



Federal Ministry  
for Economic Cooperation  
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# Rural development and its contribution to food security

Strategy



# Table of contents

Introductory remarks	4
Summary	5
<b>1. Rural areas – an opportunity rather than a problem</b>	<b>7</b>
<b>2. Essential reform processes in partner countries</b>	<b>9</b>
2.1 Sustainable development of the rural economy	9
2.2 Sustainable management of natural resources	10
2.3 Provision of social services and technical infrastructure	11
2.4 Enhancement of the political and institutional framework	12
<b>3. Support that German development policy can offer</b>	<b>14</b>
3.1 Basic principles and international agreements	14
3.2 Multi-level promotion strategies	15
3.3 Promotion instruments and procedures	17
Imprint	20

## Introductory remarks

This cross-sectoral strategy “Rural development and its contribution to food security” is to replace the BMZ’s 2001 framework of reference entitled “Rural Development”. It is dedicated to the special importance of rural areas in developing countries. The largely untapped potential they offer for reducing poverty and fighting hunger is now to be harnessed.

Rural development requires a holistic political approach in partner countries, that has the support of donors. This strategy aims, above all, to illustrate the many facets of rural development and the way various sectors and success factors are intermeshed. Promoting agriculture, ensuring the sustainable management of natural resources, providing social services and technical infrastructure, and putting in place an enabling environment at political and institutional level are key in this context. This strategy aims to provide a framework for action. It makes no claim to lay out the specific steps required in every sector and with respect to every success factor for

sustainable rural development to become a reality. Identifying the specific action required and the support that can be offered by German development policy is the responsibility of the pertinent sector strategies and other guidelines for action.

The strategy you have in your hands is binding for all implementing organisations of German official development cooperation. It also offers valuable guidelines for the work of non-governmental organisations and private-sector stakeholders. Moreover, it provides a framework for a whole series of development tasks: the drafting of regional strategies, country strategies and priority area strategy papers for bilateral cooperation; positioning Germany in the international development-policy discussion; elaborating inputs to multilateral and regional cooperation and to European development cooperation; and communicating with the general public in Germany, with the German Bundestag and with other federal ministries.

## Summary

Guided by the concept of “help towards self-help” German development policy is working for sustainable international efforts to strengthen rural areas in developing countries. Rural development is being expanded to make it one of the key areas and promotion priorities of German development policy. Enhancing food security is the crucial motivating factor here, while realising the right to food is an important guideline for German activities in this sector.

Most of the poor and hungry people in the world live in rural areas. Rural-urban drift, the ruthless exploitation of natural resources and violent conflicts have taken on worrying dimensions in many places. Climate change poses an additional challenge. At the same time, however, rural areas offer great potential, which has been overlooked for many years. As well as food, timber, cotton, vegetable oils and other raw materials are produced there. Rural areas play an important part in preserving biological diversity and protecting the climate. Now it is time to once again put these areas at the top of the political agenda, because of the key roles they play in development, poverty reduction and fighting hunger.

Agriculture should be taken as the starting point and the engine of comprehensive development efforts. In many partner countries there is huge potential for boosting agricultural productivity. The development of economically weak small farmers engaged primarily in subsistence farming in order to establish a system of profitable, socially and environmentally sustainable small farming is the main challenge in many places. Increasing food production not only helps meet the needs of rural areas themselves, but also improves food security for the urban population. If countries are better able to feed themselves, they are less vulnerable to the increasingly volatile prices and uncertainties on international agricultural markets.

It is not enough, however, to promote agriculture. Rural development means taking a very much broader approach. Extensive reform process must be initiated, aiming primarily to put in place properly functioning institutions, develop human resources, establish effective infrastructure and put in place a system of natural resources management geared to the imperatives of sustainability, transparency and crisis prevention.

Comprehensive rural development means not only fostering spatial integration and networking, improvements in land law, more equitable and easier access to land and to local, national, regional and international markets. It also entails creating income-generating opportunities outside agriculture. Promoting savings and investment is just as important in rural development as diversifying goods and services in various sectors. Sustainable land use, last but not least, is a basic prerequisite for forward-looking rural development and for achieving sustainable food security.

