix Box 1.

A call to action in the Horn of Africa

The drought crisis in the Horn of Africa began in the early 2000s and affected over 13 million people in five countries: Djibouti, Ethiopia, Kenya, Somalia and Uganda. Recognizing that any solution must include massive investments in agriculture, FAO's Director-General asked the Investment Centre to shoulder the responsibility for catalysing long-term and sustainable solutions to food insecurity in the region. The Centre took the lead in carrying out wide-ranging consultations with the governments of the region and managing the ten UN agencies involved. Teams led by the Centre visited each country, conducting a diagnosis of the problems and preparing a situation report covering issues, threats and investment opportunities. In 2002, the Centre also organized a conference, "Feeding the Cities in the Horn of Africa", which brought together ministers, mayors and planners from the seven Horn of Africa countries. In 2010 and 2011, a rapidly escalating famine caused by extreme drought and failure of harvests in the region prompted a renewed initiative. Between 2011 and 2013, the Centre, working with decentralized offices and technical divisions, provided substantial support to IDDRSI, developing regional and country resilience programming papers and outlining the strategic direction and the operational framework for resilience-enhancing policies and investments. Through the Horn of Africa Initiative, FAO provided multifaceted support to its member countries and IGAD, working on the political and policy fronts through IFAD and the Global Alliance for Action for Drought Resilience and Growth (gathering a group of important donors), developing evidence, through the Technical Consortium and CGIAR, helping the development of country and regional capacities (IGAD's Resilience Analysis Unit (RAU) and knowledge forums) and designing sizeable resilience-enhancing investments in partnership with the World Bank, AfDB and several other agencies.

Source: FAO (2014).

Launched in 2011, IDDRSI aims to end drought emergencies and achieve drought disaster-resilient communities, institutions and ecosystems in the region's arid and semi-arid lands by 2027. A team of ten experts from the Investment Centre provided technical support for the development of the IDDRSI Country Programming Papers (CPPs), based on the IDDRSI Strategy for ending drought emergencies, developed in 2012 with the participation of some 30-40 experts and consultants from FAO and other agencies. FAO has also been a key and active member of the IDDRSI Platform Steering Committee and of the Technical Consortium for Building Resilience to Drought in the Horn of Africa, in partnership with CGIAR and others. The CPPs, developed by IGAD member states with the support of the Investment Centre and the Technical Consortium, set out the investment programming blueprint for prioritizing resilience-enhancing interventions in implementing IDDRSI at country level. The Technical Consortium led the development of technical briefs on IDDRSI priority implementation areas, which provide the technical rationale and evidence base for identifying interventions.[10]

The Technical Consortium supported the creation of IGAD RAU and Resilience Measurement Technical Working Group, in which FAO plays a prominent role. FAO spearheaded the mobilization of EUR 1 million to establish RAU, supporting technical experts and undertaking policy reviews, resilience analysis and capacity-building training for IGAD national experts. RAU has since been institutionalized within IGAD. FAO collaborated with IGAD to produce publications and other knowledge-management materials to highlight the utility of IDDRSI, including the stocktaking of resilience good practices and lessons learned from the Horn of Africa and the Sahel regions on better preparedness and response to drought and other shocks affecting local communities (FAO and IGAD, 2019). It also helped to organize the IGAD Permanent Interstate Committee for Drought Control in the Sahel (CILSS) Knowledge Share Fair to support evidence-based decision-making on specific themes for policymaking, the scaling and uptake of good practices and the design of future resilience interventions. FAO continues to play a

[8] *Djibouti, Ethiopia, Sudan, Kenya, Uganda, South Sudan and Somalia.*

[9] *Three East African countries were among the ten worst food-crisis countries globally as of end 2019: Ethiopia (8 million acutely food insecure people), South Sudan (7 million) and Sudan (5.9 million). The highest prevalence of acute food insecurity was found in South Sudan, where 61 percent of the analyzed population was in crisis or worse (IPC 3 or above), followed by Ethiopia (27 percent), Kenya (22 percent), Somalia (17 percent) and Sudan (14 percent) (FSIN, 2020).*

leading role in undertaking resilience analysis in IGAD member states and elsewhere, sharing it both directly and through the Food Security Information Network, in which FAO is a member of the Steering Committee.

