Rural development and food security
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Securing viable and sustainable livelihoods, reducing poverty and achieving food security – these three long-term objectives within the framework of rural development are core elements of Germany’s development policy, and for good reason: global poverty and hunger primarily affect rural areas. Pressure on these areas and on agricultural production is expected to increase even further. We are already seeing conflicts over land and water. Climate projections indicate rising temperatures and an increase in the frequency of extreme weather events. Furthermore, the ever-growing global population is driving demand for sufficient food of reliable quality.

After decades of neglect, rural development is now back on the political agenda. Three quarters of the population in the developing countries live outside the major cities. For this reason the poverty reduction and food security strategies supported by the Federal Ministry for Economic Cooperation and Development primarily target these areas. At the 2009 G8 summit in L’Aquila, Italy, the German Government committed a total of EUR 2.1 billion to rural development, agriculture and food security between 2010 and 2012.

We are helping people to help themselves. We are supporting our partner countries in their efforts to improve living conditions and initiate a process of self-supporting development. When rural areas provide a solid base for economic development, when natural resources are preserved and when there is adequate investment in education, health, energy supply, and transport and communications infrastructure, these areas can offer prospects for sustainable livelihoods. In many places this will require the improvement of a range of political and legal conditions. Fair land and water rights are a prerequisite for successful economic activity, especially for subsistence farmers. Decentralisation vests local populations with greater autonomy and builds their capacity to make their own decisions.

Building a civil society that is both multifaceted and vibrant helps reduce poverty and hunger, and strengthens the social standing of women. If politicians who support good governance in the partner countries pull together with politicians who advocate a coherent, development-oriented policy in the industrialised countries, we can overcome the challenges.

This brochure points out pathways and opportunities for developing rural areas and highlights their importance for food security. Practical examples offer insights into this fascinating branch of German development cooperation. They show how important it is for development approaches to be geared towards implementation. People and their abilities and potentials must have top priority, so that these approaches can bring benefits to all.

Dirk Niebel
Federal Minister for Economic Cooperation and Development
Rural areas: Focus for development

According to the Food and Agriculture Organization (FAO), the number of people suffering from hunger has increased from 817 million in 1990 to 925 million in 2010. However, due to global population growth, the proportion of the population suffering from hunger has fallen from 20 per cent to 16 per cent during the same period. Millennium Development Goal 1 pledges to halve the proportion of the hungry between 1990 and 2015. This corresponds with a decrease to 10 per cent.

Rural development is the basis for reducing hunger and securing the global food supply in the long term. Food security – for both rural and urban areas – will only be achieved in the rural areas.

The hungry suffer not only from a lack of calories, but also vital micronutrients such as vitamins, minerals, essential fatty acids and protein. Hunger and malnutrition affect the growth and intellectual development of children, they limit the ability of adults to work – in brief, they create further poverty. Most of the world’s hungry live in rural areas. They are usually subsistence farmers, day labourers and herdsmen, earning too little to provide themselves and their families with regular, healthy meals.

In theory there is enough food in the world for all. However, those who are hungry are too poor to buy rice, maize, milk and vegetables. Their income is too low to lease a small plot of land or buy seed, fertilisers, draught animals or agricultural implements. And because they are poor, no bank will grant them credit. World trade structures and the industrialised countries’ export subsidies that protect their own agricultural products make it difficult for many developing countries to access world markets or to build up their own, competitive food industry. The farmers in these countries are the ones who suffer most.

In many places the provision of health care and education is inadequate. Moreover, the people in rural regions are frequently excluded from political and social decision-making processes. Inadequate recourse to justice disadvantages people living in rural areas. For example, current regulations allow foreign investment in the form of purchases or long-term lease of large tracts of land, without appropriate compensation for the people living there. In many cases the use of natural resources is unsustainable.
BACKGROUND

Global Hunger Index 2010 by Severity

In arid regions the available water is not always utilised with care, or the protective plant canopy of ecologically sensitive areas is destroyed. None of this supports rural development; it inhibits it.

Most national policies of the past two decades have neglected rural areas and their development. This was mainly reflected in a sharp reduction of financial support by both governments and international donors. Due to low producer prices and a lack of marketing opportunities, most
of the limited investment available flowed into a few internationally competitive cash crops such as tea, coffee and cotton. This situation has changed recently. Since the 2008/2009 food crisis attention has again focused on the rural areas. Funding for rural development and food security is increasing, although it is still inadequate. The effectiveness of funding depends not only on the amount, but also on how it is used.

