

WRITTEN EVIDENCE SUBMITTED TO
THE INTERNATIONAL DEVELOPMENT COMMITTEE:
INQUIRY ON EXTREME POVERTY AND THE SUSTAINABLE DEVELOPMENT
GOALS

BY THE CATHOLIC AGENCY FOR OVERSEAS DEVELOPMENT (CAFOD)

FEBRUARY 2022

About CAFOD

1. CAFOD is the official aid agency for the Catholic Church in England and Wales; part of the global Caritas confederation of national organisations, each governed by their national Bishop's conference and linked to national Catholic commissions on health, education, and peace/justice issues. CAFOD partners with diverse local NGOs, including both faith-based groups and others working on human rights and other issues regardless of religion or culture.

Harnessing the potential of agriculture to tackle extreme poverty

1. The use of ODA for tackling extreme poverty has been in decline over recent years. To illustrate this our submission focusses specifically on ODA spend in agriculture. Our research, *Harnessing the potential of agriculture for people and nature: The role of UK aid*, shows that UK spending on agriculture programmes is not commensurate with the potential of agriculture to alleviate poverty in local communities, as well as protect against biodiversity loss and climate change.¹ It therefore needs to change.
2. To outline how ODA spending on agriculture can be better targeted to tackle extreme poverty, CAFOD will answer two questions from the inquiry, which are "*How well is UK Official Development Assistance (ODA) targeted towards tackling extreme poverty and how effectively do the FCDO policies and programmes contribute to the achievement of Target 1.1 of SDG 1?*" and "*How the FCDO can play a more effective part in the eradication of poverty as a convener, thought leader and investor.*"
3. 80 percent of people living in extreme poverty live in rural areas, and the vast majority of these depend on agriculture for their livelihoods². Agroecological practices are well documented in tackling extreme poverty. For example, through its bottom-up approach and principles, agroecology can help small-holder farmers to improve their food production and livestock productivity, ability to organise locally with other farmers to sell their produce, increase their monthly income and access to land.^{3 4}

¹ CAFOD and RSPB (2021). *Harnessing the potential of agriculture for people and nature: the role of UK aid*. Available at: [CAFOD-RSPB_POLICY-BRIEF_AGRICULTURE-FOR-PEOPLE-AND-NATURE_MAY2021.pdf](https://www.cafod.org.uk/media/1000/CAFOD-RSPB_POLICY-BRIEF_AGRICULTURE-FOR-PEOPLE-AND-NATURE_MAY2021.pdf)

² IFAD Webpage. Available at: [Why rural people \(ifad.org\)](https://www.ifad.org/en/why-rural-people)

³ Oakland Institute and AFSA (n.d.) *Ecologically based rural development in Mali*. Available at: [Rural_Development_Mali.pdf \(oaklandinstitute.org\)](https://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/Rural_Development_Mali.pdf)

⁴ Oakland Institute and AFSA (n.d.). *Rural Women's Associations and sustainable agriculture in Casamance*. Available at:

https://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/Women_Association_Senegal.pdf

4. Yet according to our research, in 2019 total reported UK ODA spend on agriculture, forestry and fisheries through all channels was £642.2m, or just 4.2% of total aid spend.⁵ Within that spend, there are two significant challenges. Firstly, there are limited assessment criteria to check whether these programmes have been effective in tackling poverty or making progress on other social and environmental issues. Secondly, much of the spend is focused on commercial agriculture, which has not improved the livelihoods of the poorest communities and has often harmed the environment. Within the UK's climate finance funding streams, all of which count as ODA, there has been very little directed towards the kind of agroecological approaches that will both tackle poverty and help communities adapt to climate change.
5. Furthermore, the UK Government has committed to *Agenda 2030: Delivering the Global Goals*, which includes the need to transition to sustainable agriculture to fight extreme poverty.⁶ SDG indicator 2.a.2 asks countries to measure total official flows, including ODA to the agricultural sector. The small fraction of ODA flows to agriculture in the global South indicates that the UK has failed to recognise the role that agriculture has in tackling extreme poverty and more widely in meeting Agenda 2030.
6. The low level of investment in agriculture through UK aid also does not match the Glasgow Leaders' Declaration (GLD) commitments driven by the UK at COP26.⁷ Through the GLD, the UK signed up to ambitious commitments to support local communities and Indigenous peoples, redesign agricultural policies and programmes where necessary, and significantly increase ODA commitments to incentivise sustainable agriculture (Commitments 3, 4 and 5). However, the quality and quantity of UK aid spending analysed in our research shows that the UK's recent commitments are far from the reality of its international support for agriculture.
7. To ensure the UK Government harnesses its ODA spend to realise the potential of agriculture to tackle extreme poverty, CAFOD calls on the Government to adopt the following recommendations:

Create a new strategic vision for agriculture and land

8. **Recommendation 1:** To make the most of the transformative potential of agriculture, the UK Government must create a new strategic vision for agriculture and land use to harness its potential to alleviate poverty, supporting livelihoods and rights, tackling climate change, and protecting and restoring nature. The strategic vision must be adopted across government departments, ensuring coherence across climate, trade, aid and environment policies. As a foundation, agriculture must be a key pillar of the forthcoming International Development Strategy.

⁵ CAFOD and RSPB (2021). op cit.