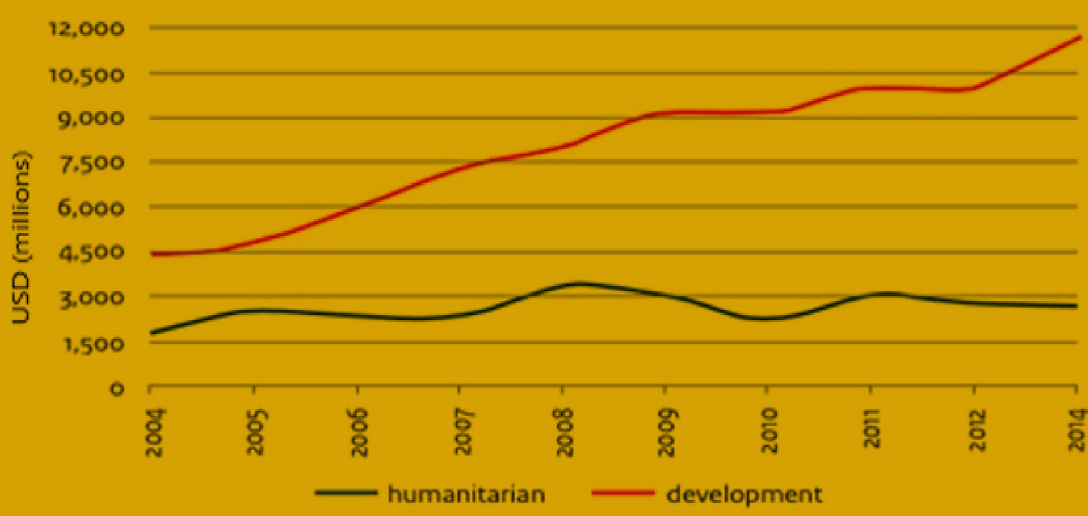
FAO also supported IGAD in carrying out a mid-term review of the first phase of the IDDRSI Strategy (2013–2018) (IGAD, 2016). With other partners, FAO supported IGAD in assessing the progress made by IGAD member states during the first five years of implementation, based on which the IDDRSI programming frameworks were refined. This culminated in the development of the second phase of the IDDRSI Strategy (2019–2024), CPPs and a regional programming paper.

Building on the CPPs, FAO supported several large investment exercises early on. These included a USD 300 million project with the AfDB (Drought Resilience and Sustainable Livelihoods Programme) and a USD 200 million project with the World Bank (Regional Pastoral Livelihoods Resilience Project). The FAO Investment Centre mobilized national project preparation teams to develop the country components of the World Bank project in Kenya, Uganda and Ethiopia, undertaking key background studies. Both the AfDB and the World Bank have received requests from IGAD member states and are considering supporting the next phase of the Drought Resilience and Sustainable Livelihoods Programme and the Regional Pastoral Livelihoods Resilience Project.

All in all, in the first phase of the IDDRSI Strategy, FAO has provided technical support through the Investment Centre for the design of public investments worth more than USD 1 billion in priority intervention areas in IGAD member states. The largest share of the funding has come from the World Bank, AfDB, the European Union, the United States Agency for International Development (USAID), the German Federal Ministry for Economic Cooperation and Development and Germany's KfW state-owned development bank, the Inter-American Development Bank, the Danish International Development Agency and the Swiss Agency for Development and Cooperation (IDDRSI, 2016). According to the 2016 mid-term IDDRSI review, "Development Partners have not only agreed to re-align their support with the principles of the IDDRSI Strategy, but also reaffirmed their commitment to support country and regional efforts based on CPPs and the regional programming paper. The CPPs and regional programming paper are being translated into actual investment projects, often with the support of different development partners, in form of soft loans or grants; and several countries are beginning to show tangible evidence of success in building resilience and improving the livelihoods of drought prone communities" (IDDRSI, 2016, p. ix).