Rural areas have many functions. They produce food and feed, but also agricultural raw materials for industry, such as cotton or crops used for oil and energy. They make a major contribution towards clean air and water, as well as the conservation of biodiversity. Rural areas are home to, as well as the cultural and economic hubs of, most of the developing world population. Rural growth creates income and jobs, not only within agriculture. Without fundamental change in these areas, there can be no sustainable economic growth and no sustainable food security.
Opportunities with growth potential

Rural development is faced with formidable challenges in these early years of the 21st century. Before rural areas can progress and reform processes can be initiated, policy makers have to lay the foundations and set the course. Development will not be sustainable unless it concentrates on the many causes of hunger and poverty.

The cornerstones of comprehensive rural development include:
• the strengthening of the rural economy,
• the sustainable use of natural resources,
• the safeguarding of social services and technical infrastructure,
• the improvement of the political and legal framework.

Strengthening the rural economy

Promoting sustainable agriculture is crucial to the strengthening of the rural economy. Increased production and improved quality, combined with product marketing, will activate the economic cycle which is key to poverty reduction and food security. This will gradually create a variety of direct and indirect jobs and income-earning opportunities. Strengthening agriculture is an important step towards achieving the international development goals.

Increased production and improved quality, along with the sustainable use of natural resources, are central to development-oriented agricultural research. This research helps mitigate the effects of climate change and is an important factor for agricultural growth. Providing advice on the practical application of research findings is essential here.

Credit facilities for the rural poor are not a luxury but a practical tool for fighting poverty. Microcredit tailored to individual needs helps people build livelihoods...
as farmers, trades people or service providers. Microfinance systems allow even the smallest amount of savings to be invested.

Private sector initiatives have an important role to play. Competitive small and medium-sized businesses can drive rural development. German development cooperation plans to make better use of this potential in the future – by expanding partnerships with the business sector, for instance. Its aim is for businesses and development organisations to jointly plan, fund and implement projects. The innovative strength of commerce will thus combine with the resources, knowledge and experience of development cooperation. New markets will become accessible to businesses in the partner countries, and consumers in Germany will have greater opportunities of buying environmentally-sound and socially-sustainable products. Mobilising additional capital and expertise will put German development policy in a better position to help improve living conditions in the countries concerned.

Making sustainable use of natural resources

The sustainable use of natural resources is indispensable for maintaining the livelihoods of local populations and the basis of agricultural production. For this reason German development cooperation supports sustainable agriculture which focuses on effective water management, the conservation of biodiversity, the improvement of soil fertility and the reduction of soil erosion.

Innovative approaches to water management must in future help to buffer the impact of extreme natural events such as drought and flooding, thus helping to adapt agriculture to climate change. If the available arable land and grazing land is to be retained, soil conservation is also vitally important. Soil is fundamental to life and the economy. Its overuse and misuse, particularly in the arid areas, lead to the loss of agricultural land and further desertification.
Conserving biodiversity in the rural areas also helps mitigate the adverse effects of climate change. At the same time biodiversity is a virtually inexhaustible storehouse for medical and industrial research.

**Safeguarding social services and technical infrastructure**

Expanding social services and technical infrastructure is crucial to the success of economic activities, the improvement of living conditions and thus the sustainability of rural areas. These must offer long-term prospects, particularly for young people, and investment incentives for business enterprises.

Providing electricity and a road to the next small town may in some cases be enough to decisively improve the quality of life in rural areas if these allow access to a health care unit and a school. Intact paths and roads facilitate the flow of goods to the final consumers in the city or other countries with as few losses as possible.

A sufficient quantity of healthy food is what millions of people in the rural areas need most. According to international law, the right to food is a basic human right. German development policy takes a human rights approach, declaring that all people have inalienable rights and that states are responsible for upholding them. Germany’s commitment no longer focuses primarily on the needs and concerns of affected groups but on their right to a decent life. The German Government
therefore views development policy as practical human rights policy. It also views the implementation of human rights as a key element of efforts to achieve a sustainable reduction in poverty and hunger.
Improving the political and legal framework

In many countries there is insufficient political will to make the human right to food and the development of rural areas a guiding principle of national policy. This step to good governance, however, is essential for food security. Functioning state institutions are of vital importance, and are key to the development process.

Equal opportunities for disadvantaged groups such as ethnic or religious minorities are fundamental, so that everybody can participate in development schemes and benefit from them. In rural areas women are responsible for feeding their families, and often their incomes are indispensable to the survival of their children. Women’s understanding of natural resource use is profound, especially with respect to climate change adaptation strategies and the conservation of agricultural biodiversity. It is therefore imperative to strengthen their role in society and to ensure that they have an equal say in rural development processes.