Development depends first and foremost on the political will to change, on the existence of effective institutions and on efforts being made by those involved. The level of technology used and the level of training of the workforce also play an important part. Partner countries must accept responsibility for rural development, taking account of the success factors mentioned, and must honour their commitments to realising the right to food in their countries. Development cooperation can support them in this. It is able to provide important impetus, identify potentials for innovation and point out undesirable developments and potential conflicts within the framework of the political dialogue. Any attempt by donors to take on the ownership that must be accepted by partner countries cannot, however, lead to sustainable success. Where partner countries request support in building the institutional, financial, technical and human resources capacities they

need, German development cooperation can make available its wealth of experience in rural development.

Although a change of policy in developing countries is important, it is not enough per se. International agricultural policy and agricultural trade policy, as well as energy and economic policy must not be allowed to undermine the efforts of developing countries to boost local production and to market agricultural produce, but must support such efforts. Domestic and foreign direct investment in land

and agriculture are necessary, but must be responsible and aligned with the imperatives of sustainable rural development, rather than further aggravating environmental and social problems, as is often the case today.

Rural development and food security are challenges that cannot be met using public funds alone. Partnership is called for, involving the realms of politics and business, the academic community and civil society, both in developing countries and in Germany.

# 1. Rural areas – an opportunity rather than a problem

The vast majority of poor and hungry people in the world live in rural areas. If we aim to fight the root causes of poverty and hunger, and conserve existing natural resources, we must do so primarily in rural areas with the help of policies devised specifically for these areas.

Food security can be improved by raising food production, improving access to food and enhancing the quality of food. This makes a major contribution to achieving the first Millennium Development Goal, which involves reducing poverty and hunger. The development-policy importance of food security, however, goes much further. Reducing poverty and enhancing food security in rural areas will help us achieve all of the Millennium Development Goals. There is a strong correlation to empowering women (MDG 3) and protecting natural resources (MDG 7). Increased income and an improved nutritional status will do much to improve maternal health (MDG 5) and reduce child mortality (MDG 4). Family income and an adequate nutritious diet will improve children's chances of completing primary education (MDG 2). At the same time the improved nutritional situation will help in the fight against diseases (MDG 6), such as tuberculosis.

Rural areas are key to development, poverty reduction and food security. There is scarcely any development correlation that has been better demonstrated using empirical data than the link between investing in rural development and reducing poverty and undernourishment. This hugely important role of rural areas has long been ignored. Too little has been done to protect these areas. Until the 1980s, for instance, rural development assistance focussed massively on state agricultural extension services and food security programmes, some of which were extremely wide in scope. Since then many developing country governments have slashed their investments in rural areas as global interests shifted. The reduction in the technical services provided by gov-

ernments has only sporadically been offset by private investment, often only at individual preferential locations for a few export-oriented sectors.

Rather than harnessing the potential offered by rural areas, extremely worrying developments can now be seen in many rural regions around the globe. The rising demand for agricultural goods must be met in the face of a drop in natural productivity and the loss of more and more farmland. As settlements expand, and farmers continue to overgraze land and use non-sustainable cropping methods, more than half of the planet's farmland has already suffered degradation. Erosion and leaching, water scarcity and desertification cause soil to lose its ability to store water and to provide the nutrients required by crops. It becomes impossible to preserve biodiversity. The resultant worsening competition for land and water increases the risk of violent conflicts and tensions, for instance between local populations and refugees. The growing pressure on land, along with crises and conflicts in rural areas, a lack of legal certainty and moves to push out small farmers foster the spread of uncontrolled agriculture. Forests are felled and fragile ecosystems jeopardised, thus threatening to upset the balance of the global ecosystem.

These negative trends must be stopped, since they make it significantly more difficult to tap the potentials offered by rural areas. A sustainable development process is needed in these areas, allowing people to break out of the vicious circle of poverty, hunger, conflict and environmental destruction. If we are to initiate a positive development process, the political points must be set in the countries themselves to take us forward in the desired direction. It is essential that rural areas be rediscovered as a development category, and that they become worthy of political action being taken.