A significant portion of IDDRSI-related investments have been generated through the work of the Global Alliance for Action for Drought Resilience and Growth, a donor/partner forum in which FAO is an active member. Currently led and coordinated by USAID, the Global Alliance for Action for Drought Resilience and Growth is an ad hoc arrangement for development partners to consult on plans and experience in supporting the implementation of IDDRSI, including bridging the gap between relief and development through better coordination, innovative delivery and the design of quality investment programmes. Since their initial investments, the Global Alliance for Action for Drought Resilience and Growth, other donors and national governments have developed a pipeline of resilience-related project investments within the IDDRSI framework worth over USD 16 billion, mostly in longer-term development areas, while the funding of humanitarian activities has remained relatively constant.[11]

Appendix Figure 1. Overseas development assistance to the Greater Horn of Africa (2004–2014)



[10] *The seven IDDRSI priority implementation areas in the first phase of the IDDRSI strategy are i) natural resources and environment management; ii) market access, trade and financial services; iii) livelihood support and basic social services; iv) disaster risk management, preparedness and effective response; v) research, knowledge management and technology transfer; vi) conflict prevention, resolution and peace building; and vii) institutional strengthening, coordination and partnerships. The Technical Consortium briefs in the early days covered conflict and peace building (Pavanello and Villiers, 2013); disaster risk reduction management (Fitzgibbon and Crosskey, 2013); knowledge management and research (Tilstone et al., 2013); livelihood and basic service support (Morton and Kerven, 2013); market access and trade (Aklilu et al., 2013); and natural resource management (Flintan et al., 2013).*

[11] *See the IDDRIS 3W resilience mapping at https://resilience.igad.int/tools_info_systems/resilience-3w-mapping-3/.*

New approaches

As the world's pre-eminent repository of knowledge on food security, good practice and innovation in agriculture, FAO, both through the Investment Centre and otherwise, has brought a suite of innovation and good practice to IDDRSI investments. This includes innovation in areas such as sustainable animal production, pest and disease control, and farmer and pastoral field schools. FAO has also played an important role in affirming what have become core tenets of the response to drought emergencies and the humanitarian–development nexus, namely, that emergencies are not going to end simply because of immediate response and recovery measures. What is needed is long-term investment in "building back better", specifically in building the livelihoods and resilience of rural families through context-specific, multi-sector, coordinated investments in productive assets, adaptive capacity, basic services and social protection (FAO, 2018b).

The IDDRSI Strategy was one of the first efforts to promote more robust synergies between immediate assistance and longer-term development action and to identify the implications for programming and policy development across humanitarian, development and peace programming. It has significantly strengthened the technical, evidence-based analysis of acute food insecurity and malnutrition among United Nations, donor experts and member states. It has also promoted the merits of multi-sector partnerships and coordination and multi-year investments in advancing these goals.

The new approach has been evident in country partnerships, where FAO country offices, with the support of the technical departments, have led the way. Kenya is a good example. Here, the Investment Centre supported the development of the CPP and facilitated its implementation as a medium-term priority framework covering key components of the country's Vision 2030 strategy, which focuses on the development of Kenya's arid and semi-arid lands. The Investment Centre and others in FAO were key partners in developing the Vision 2030 sectoral plan for ending drought emergencies, which provides an institutional framework for government, development partners and the private sector to coordinate and align their activities and resources based on six pillars, each with their own programme framework document. FAO's Country Office made a major contribution to the ending drought emergencies common implementation framework, most notably in helping to instil the principle that the different ending drought emergencies pillars, like the SDGs, are transversal and that, for example, rural livelihoods cannot be enhanced without investments in other ending drought emergencies pillars, such as health, education, peace and security (Republic of Kenya, 2015). A total of USD 2.4 billion has been committed for implementing the ending drought emergencies framework (IDDRSI, 2016).

