

ROSA Newsletter

Views on current news: Action plan for the G20 on Agriculture: The fight against the volatility of food prices in question

The G20 on Agriculture held on June 22 and 23 ended with the adoption of an action plan. It defines the priorities that should guide the initiatives of the G20 countries in addressing price volatility and food insecurity¹. These proposals will be submitted to the Heads of State and Governments in November 2011 in Cannes.

In this interview, Benoit Daviron of CIRAD² reviews the recommendations of the G20 on agriculture and questions the relevance of the proposed measures in the light of current issues. Having participated in a study of price volatility for the HLPE, he brings a fresh perspective on what is proposed by the G20 in the light of the analysis and recommendations that emerge from this report³.

The action plan is the result of negotiations between the Ministers of Agriculture of the G20 countries. It reflects a consensus on priority actions to be taken to address price volatility. What do you think are the weaknesses and real progress of these proposals?

The action plan stresses that food security remains a key issue for the international community. However, several key issues have been ignored by this agreement.

There is a wide consensus on the need to boost agricultural investment in order to increase agricultural production and meet growing demand. According to various sources, food consumption could increase by 70% by 2050. The most obvious conclusion to make is that production should be increased. However, this poses several social,

economic and environmental problems. Increased investment in agriculture is essential but must above all help to promote a model of ecological agriculture, as proposed in the study of HLPE. Developed countries will need to integrate the objective of curbing the demand for food, both for human consumption and for industry. Problems in agricultural markets are closely linked to the structural changes that have taken place in the demand. This is where the focus should be to fight effectively against the volatility of food prices. Moreover, the G20 proposals are timid on the question of biofuels, which is one of the driving factors in the rising prices of agricultural products.

On the issue of information and market transparency, the measures put forward by the G20 remain technical. However, this issue is highly political. There are many sources available on markets but information remains a very sensitive issue, such as data on public or private stocks. What are the incentives and regulations to encourage the major market players to share their data?

Regarding mitigating negative effects of price volatility, the action plan focuses on developing tools for risk management and the development of an emergency humanitarian food reserve system. How effective are these measures?

We must remain cautious on market-based instruments for agricultural price risk management. On the one hand, these mechanisms have been promoted over the last twenty years with mixed results as to their implementation. On the other hand, we must be careful not to strengthen even further the powers of the financial sector players. On the issue of regulation of agricultural markets, the G20 on agriculture did not provide concrete answers. The finance ministers and central bank governors are the ones who will make recommendations for regulation and supervision in this area.

¹ The Action Plan defines five priorities: i) improving production and productivity in agriculture, ii) fostering information and market transparency, iii) enhancing international policy coordination; iv) improving and developing risk management tools to manage and mitigate the risks associated with the volatility of agricultural prices and, iv) improving the functioning of commodity derivatives markets.

² Researcher at CIRAD (Centre for International Cooperation in Agronomic Research for Development) and team leader in charge of preparing the study on the volatility of prices for the High level panel of experts on food security and nutrition (HLPE) of the Committee for Food Security (CFS).

³ In October 2010, the CFS asked the HLPE to conduct this study and present the results at the next session of the CFS (October 2011).

Discussions on stocks remain very controversial. In the report of HLPE, we recommend interventions for both i) a better international coordination of policies to prevent food prices surges and ii) measures to stabilise prices at the national level and according to the needs of each country. On this issue, we advocate

a less dogmatic, more pragmatic approach. The establishment of humanitarian reserves and buffer stocks can be complementary strategies. The bottom line is they need to be more broadly integrated into food security strategies.