Sustainable rural development depends on secure access to water and land. The poor need sufficient land on which to produce food. This is not always the case and not always easy to achieve. In many cases land ownership is not clearly assigned by law, meaning that farming families can be evicted at any time. Water rights, too, are not always clear-cut. As a result individual large plantations or industrial enterprises can redirect rivers or tap into groundwater reservoirs without considering the human and environmental implications.
Without the ability to organise themselves, local populations are unable to take their fate into their own hands and represent their interests effectively. In many countries people have joined forces and formed farm labourers’ unions or small farmer collectives to enforce their rights to land and water vis-à-vis the state or private industry. Most are local organisations which work together at regional and national level to make their voices heard. Some farmers also form user organisations to ensure that water for the fields and livestock is fairly shared, or to better market their products. In this way farmers have become a major force behind rural development.
Rural development in practice

Partnerships for greater effectiveness: Multilateral initiatives

Global partnerships and coordination processes are vital to the consolidation of efforts to promote rural areas and ensure greater food security. Support activities must be coordinated, friction losses avoided and effectiveness optimised. As a founding member of an international group of donors for rural development, the Federal Ministry for Economic Cooperation and Development is involved in global efforts to improve the effectiveness of development assistance.

Food security was the focus of the 2009 G8 summit of the heads of state and government of the major industrialised nations in L’Aquila, Italy. The largest donors committed USD 22 billion between 2010 and 2012 to overcome the food crisis. At the World Food Summit in Rome which followed in November 2009, the international community re-affirmed its commitment and established a Global Partnership for Agriculture and Food Security.

Germany makes considerable financial contributions to multilateral organisations which address rural development and food security, such as the World Food Programme and the International Fund for Agricultural Development. Most of the available funding, however, flows into bilateral cooperation projects with various partner countries. These projects are supplemented by collaborations with the private sector, science and civil society organisations.
Rural development and food security in development cooperation

- Partner countries in which rural development, agriculture and food security are agreed priority areas.
- Further partner countries in which significant contributions are made to rural development, agriculture and food security within the framework of other agreed priority areas.

**Benin**  
**Bolivia**  
**Burkina Faso**  
**Cambodia**  
**DR Congo**  
**Ethiopia**  
**Ghana**  
**Kenya**  
**Laos**  
**Mali**  
**Mozambique**  
**Namibia**  
**Niger**  
**Afghanistan**  
**Egypt**  
**Bangladesh**  
**Brazil**  
**Chad**  
**Colombia**  
**Dominican Republic**  
**Ecuador**  
**Egypt**  
**Honduras**  
**India**  
**Indonesia**  
**Côte d’Ivoire**  
**Lesotho**  
**Madagascar**  
**Malawi**  
**Mauritania**  
**Mongolia**  
**Morocco**  
**Nepal**  
**Nicaragua**  
**Pakistan**  
**Peru**  
**Rwanda**  
**Senegal**  
**South Africa**  
**Tajikistan**  
**Tanzania**  
**Timor-Leste**  
**Uganda**  
**Viet Nam**  
**Yemen**  
**Zambia**
Success stories

German development cooperation supports partner countries in their efforts to improve the living conditions of their citizens. In countries where cooperation has been agreed, German experts covering a range of expertise in the field of rural development are highly valued partners.

Nairobi (Kenya)
Traditional vegetables back on the menu

Amaranth, spider plant, African nightshade and African eggplant are bestsellers on the vegetable shelves of Nairobi supermarkets. Farmers can hardly keep up with demand. Within only two years the sale of indigenous leafy vegetables in Kenya’s capital increased from virtually nil to more than 9,000 tonnes. The scientists at the World Vegetable Center (AVRDC) were behind the revival of the almost-forgotten plants. They discovered that traditional East African vegetables are a valuable source of important micronutrients. They are rich in beta-carotene and contain large amounts of vitamins C and E, folate, calcium, iron, zinc and antioxidants which protect against cancer. AVRDC scientists and local farmers tested the vegetable seeds in an effort to find the most productive varieties. The scientists also developed new cultivation methods. These findings combined made vegetable-growing much more productive than in the past. Courses were run to teach the women how to prepare the vegetables in order to make their nutrients more readily available to the body. This research was supported by German development cooperation.

Burkina Faso
Earth walls and water make floodplains fertile

Rice, ginger, lemon grass, peanuts, hibiscus for tea – given the right amount of water, crops grow well in the southwest of Burkina Faso. The floodplains are not widely used because in the wet season they are covered in water, which soon seeps away and is lost. Every second rice harvest withers. In Sibéra and some other villages, however, these problems are a thing of the past. With the backing of German development cooperation the village communities have constructed simple, low-maintenance water resource management facilities, mainly for rice cultivation. Earth walls divide the floodplains into about 50 plots of land which are connected by channels. The water level is controlled by sluice gates. Weirs or very small embankment dams are also constructed where practicable. The local villagers actively participate. Larger
works are taken on by local construction companies. No less than 28 floodplains have now been reclaimed in this way, making 650 hectares of land suitable for agriculture. About 1,500 families have benefited so far, and the construction measures also provide work and income. Guidance and training for farmers, contractors and traders also benefit the region, where more than half the population lives below the poverty line.