In many countries agriculture can play a key role in comprehensive development. Many primarily agrarian developing countries offer remarkable potential to boost agricultural productivity. Increasing food production not only helps meet the needs of the rural areas themselves. A sustainable increase in productivity, taking farmers above the poverty line, also helps ensure food security for the urban population. If nations and regions become better able to feed themselves, they will be less vulnerable to the increasingly volatile prices and uncertainties on international agricultural markets. Rural areas, however, produce more than food. Timber, cotton, vegetable oils and other raw materials offer excellent opportunities to develop local manufacturing and to improve the country's export base. Employment opportunities in rural areas give young people in par-

ticular, who are increasingly badly hit by unemployment, prospects of a future.

Domestic and foreign investment in land and agriculture are essential. Investors must, however, be committed to sustainable rural development, rather than further worsening environmental and social problems in these regions, as is often the case today. Sustainable, conflict-sensitive land use is a basic precondition for viable rural development and for achieving food security on a sustainable basis. Finally, appropriate remuneration for the provision of global public commodities and ecosystem services can help rural areas play their part in conserving biodiversity and managing it sustainably, as well as contributing to climate change mitigation in the long term.

## 2. Essential reform processes in partner countries

Improved seed, fertiliser and plant protection agents, veterinary and livestock breeding services, mechanisation and irrigation technologies have all been key elements in achieving a remarkable increase in agricultural productivity in many parts of the world, and continue to be so. Without these, it would have been impossible to feed the world's rapidly growing population over the last decades. It has, however, emerged that increasing productivity in agriculture, while being necessary, is not in itself enough to ensure sustainable rural development. In some regions, the opportunities offered by agricultural technology have still been unable to achieve their potential, while in others development has come at a price, with social, environmental and health problems worsening.

The promotion of agriculture is important, but it is not in itself enough to act as an engine for rural development and to achieve sustainable food security. If rural areas are to become the basis for sustainable development and make an important contribution to achieving food security, far-reaching reform process must be launched, that go well beyond the confines of the development of the agricultural sector per se. They can be summed up as follows:

- Sustainable development of the rural economy
- Sustainable management of natural resources
- Provision of social services and technical infrastructure
- Enhancement of the political and institutional framework.

Our partner countries are responsible for these reform processes. These countries must have the political will to initiate and implement the processes and the relevant institutional, financial, technical and human resources capacities must be developed.

### 2.1 SUSTAINABLE DEVELOPMENT OF THE RURAL ECONOMY

The development of even very poor small farms to make them economically viable and to put small farming on a socially and environmentally sound footing is every bit as important as diversifying the employment base and ushering in structural change to help local populations move away from the predominance of agriculture in rural areas.

The core and starting point of economic development in rural areas capable of reducing poverty and ensuring food security is the strengthening of local markets and the sustainable utilisation of local resources. Access to national, regional and international markets is desirable, provided this does not jeopardise local food security, but support it. Producing for market allows farmers to generate income, save and invest. It creates a broad employment basis, with a wide spectrum of products and service in different sectors, and develops alternatives to illegal value added (e.g. drug crops).

The lack of spatial integration in the economy is one of the main problems facing developing countries. With the increasing spatial division of labour, it is becoming more and more important for rural areas to be networked with one another and with urban areas. High transport and transaction costs are typical for most rural areas in developing countries, as are supply risks and widely scattered capacities. One of the key challenges is to overcome these problems and support interaction between urban and rural areas. In many parts of the world the opportunities offered by integration into regional markets and of trading beyond national boundaries to develop markets are barely used, if at all. Barriers of this sort must urgently be dismantled and pertinent regional infrastructures put in place.

The most important goal is to give poor population groups, who are toiling to stay above the poverty line and are excluded from development, access to markets and to enable them to generate their own income. These sections of the population must be given access to local resources and enabled to use them productively such that they can take charge of their own lives. The transition from subsistence farming to a market-oriented approach that makes it possible to generate income is the crucial step that will help them ensure their own livelihoods in the long term. Income allows demand to develop for commodities and services, and makes it possible to save and invest in the rural economy, thus facilitating the emergence of self-sustaining growth in the rural economy.

The starting point and the central element in development of this sort is, in most cases, the creation of more effective agriculture. The best way to achieve this will depend on the circumstances on the ground. As a general rule, cooperatives of small farmers, contract farming and other forms of cooperation with the private sector are well suited to boosting local food security, sustainable land use and the production and competitiveness of small farmers.