The sequencing of activity across Kenya's ending drought emergencies pillars in an integrated, synergistic fashion has played a significant role in attracting donor funding. FAO's suite of tools, including who-is-doing-what-where (3W) mapping to track resilience investment and geospatial technologies for visualization, have been invaluable in persuading donors that their money is being coordinated and leveraged effectively. Both the World Food Programme's USD 450 million flagship resilience-building efforts in Kenya and IFAD's USD 121 million Cereal Enhancement Programme – Climate Resilient Agricultural Livelihoods Window would not have attracted such large amounts funding without FAO's analytical support, especially for mapping, as well its close partnership with these programmes on the ground.[12]

Appendix Box 2.

New thinking on pastoralism

Some 25 million people in the IGAD region depend on pastoralism for their livelihoods. Early Technical Consortium briefs covering conflict and peacebuilding, disaster risk reduction, knowledge management and research, livelihood and basic service support, market access and trade, and natural resource management all underlined pastoral systems as the primary economic driver and source of livelihoods in the region. All remarked on the economic rationale of proactively supporting these systems, recommending, in particular, that conditions for pastoral mobility (such as land tenure, grazing reserves, corridors and cross-border movements) be secured. They also suggested refraining from interventions that compete with pastoral production. A subsequent evaluation of FAO and IFAD's work on pastoralism found an appreciation that "the drylands can offer significant rewards to productive systems that work with variability rather than against it, taking risk and managing it with the appropriate resources" and that mobility plays a key role in a multitude of paths to sustainable crop-livestock integration (FAO and IFAD, 2016). This thinking was influential in the FAO-supported design of the World Bank's initial major investments following the 2001 drought, the Regional Pastoral Livelihoods Resilience Project covering support to IGAD, Kenya and Uganda. The project is rooted in the idea that seasonal and cross-border mobility are a crucial feature of pastoralist livelihoods and coping mechanisms against droughts and conflicts.

Knowledge and lessons learned, coupled with the strong relationships and trust built among partners in the first phase of IDDRSI implementation, are guiding political commitments and implementation in the second phase. With FAO support, IGAD has identified and documented resilience-enhancing good practices along the seven priority implementation areas for all countries in the region. In October 2020, FAO supported a knowledge fair that brought together lessons from IGAD and West Africa. Initiatives such as this will help to ensure that lessons learned and good practices are considered in investments, programmes and policies relevant to the regional resilience and agricultural growth agenda in the future (AfDB, 2016).

[12] *Conclusion based on the author's experience as manager of the WFP programme and conversations with USAID and IFAD.*

Evaluation of FAO's contributions to Sustainable Development Goal 2

"End hunger, achieve food security and improved nutrition and promote sustainable agriculture"

- Signature Product 1: Legal and parliamentarian work on food and nutrition security
- Signature Product 2: Nutrition education
- Signature Product 3: Support to value chain development
- Signature Product 4: Support to secure tenure of natural resources through VGGTs and other guidelines
- Signature Product 5: Farmer field schools and their derivatives
- Signature Product 6: Control of transboundary plant diseases and pests
- Signature Product 7: Agroecology
- Signature Product 8: Protection and fair share of genetic resources for food and agriculture
- Signature Product 9: South-South and triangular cooperation

Signature Product 10: Support to agricultural investment

- Signature Product 11: Support to fair and informed commodity markets and international trade in agriculture
- Signature Product 12: Rural women's empowerment
- Signature Product 13: Food for the cities and urban agriculture
- Signature Product 14: Aquaculture promotion and Blue Growth

For more information, please contact:

Office of Evaluation
evaluation@fao.org
www.fao.org/evaluation

Food and Agriculture Organization of the United Nations
Rome, Italy

CB7607EN/1/11.21