Kenya **Markets and opportunities**

Agriculture is the most important sector of the Kenyan economy. It is marked by small and medium-sized farms and processing companies. About three quarters of the population live in the rural regions and depend on these companies for employment. Farming and the agro-processing industry together generate about half of Kenya’s gross national product. This percentage could be higher if the farmers knew more about markets and opportunities. With German support, an analysis has been made of the value chains and the flows of goods and services for potatoes, mangoes, beef, poultry and fish. Improved production and marketing opportunities and guidance have brought substantial productivity increases, and production and transportation costs have been reduced. The promotion of rural service providers and private consortiums has increased efficiency and competitiveness. For instance, higher yields and better prices have enabled potato farmers to boost incomes by up to 400 per cent.

Azerbaijan **Microcredit for small farmers**

Farmers in Azerbaijan – even poor ones – no longer have difficulty in obtaining a loan for investment. With Germany’s support, the AccessBank launched its agro-loan product in 2007. It proved so successful that only a year later this new type of credit was named Azerbaijan’s ‘best new financial
More than 60,000 agricultural loans totalling EUR 100 million have now been granted to small farmers and their families, as well as small agricultural businesses. Women make up 17 per cent of all recipients; this is significantly higher than the national average. The farmers can use the credits to lease additional land, or to buy seeds or dairy cows. Alternatively they can become nationwide traders of agricultural products. Credit conditions are tailored to local needs, which is important because farmers’ incomes fluctuate strongly throughout the year. The microloans are giving fresh impetus to farming and sparking incentives in a country where over 40 per cent of families depend on agriculture, as producers, traders or service providers.

Afghanistan  Roses for Nangarhar

The mountainous highlands of Nangarhar in eastern Afghanistan are blooming – and the crop is not poppies, but roses. This area enjoys plenty of sunshine during the day followed by cool, fresh nights: the ideal climate for the production of essential oils. With German support, the rose blossoms are distilled to make organic rose essence, a luxury product which sells for about EUR 5,500 per litre on the international market. The farmers receive 60 per cent of the selling price of the oil, providing them with both a steady income and a viable alternative to cultivating drugs. Roughly 670 farming families are now growing roses instead of poppies, producing 37 litres of essence. There are plans to expand the area under cultivation, and within the next two years ownership of the oil distillery will be transferred to an Afghan company founded by former project staff.

Strategic alliance  ‘Cotton made in Africa’

Roughly 20 million people in sub-Saharan Africa live from cotton cultivation. Although the quality of cotton is high, small farmers have to cope with strongly fluctuating prices,
delayed payments and low productivity. Moreover, the misuse of agricultural chemicals often threatens their health. By offering supply agreements, the ‘Cotton made in Africa’ initiative launched by the Otto Group in 2005 guarantees cotton producers an income from the sale of their crop. The introduction of social and ecological standards of production protects farmers’ health, while improved cultivation techniques increase yields and reduce costs. The farmers are trained in good agricultural practices, enabling them to improve production through their own efforts and under sustainable conditions. The high-quality cotton produced in this way bears the ‘Cotton made in Africa’ seal of approval. About 140,000 farmers now benefit from the initiative. In addition to the Otto Group, other textile businesses, Deutsche Welthungerhilfe, WWF and African cotton producers are involved. The alliance is supported by German development cooperation.
Cambodia

Land reform secures smallholder livelihoods

The many years of civil war which finally ended in 1998 have left deep scars in Cambodia. After all the data in land and property registers were destroyed by the Khmer Rouge, four fifths of the population found themselves without legal title to the land they occupied and cultivated. Their traditional land-use rights are constantly being challenged by speculators and concessionaires. Claims from immigrants increase pressure on the population and add to the instability. This is a difficult situation because legal access to land is fundamental to the protection of human rights, particularly the right to food. The absence of land-use rights threatens the new era of political stability and stands in the way of the country’s economic development. With the support of German development cooperation the Cambodian Government is now establishing a comprehensive land reform system so that property can be administered fairly, transparently, efficiently and above all in a sustainable manner. Various land administration statutes have already been adopted, state institutions have received training and extrajudicial dispute resolution mechanisms have been introduced to mediate in land conflicts. To date 15 per cent of all plots of land have been registered to small farming families, and registration is continuing. The Cambodian Government has also begun to allocate state land to the landless and land-poor population. Several thousand hectares have so far been allocated – this is the first opportunity that many families have ever had to earn a living and feed themselves from their own land.