Agenda

Past events

- **Regional workshop: Linking food security and nutrition in West Africa** (24-27 May, Dakar): As an initiative of the West African Regional Nutrition Working Group, this workshop was organised by three members of this group: FAO, ACF and REACH. It was for national policy makers and professionals of the region to promote greater integration and synergies contributing to improve nutritional impact of food security interventions. So there was a major challenge for capacity building around the issue of integrating the two areas, and this continued throughout the project cycle (programming, implementation and monitoring). [>>>](#)
- **Symposium on social protection in Southern Africa: New opportunities for social development** (23-25 May, University of Johannesburg): To take stock of recent developments and discuss ways forward, the Centre for Social Development in Africa (CSDA) hosted an International Symposium on social protection in Southern Africa at the University of Johannesburg from 23-25 May 2011, which brought together specialists from the ILO and other UN and donor agencies, Northern scholars and experts as well as African researchers and practitioners. [>>>](#)
- **Agricultural and food price volatility. African views and perspectives** (14-15 June, OECD, Paris): In the run-up to the G20 summit on agriculture, the Sahel and West Africa Club (SWAC) Secretariat invited African representatives and experts to present their viewpoints on the impact of price volatility on African economies in order to search for practical solutions and policy options in the African context. Participants from Northern and African countries made a series of recommendations. [>>>](#)

Forthcoming events

- **29 June:** European Commission Agriculture & Rural Development (ARD) seminar on “Hot issues in ARD” – Brussels (Belgium) [>>>](#)
- **4 July:** European Commission ARD seminar on “Value chain in ARD” – Brussels (Belgium) [>>>](#)
- **18-20 July:** EC training “Acting in transition” – Brussels (Belgium) [>>>](#)
- **12-13 September:** Roundtable on monitoring food security, to review methods used to estimate the number of hungry – Rome (Italy) [>>>](#)
- **18-22 October:** 37th session of the FAO Committee on World Food Security (CFS) - Rome (Italy)
- **4-6 November:** 4th McGill Conference on global food security - Montreal (Canada) [>>>](#)
- **3-4 November:** G20 Summit (France)
- **28 November-9 December:** The 17th United Nations Conference on Climate Change (COP 17) - Durban (South Africa)

For further information: [Upcoming events](#)



EC's latest news

- **Addressing undernutrition in external assistance. An integrated approach through sectors and aid modalities:** This EU reference document is now available. It seeks to help transform aid programmes so that they can achieve real progress in preventing undernutrition. This document is intended as a resource to guide the practical incorporation of nutrition objectives into relevant sectors and different funding methods used by the European Union (EU) – whether in development cooperation or in humanitarian response.

This document has been prepared by the Nutrition Advisory Service. Its preparation has been coordinated by, and has benefited from, inputs made by representatives from France, Germany, Ireland, Poland and the United Kingdom as well as various services from the European Commission.

In light of the experience in drafting this Reference Document, modifications and adaptations will be made as and when necessary. To help with this work, comments, questions and suggestions are welcomed and should be sent to EuropeAid at the following email address: [<<<>](mailto:DEVCO-Nutrition-Support@ec.europa.eu)

ROSA News

New online documents

- **Nutritional and food situation**

Growing a better future, Oxfam – 2011

Based on the experience and research of Oxfam staff and its partners, this report shows how the food system is a driver of an increasing fragility and highly vulnerable to it. It advocates for three big shifts from global negotiations to national decision-making: a new global governance to avert food crisis, a new agriculture future by prioritizing the needs of small-scale food producers and a new architecture for an ecological future [>>>](#)

Mapping progress: Evidence for a new development outlook, ODI – 2011

This report purposely highlights development progress (instead of failures) achieved in 24 developing countries and how it was achieved. The cases showcase progress across a range of sectors. They were selected from an initial list of more than 100 progress cases. Particular attention is given to countries that have emerged from a low base and may not be considered 'successes' in a conventional sense, as well as those that may be surprising to some audiences. The document first explains its vision of what "progress" is, then examines the various factors of progress: leadership among actors (reformers, nation builders and innovators), more effective, smart policies, institutions building for development, and strong partnerships with international partners. Finally, the report shows the challenges moving forward. [>>>](#)

Yield gaps and potential agricultural growth in West and Central Africa, IFPRI - 2011

This report identifies a set of development priorities for agriculture that cut across West Africa at both the country and regional levels to achieve economy wide growth goals in the region. Results point toward an essential range of policies and investments that are needed to stimulate the productivity growth of prioritized activities. [>>>](#)