The often heated discussion as to the 'right' agricultural system, however, risks overemphasising the importance of agriculture as a whole, and attaching too little importance to the need to broaden the employment base. Lasting success will not be achieved either by a one-sided focus on agriculture to the detriment of other sectors or by ignoring agriculture. Agricultural and non-agricultural development should complement one another and lead to sustainable economic activities, results chains and synergies. It is quite clearly more important to focus on the long-term interdependencies of natural, technological, economic, social and institutions development factors than to achieve any short-term one-off success in agricultural production.

A comprehensive development strategy should then take into account all sectors of the economy and use the opportunities to diversify the economy and increase value added in rural areas. This is the only way to maximise value added in rural areas. The key is to promote competitive small and medium-sized enterprises, which might be involved in processing food, agricultural raw materials or other local products on the spot. They might, however, equally focus on entirely different branches such as trading, transport, construction or repair services. A favourable business and investment climate is needed, so that private sector initiatives can develop. Services such as economic advisory services, occupational training and upgrading and rural financial and insurance services can go a long way to ensuring an appropriate climate.

## 2.2 SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES

A central factor in ensuring the sustainable improvement in the economic and social situation of rural people is the development, utilisation and long-term conservation of local resources. As a general rule, rural areas have a great wealth of natural resources of this sort, although they are often very much at risk. It is important to ensure the sustainable and conflict-sensitive management of these resources so that they remain available to the people in the long term as a livelihood and a production base. Comprehensive planning aims to ensure the effective management of water resources and pastureland, preserve soil fertility, guarantee sustainable plant protection methods, avoid soil erosion and conserve biodiversity. Natural resource management in rural areas is absolutely essential for achieving international environmental and development goals (climate change mitigation, conservation of biodiversity, desertification control). It can only be successful and sustainable if social tensions

arising from unclear ownership issues are tackled or avoided, and if all user groups, including marginalised sections of the population, are involved.

Integrated coastal zone management aims to ensure the sustainable utilisation of coastal regions, taking into account ecological, social, economic and demographic trends. Coastal areas are increasingly being settled, and their economic importance is growing steadily. Important marine ecosystems like mangrove forests and coral reefs must be better protected to ensure the stability of the entire marine habitat. Urgent action must also be taken with respect to inland bodies of water such as the Great Lakes of Central Africa and the major rivers of South-east Asia.

Climate change and its consequences are posing a growing challenge to the agriculture and forestry sectors and to rural development. This calls for cross-sectoral action to cut greenhouse gas emissions and deal appropriately with the negative consequences of these emissions. Rural areas, their populations and agricultural productivity are especially at risk from climate change. On the other hand, rural areas have a huge potential for cutting greenhouse gas emissions as well as offering carbon sinks. Sustainable land use and conserving natural resources help directly to adjust to climate change and to mitigate the negative consequences thereof. Water-saving and erosion-limiting cropping methods, moves to foster soil fertility, as well as measures to preserve and promote agricultural biodiversity are very promising in this context.

### **2.3 PROVISION OF SOCIAL SERVICES AND TECHNICAL INFRASTRUCTURE**

Many rural areas suffer because they are held to be unattractive. The lack of prospects leads young people in particular to turn their backs on their homes

in the hope of a better life in the towns and cities, or even abroad. Electricity connections and a road link to the nearest small town can sometimes be enough to make the crucial difference and allow them to live a better life in rural areas, particularly if these connections then give people access to a health station and a school. Intact, safe rural roads are also important, in order to ensure that goods produced in rural areas reach markets at as low a cost as possible and with as few losses as possible.

Schools and health stations are some of the most important facilities in rural areas, along with public security and administrative facilities. Electricity supply, drinking water supply and sanitation, transport routes and public transport systems are considered to be the most important elements of technical infrastructure. Most of these are services that must be provided by the government up front. Provided effective state regulation is in place, however, services can in some cases be provided by private sector players.

Alongside the traditional social services and technical infrastructure, modern information and communications technologies, including mobile phone and internet services, are today important. Media support for rural development, using radio, television and internet, provides access to relevant economic information outside urban centres, and can be the driving force behind the creation of new forms of civil society participation. Swift independent reports on markets, the knowledge about better production and marketing opportunities and weather forecasts are important foundations for a more productive agricultural system.

