

Sida's Portfolio within Agriculture, Forestry, Fishery and Rural development 2012

Poverty and hunger are closely linked. It is estimated that 870 million people still suffer from hunger and starvation in the world. To eradicate extreme hunger and poverty is Millennium Development Goal no 1 and a high priority on both the international and Swedish development agenda.

This overview shows Sida's disbursements to the sector divided by subsectors and country/region in 2012.

Main areas of support

Sida's disbursements to agriculture, forestry, fishery and rural development amounted to 1.1 billion SEK¹ equivalent of around 6 % of Sida's total disbursements. Sida's disbursements are divided into the OECD DAC defined subsectors. The 28 subsectors that make up the agricultural portfolio are divided into four main areas.

- Agriculture
- Forestry
- Fishery
- Rural development

Agriculture remains the largest area with 70 % of disbursements, while rural development received 24 % and forestry 6 % respectively. Sida's support to fishery amounted to 3,6 million SEK (MSEK) equivalent to less than one %. Agricultural research is a big part of the portfolio equaling 24 % of disbursements of 267 MSEK.

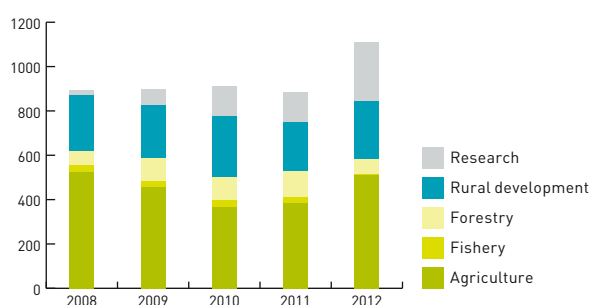
Sidas disbursements per main area

Chart 1 shows disbursements per main area, plus research shown in grey.

Total disbursements within the portfolio have increased due to the raise in research disbursements.

¹ For the second year the disbursements to agricultural research has been included in the portfolio overview. The sum disbursed not including research is 848 MSEK in 2012.

Chart 1: Disbursements per subsector 2008–2012 (MSEK)



Agriculture

The disbursements to agriculture amounted to 777 MSEK in 2012.

Sida's contributions to agriculture include support to technological development and agricultural extension services as well as policy and administration and research. It also includes supporting land policy reforms and land administration, processing and commercialization, training and livestock/veterinary services as well as efforts for mitigation and adaptation to climate change, links to resilience in agricultural systems and environmental issues. During 2012 there has been special focus on gender and the role of women in agriculture and Sida is aiming to mainstream gender in all its contributions and particular within the agriculture sector. Agriculture as part of sustaining Food Security has gained momentum and received a lot of attention during the year. Sida is one of the main contributors to the Food and Agricultural Organization of the United Nations (FAO) with the main objective to achieve food security for all.

Forestry

Sida's support to forestry focuses on sustainable forestry production and policy, administration, management and training. After having increased in recent years the support to forestry declined this year. In 2012 Sida disbursed 67.5 MSEK to forestry, 8 % of the portfolio compared to 13 % in 2011.

Sida is involved in several important processes on forestry including REDD (Reduced Emission from Deforestation and Forest Degradation), a global initiative to mitigate climate change through financial incentives for countries to decrease deforestation and degradation and to manage forests in a sustainable way. Well-functioning local forest governance systems is a prerequisite to benefit poor, forest

dependent groups. Forest Law Enforcement Governance and Trade (FLEGT) is another international process. Sida is exploring how to finance the process and has so far been part of policy discussions. Sida funded “Investing in Locally Controlled Forests” by The Forest Dialogue which links small holder enterprises with land use and market development.

Rural Development

Rural development activities aim to stimulate economic growth in rural areas through increased and diversified production and strengthened capacities and rights of local people through decentralization of power and resources. The support encompasses land administration and management, economic diversification within agriculture and forestry based ventures, social services and decentralization.

The FAO Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries and Forests (VGRGT) were negotiated and agreed upon in 2012. Sida aspires to build on the guidelines for further work with small holder farmers as entrepreneurs and their rights to natural resources and land.

Disbursements per geographical distribution 2012

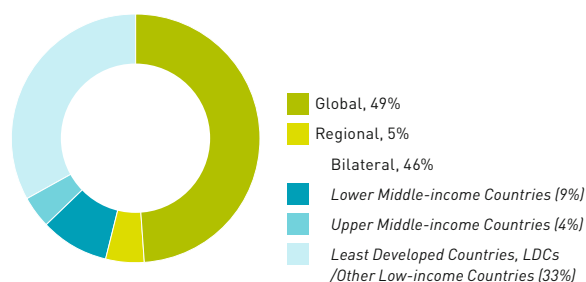
The largest share of the portfolio disbursements were allocated globally amounting to 545 MSEK equivalent of 49 %. The CGIAR (a global agricultural research partnership) receives the major part of the funding allocated to global research. The CGIAR includes 11 international research institutes. The Sida funding has mainly been non earmarked and there are research results in a variety of areas (crop production, animal husbandry, soil science etc.).

The second largest share was bilateral disbursements to Least Developed Countries (LDCs) and Other Low-income Countries to the sum of 363 MSEK equivalent to 33 % of total disbursements. Lower middle Income Countries received 103 MSEK (9 %). See chart 2. Most of the bilateral disbursements went to Sida’s Long-term Programme Cooperation Countries for example Mozambique and Tanzania.

Mainstreaming thematic priorities

Gender Equality, Environment and Climate Change and Democracy and Human Rights are three thematic priorities which are mainstreamed in Sida’s work. Sida uses policy markers to grade and statistically track these priorities. Out of the 2012 agriculture contributions 72% graded Environment and Climate Change as the significant objective and 25 % as principal. 81 % graded Gender Equality as significant objective. 37% graded Democracy and Human Rights as the significant objective and 18 % as principal respectively. It is our aim to continue to mainstream these priorities in the implementation and follow-up of the agricultural programs supported by Sida.

Chart 2: Disbursements per geographical distribution 2012 (%)



Highlights

TREE AID IN BURKINA FASO

The project “Decentralization for pro-poor forest governance in Burkina Faso” is implemented by the NGO TREE AID and funded by Sida with 13 million SEK during 2011-2014. The project provides support to local forest actors and strengthens the understanding for decentralization within the Ministry of Environment (MEDD).

Capacity is built amongst, communal, regional and national actors for decentralized forest management through pilot activities in 8 rural areas. Training is also given to village entrepreneurs linked to the community forest organizations. Results during the second year of implementation include 8 communal forest management strategies, 900 villagers (400 women) trained in planning, monitoring, conflict prevention, entrepreneurship etc. Village management committees for 15 forests, 13 by-laws for local forest management in place, 16 forest advisors employed in all 8 communes.

BANCO TERRA IN MOCAMBIQUE

In partnership with USAID, Sida closed a deal with Banco Terra in Mocambique in order to increase the bank loans to the agricultural and tourist sector. Sida Banco Terra accepts 50 % of the risk and Sida/USAID splits the remaining 50 %. This guarantee enables loans to poor people with insufficient collateral in two important sectors that creates jobs and increased growth. The agricultural loans are aimed to middle range companies, factory farms and others in the agricultural value chain. The loans to the tourist sector have to be connected to the agricultural production.

This guarantee from Sida and USAID doubled the credit volume from 4.2 to 9.5 MUSD. The loans have been fully used during 2012-13 even though several years remain on the utilization time, which shows the need for credit in the agricultural sector.