- **Nutrition**

Nutrition agenda setting, policy formulation and implementation: Lessons from the Mainstreaming Nutrition Initiative, D. Pelletier et al., Health Policy and Planning Journal - February 2011

This paper reports on the findings from studies in Bangladesh, Bolivia, Guatemala, Peru and Vietnam which sought to identify the challenges in the policy process to address undernutrition, and ways to overcome them, notably with respect to commitment, agenda setting, policy formulation and implementation. The experiences in these countries provide several insights for future efforts and deepen our understanding of the factors that can influence commitment, agenda setting, policy formulation and implementation. An emphasis needs to be put on strategic and management capacities. **No free access to the article.** [>>>](#)

Nutrition and food security impacts of agricultural projects: A review of experience, The Infant & Young Child Nutrition Project, USAID - 2011

This short review summarises the findings of studies carried out over the past 30 years, which have aimed to assess the impact of agricultural projects on food security and nutrition. Key features of a successful project are highlighted throughout the review. The first section looks at the effects that agricultural projects and policies have on household food security. A number of suggestions are provided to help ensure that these effects are positive. In the second section, effects on nutrition at household level are assessed. In conclusion, the report suggests that agricultural projects can be orientated to reduce household food insecurity and in turn possibly reduce malnutrition. It suggests the need to raise awareness of this potential with those designing agricultural projects, as well as within governments and international organisations working on these issues. >>>

➤ **Social transfers and access to food**

Walking the talk: Cash transfers and gender dynamics, Oxfam GB, Concern Worldwide - 2011

This report looks at the impacts of cash transfers on gender dynamics both within households and communities. There was little evidence being collected to see whether cash transfers had in fact a positive impact on women. The research included a literature review, programme evaluations from NGOs and three country studies: Indonesia, Kenya, and Zimbabwe. In all three contexts, women were the primary beneficiaries of the cash. The study found that overall, there were many positive benefits for women. However, the impact of cash transfers on women depended on the setting. On the whole, intra-household relations improved and there were indications that some of these improvements may last beyond the length of the programme. There were also clear challenges. Both the community implications of how the cash transfers were implemented and the effect of the cash transfers on traditional coping strategies were a significant worry for some beneficiaries. The document makes recommendations for a series of actors. >>>

➤ **External links**

Inter-réseaux Développement Rural Watch bulletin No. 177 - June 2011

Now available in French only. This bulletin includes numerous references on food price volatility, market regulation, the G20 on agriculture, but also on biofuels, land tenure, pastoralism, value chains, small-holder farming etc. This bulletin can be downloaded from Inter-réseaux's website.

<http://www.inter-reseaux.org/bulletin-de-veille/article/bulletin-de-veille-special-6651www.inter-reseaux.org>

Network activities

- **A discussion forum on the G20 action plan to tackle food price volatility and food insecurity:** If you are interested in participating to discussion, go to Forum > Open discussion forums > G20 action plan. Discussion will allow all of us to share analysis and insights on the issue of food price volatility and the action plan measures, in particular on the development of risk management tools and the pilot project of emergency humanitarian food reserves.
- **A survey on ROSA:** A monitoring and evaluation system for the ROSA network has been set up. As part of this, an online questionnaire has been sent to all members to assess the services and tools that ROSA offers and how satisfied you are with them. It covers major objectives of ROSA: i) circulating information, ii) developing the knowledge of members and iii) dialogue, discussion and debate between members. The questionnaire is fairly short and should take you less than 10 minutes to complete. Completed questionnaires are expected by 28 July.

- **Information session on the joint humanitarian - development framework (JHDF):** What are the main objectives of the JHDF? Who is involved? How to design a JHDF through a common process? These questions are addressed in a short video presentation jointly prepared by ECHO and Europeaid and available on the ROSA website. A discussion forum is open on the ROSA website. You could ask questions or send your comments on the JHDF before July 27th. Jacques Prade (ECHO) and Laura Gualdi (EuropeAid) will respond to your questions on the forum. Answers to this first set of questions will be given on July 29 th.

*This bulletin was written by the GRET team in charge of animating ROSA. The network is an initiative of EuropeAid.
The points expressed do not reflect the official position of the European Commission.*