The poor level of development of urban systems and even more importantly the lack of development of small towns in many rural regions around the globe are an obstacle to the establishment and efficient operation of social and technical facilities.

Economic structural change and the improvement of the political and institutional framework can be used in order to foster the development of functioning rural communities and the interplay between urban and rural areas. Depending on the type of service or infrastructure involved, local, sub-national, national or even regional forms of organisation might be most appropriate.

Not only must these social services be in place. The people must be assured access. Financial barriers and other obstacles must be removed if basic social services are to make an effective contribution to developing and retaining human capital. Appropriate social services can maximise the benefits of comprehensive rural development with a view to ensuring food security. The impact of promoting agricultural production is often limited to reducing poverty and fighting hunger if measures do not include activities to protect farmers from the risks they face. In rural areas in particular, social security systems can act as a catalyst for development. Social security systems for poor population groups in the form of social transfers or community-based insurance schemes can ensure not only access to health facilities but also access to food. This reduces their general vulnerability to risks (e.g. harvest losses in the wake of droughts or flooding, sickness, a death in the family). School feeding programmes are also important in ensuring food security in conjunction with social services.

#### **2.4 ENHANCEMENT OF THE POLITICAL AND INSTITUTIONAL FRAMEWORK**

Properly functioning institutions at all levels are crucially important for the development process. Not only do they help ensure that entitlements are respected. They can also help resolve or avoid conflicts in rural areas. Land and water are the most important productive resources in rural areas. In many

countries the lack of secure access and ownership rights, the lack of any land and water use planning, unsustainable management methods and inequitable distribution of the resources stand in the way of the effective management of these essential resources. Putting in place and enforcing binding and equal land and water rights for all sections of the population is the essential foundation for income generation and food production. This is also an important factor in encouraging investment, fostering general economic development and stabilising democratic structures.

The preconditions for development, poverty reduction and food security are particularly favourable, where power, funding and implementation authority has been transferred from central to decentralised levels, i.e. from the capital city to the provinces, rural towns and villages. This presupposes transparency, a lack of corruption and democratic control. Political, fiscal and administrative decentralisation supports self-organisation and self-determination on the part of the population and puts in place an enabling environment for developing economic and trading activities and for generating prosperity for the community as a whole.

Decentralisation is closely linked to strengthening civil society forces and integrating marginalised population groups, all of which help foster development. They give those affected a voice, ensure that the entire community participates and that the knowledge available locally is put to the best possible use so as to resolve the problems in hand. Empowering women in legal, economic and social terms plays a particularly important part in this. Women have a very important role to play in agriculture and generally have a wealth of experience and knowledge in the field of food security. The risk of hunger in a country lessens, when women have greater access to resources and services. Achieving gender equality would do much to significantly in-

crease agricultural production and improve the nutritional status of children.

Only when all those affected have the opportunity to get together and set up their own organisations can they exercise ownership and effectively voice their own interests. Producer and user organisations, along with agricultural labourer organisations, are a precondition for properly functioning services, ensuring fair access to sales markets, working condi-

tions compatible with human dignity and participation in local decision-making processes (e.g. municipal development and budget planning). Civil society with strong local roots is an important foundation on which to develop prospects for the future. This ensures that the rural area is part of people's identity and that the people who live in rural areas are able to preserve their traditions, modify these as appropriate, and pass them on to the next generation.

## 3. Support that German development policy can offer

### 3.1 BASIC PRINCIPLES AND INTERNATIONAL AGREEMENTS

Under the banner “Help towards self-help” German development policy works for sustainable international efforts to strengthen rural areas in developing countries. Rural areas are to become a key focus and priority area of promotion of German development policy. Increasing food security is the primary motive and realising the right to food an important guideline for German activities in this sector.

Development depends primarily on the political will, on the existence of effective institutions, and on the efforts of the local people themselves. The level of technology used and the level of training of the workforce too are important. Partner countries are responsible for developing their rural areas on a sustainable basis, taking into account these success factors, and for meeting their human rights commitments throughout their states. Development cooperation can only support the efforts of the partner country governments here. It can provide important impetus, identify potential for innovation and draw attention to undesirable developments and conflicts within the scope of the political dialogue. There can, however, be no sustainable success if donors attempt to replace the ownership of partner countries. Where partner countries request support to help them develop the necessary institutional, financial, technical and human resources capacities, German development cooperation can contribute its wide experience in the field of rural development.

In many countries, people in rural areas in particular are denied their rights to an appropriate standard of living, sufficient nutritious food, security, health and education. Germany’s commitment to poverty reduction, rural development and food security is thus also a clear commitment to human rights. German development policy is working to ensure that all people are able to take charge of their

own lives without suffering material poverty or discrimination. They should be able to demand these entitlements from the state bodies responsible for providing them at municipal and national level. In this way the German government is helping ensure the enforcement of the FAO’s voluntary guidelines on the right to food, which lay out concrete recommendations for action for governments so that this elementary human right is respected. Germany gears its development cooperation to the contents of these guidelines.

With the adoption of the Paris Declaration on Aid Effectiveness in 2005 and the Accra Agenda for Action in 2008 German development policy undertook to cooperate with partner countries as equals and to base cooperation on mutual accountability. The primary objective is to ensure that funds are used to maximum effect. That means that Germany recognises the fact that partner countries are responsible for drawing up their own strategies for rural development and food security, but also that it will demand that these be elaborated.

Clear democratically legitimated, human-rights-based structures, strategies, development programmes and investment plans of partner countries offer the ideal preconditions for support on the part of German development cooperation. Where these preconditions are met, German activities should, as a general rule, be geared to these requirements, and be incorporated into the strategies, programmes and plans of the partner country. There should be no isolated activities that are not in line with the guidelines thus laid out. For development cooperation with partner countries in Africa, Germany considers the Comprehensive Africa Agriculture Development Programme (CAADP) to be a central guiding process, both in terms of the form ownership ought to take and in terms of the direction to be taken by support activities.

Countries which do not yet have their own strategies for rural development or which do not have the implementation capacities required, can be supported by German development cooperation, in consultation with other development partners, in the development and realisation of strategies of this sort. In fragile states in particular, which cannot guarantee the population adequate security, social services and the rule of law, specially tailored support services are needed. German development cooperation places its faith in the earliest possible launch of development-oriented emergency and transitional assistance, as well as strengthening social security schemes, institution building at all levels, development-oriented drugs policy, the promotion of civilian conflict management and crisis prevention as well as the conflict-sensitive design of all reform processes.

The German government is calling for worldwide efforts on rural development and food security to be pooled, and for all important actors to be brought together. It affirms its commitment to the Global Partnership for Agriculture, Food Security and Nutrition (GPAFSN) and supports the work of the Committee on World Food Security (CFS) as a central element of this partnership.

German development cooperation is working to achieve closer cooperation and consultation with other donors and for urgently needed progress on harmonising donor inputs. The major challenges can be seen in cooperating with each individual partner country and in the dovetailing of the efforts of all donors at partner country level. These efforts are being reinforced by Germany's collaboration on various international bodies.

In spite of all progress made to date, improving results orientation and management for development results in rural development remain central tasks. This applies not only to German development coop-

eration but to all development partners around the globe. No short-term success stories can be expected when investments are made in sustainable rural development. It is then all the more important to attach great importance to drawing up realistic objectives and results indicators in dialogue with partners. This is the only way to open the door to the sound allocation of resources, results-based monitoring, evaluation and accountability vis à vis parliaments, the general public and target groups of development interventions.

### 3.2 MULTI-LEVEL PROMOTION STRATEGIES

Germany is one of the few donors to have practical experience and expertise at local, national, regional and international levels. It is a respected partner in pertinent fields. These capacities can be used as required in line with conditions on the ground and with the visions of the partner country in question. The Millennium Development Goals provide a suitable framework of reference.

Rural development demands a holistic approach to deliberating and planning, which takes into account all sectors and all levels. In practice, then, partners must firstly receive the support they need to harmonise national frameworks with interventions at sub-national and local levels, but equally at regional and international levels. Secondly, on the basis of local circumstances and priorities, sectoral priorities must be identified and pertinent implementation capacities developed in the relevant administrative bodies at all levels.

#### International level

At international level the prime focus must be on

- putting in place fair terms of competition for partner countries by phasing out subsidies that distort trade in agricultural produce

- creating incentives and options for sustainable natural resource management by introducing appropriate financing mechanisms
- gearing international agricultural research still more strongly to the demands of a sustainable and socially acceptable intensification of agricultural practices.

The German government is involved in efforts to implement the conventions originally agreed at the 1992 Earth Summit in Rio de Janeiro and the international follow-on agreements (UNFCCC, UNCBD, UNCCD, FAO-ITPGRFA). It plays an active part in international conferences and summit meetings on poverty reduction, development goals, food security and aid effectiveness and is a committed member of the G8 and G20 forums, in which one major topic on the agenda is food security. Over and above this, the German government contributes significantly to the work of multilateral development organisations, including the European Union, the various UN specialised agencies (especially FAO, IFAD, WFP, UNDP, WHO, ILO), the World Bank and regional development banks. Often bilateral development programmes on rural development and food security are implemented in close cooperation with multilateral programmes.

With the ratification of the 1994 United Nations Convention to Combat Desertification (UNCCD) German development policy signalled its commitment to improving living conditions in the arid parts of our Earth. It supports the development and implementation of national sustainable land use strategies and the integration of these strategies into national and local development plans.

Germany was a founding member of the Global Donor Platform for Rural Development, a network of 34 bilateral and multilateral donors, international financing institutions, international organisations

and development agencies. The provision of a forum for sharing information and knowledge and for reaching understanding on joint positions and approaches is intended to step up and improve activities in the fields of agriculture and rural development.

The Federal Ministry for Economic Cooperation and Development (BMZ) places its faith in a close dialogue with other federal ministries and with other donors so as to achieve the maximum possible coherence between development policy objectives and policies in other sectors, especially agriculture, fisheries, trade, climate and the environment. The trade regime, direct investment, foreign trade promotion, agricultural research policy and dealing with intellectual property rights can run counter to development assistance. If appropriately designed though, they can provide leverage for development policy that aims to develop rural areas, reduce poverty and fight hunger. The BMZ is working to achieve this sort of leverage.

Over and above this, the BMZ is playing an active part in promoting the relevant processes in European development policy so as to achieve coherent, sustainable policies for rural areas. This applies to both policy design and the political dialogue, and to realising cooperation at national, regional and global levels. At European level too the BMZ keeps a watch on the various sector policies with a view to ensuring coherence.

#### **National und sub-national levels**

At national and sub-national levels the focus must be on delivering support as required for the elaboration of context-appropriate legal and political frameworks by providing facilitation services and technical inputs (also under the specific development conditions that prevail in a drugs-based economy or where a conflict is ongoing) building capaci-

ties within institutions to make it possible to enforce policies and laws supporting efforts to identify technical and institutional solutions (also for fisheries management and integrated coastal zone management) that are site-appropriate and tailored to the target groups, as well as fostering policies and strategies that take better account of local conditions on the ground helping promote market development and build value chains by providing conceptual inputs (including the promotion of fairer forms of contract production involving large agricultural enterprises and small-scale rural producers) fostering improved terms of market access for the rural population by providing financial support for the creation of rural infrastructure supporting the development of appropriate, financially sustainable services systems (especially systems geared to agriculture) while taking into account the capacities of private-sector, non-profit and state actors fostering courses of study and training geared to the special training needs of the agricultural sector providing technical and financial support for agricultural research and disseminating results.

#### **Local level**

At local level, German development cooperation in conjunction with local partners can support above all democratic decentralised governance. The focus must be on enabling the rural people, especially poorer and disadvantaged groups, to make use of the greater scope now open to them thanks to interventions at national, regional and international levels in order to meet their own needs and ensure food security strengthening the ability of the rural people to represent their own interests and increasing their cooperation options vis à vis market partners and service providers, such that they can successfully demand fair access to resources, markets and services providing conceptual and financial support for business development and for the establishment of producer and user organisations fostering the establishment of education and training facilities tailored to

the needs of rural areas supporting the establishment of a rural civil society with strong local roots.

One important objective of German support is to strengthen the ability of partners to take a target-group-oriented approach within the scope of their reform policies. Various stakeholders can act as partners depending on the measure and level of intervention in question. Alongside state actors, partners from the realms of business, the academic community and civil society are becoming increasingly important.

The target group basically includes the entire population and all economic agents in rural areas. It is important to make a distinction between those involved in the development process, the mediators and the target group in the strict sense of the term. In efforts to combat hunger, the target group focus must be especially on marginalised population groups, since these groups encounter the greatest barriers preventing them from accessing resources. In order to strengthen agriculture and endogenous rural development, the promotion must concentrate primarily on the needs and potentials, knowledge and experience of small farmers. It is absolutely indispensable to involve the legitimate representatives of all relevant target groups in the realisation of reform processes.

### **3.3 PROMOTION INSTRUMENTS AND PROCEDURES**

At the heart of German promotion efforts is bilateral cooperation with partner governments, provided first and foremost in the form of Technical and Financial Cooperation by German implementing organisations. Programme-based approaches allow these to contribute to important political and institutional reforms that can improve the framework for rural development.

Financial Cooperation supports the realisation of national development plans on food security by financing or subsidising the investments needed. It finances key investments needed to modernise rural areas and supports partners in the establishment of implementation capacities by providing investment-related advisory services. In cooperation with other donors, Financial Cooperation is involved in joint financing arrangements where complex regional concepts are to be realised. By specifically promoting microcredit banks, it helps expand the range of public services available and ensure the sustainability of investment, thanks to innovative business and financing concepts.

Technical Cooperation concentrates on capacity and concept development. The capacities of individuals, organisations, networks and political systems are developed in material and financial terms, and the management is enhanced. The rural population are helped to gain expertise, management capabilities and pro-active capacities when they receive the opportunity to take part in specialised formal and informal training and upgrading measures. Organisations, authorities and businesses are advised on how to make their organisational, management and production structures more effective. In the field of concept development Technical Cooperation concentrates on identifying context-appropriate solutions, procedures and instruments. Technical Cooperation advises governments on how to make their development goals compatible with human rights, how to anchor these in acts of parliament and strategies, and how to realise them nationwide.

Direct Financial and Technical Cooperation are reinforced by support for development-oriented agricultural research. Here the focus is on promotion accorded to international research centres operating under the umbrella of the Consultative Group on International Agricultural Research (CGIAR). Germany is working to improve the dovetailing of interna-

tional research with the work performed by research facilities inside Germany. Development-oriented agricultural research is indispensable for sustainable rural development and for long-term food security. It generates applied knowledge of sustainable production systems in plant production and plant breeding, in livestock farming and breeding, in conserving agricultural biodiversity and in fish breeding. If agricultural research is to earn the epithet "development-oriented" it must be strengthened above all in developing countries and must build on the social, economic, and environmental needs and knowledge of farmers in these countries. Cooperation between international research centres and national agricultural research facilities must be improved, as must the way research results are incorporated into extension services, advisory services and capacity development. Agricultural research must also increasingly respond to new challenges including the growing pressure on natural resources, the growing world population and climate change.

Rural development and food security are challenges that cannot be resolved using public funding alone. They are, however, potentially interesting for other stakeholders. This is why the German government is cooperating with the private sector, civil society and the academic community. Private entrepreneurs play an important part in rural areas, where they operate water supply systems, provide natural resource protection services, hold concessions for electricity supplies, act as shareholders in microfinance institutions and organise private education facilities. They can tap new markets for their products, and in return they bring financial services, expertise and modern technologies to rural areas.

Cooperation with civil society involves various groups and organisations within society. Non-governmental organisations working in the fields of human rights, the environment and development

help ensure and enhance transparency, the flow of information and awareness raising. They generally operate at local level where they make major contributions. The political foundations play an important part, especially in terms of building democracy and civil society. Non-governmental organisations and church development agencies are important partners in reducing poverty and in civilian conflict

management and crisis prevention. The German agencies involved in what is termed “social structure assistance” concentrate primarily on building and strengthening self-help organisations. Cooperatives in particular play an important part in developing and providing financial services (including micro insurance policies) and in ensuring access to markets.

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