⁶ DFID (2017). *Agenda 2030: The UK Government's approach to delivering the Global Goals for Sustainable Development – at home and around the world*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/603500/Agenda-2030-Report4.pdf

⁷ Glasgow Leaders' Declaration on Forest and Land Use (2021). Available at: <https://ukcop26.org/glasgow-leaders-declaration-on-forests-and-land-use/>

9. **Recommendation 2:** The UK should develop a new approach to agriculture and land use with a clear assessment criterion on poverty, nature and climate change, and apply this to all relevant ODA expenditure and International Climate Finance (ICF). The new ICF strategy - including the £3bn climate finance earmarked for nature - needs to be explicit on the role agriculture will play to support communities to tackle poverty, protect the environment and adapt to climate change.

Review and improve existing financial support for agriculture and land use

10. **Recommendation 3:** The UK should review all existing public support for agriculture and stop any programmes that cannot show how they tackle extreme poverty and that are not in line with the UK's global commitments on the environment and climate change. The FCDO should instruct CDC to ensure its agricultural investments contribute to reducing extreme poverty and protecting biodiversity.
11. **Recommendation 4:** The UK Government should provide financial support to the Global Agriculture and Food Security Program (GAFSP) in its second replenishment process because the GAFSP is one of the best available global agricultural funds able to tackle extreme poverty.

Place agriculture at the top of the UK's COP Presidency agenda

12. **Recommendation 5:** The UK as COP26 President should support civil society calls to have a multi-stakeholder stream of work leading to a specific food day at COP27, where farmers, Indigenous peoples and local communities and wider civil society, as well as governments, business and international institutions will make policy and financial commitments to reform the global food system.
13. **Recommendation 6:** Building on the South African Just Energy Transition partnership at COP 26, the UK should seek to support Agroecology Transition Partnerships between specific countries and donors to be announced at COP27.
14. **Recommendation 7:** The UK Government should use its position on the Board of the World Bank and its COP26 Presidency to push for the World Bank and other Multilateral Development Banks to review and reform their development policy lending for agriculture to have a clearer poverty focus – and to announce this ahead of COP27.

Create a new strategic vision for agriculture and land

15. UK aid is governed by the International Development Act (2002) and subsequent Acts. The 2002 Act specifies that UK aid should have the sustainable development of low-income countries and the reduction of poverty as its principal objective. Within this framework, UK aid policy from 2015-2019 was governed by the UK Aid Strategy released in November 2015. However, the Strategy made no direct reference to, and set no objectives specifically in relation to, agriculture and land use, despite there

being overwhelming evidence that investment in agriculture is highly effective in reducing extreme poverty.

16. Investing in small-scale agriculture has a high impact on reducing extreme poverty⁸. Small-scale farms are highly efficient, producing 31% of global food production on 11% of the land⁹. They also usually produce a wider diversity of crops than larger (bigger than 2 hectares) farms, contributing both to environmental and nutritional diversity.
17. However, our research found that current ODA spend is not commensurate with agriculture's potential contribution to reducing poverty, with two thirds (65 percent) of poor working adults making a living through agriculture, but agriculture accounting for only 4% of UK Aid spend. We found that ODA spending on agriculture projects in 2019 was £642.2m. This compares to £632m in 2011/12¹⁰, indicating that ODA spending on agriculture has remained stagnant for 10 years, despite evidence of the effectiveness of investing in the agriculture sector.
18. The UK's strategy for agriculture ODA is outdated, and a review is urgently needed. There has been no new policy on agriculture since 2005, and no new strategy development since DFID's 2015 Conceptual Framework on Agriculture. The framework highlighted agricultural growth through bringing small-scale farmers into commercial value chains and paid limited attention to the needs of poorer farmers.
19. Additionally, the 2015 Conceptual Framework on Agriculture paid little attention to the impacts of climate change. It is now well understood that people living in extreme poverty are disproportionately vulnerable to, and affected by, the impacts of climate change. The Conceptual Framework provides limited strategic guidance on the interactions between agricultural production and climate change and is therefore no longer fit for purpose.
20. In this context, ICAI's plan to review ODA on agriculture is welcome¹¹, as is the FCDO's intention to produce an International Development Strategy (IDS). However, FCDO's call for evidence for the IDS highlighted the desire for ODA to contribute to supporting the UK's "long-term national security and prosperity." There is a danger that expecting ODA to deliver benefits for the UK and its economic interests will shift attention from a focus on eradicating extreme poverty. To counter this possibility, we call for poverty alleviation to be at the heart of ODA. With regards to agriculture, there must be a cross-departmental strategic vision, ensuring coherence across climate, trade, aid and environment policies, including a consideration of their impact on policy options for lower-income countries. The International Development Strategy should include agriculture as a key sector for driving poverty reduction.

⁸ Dorosh, P. and Thurlow, J. (2018). Beyond agriculture *versus* non-agriculture: decomposing sectoral growth-poverty linkages in five African countries. *World Development*. 2018 vol. 109. Available at: [Beyond Agriculture Versus Non-Agriculture: Decomposing Sectoral Growth–Poverty Linkages in Five African Countries - ScienceDirect](#)

⁹ IFAD (2021). *Transforming food systems for rural prosperity*. Available at: [db972b3c-4e3f-b00a-c169-2bdaf1fc2236 \(ifad.org\)](#)

¹⁰ DFID (2015) *DFID's Conceptual Framework on Agriculture*. Available at: [DFID Conceptual Framework on Agriculture \(30 Oct\) \(publishing.service.gov.uk\)](#)

¹¹ ICAI (2021). *Future work plan*. Available at: <https://icai.independent.gov.uk/reviews/future-work-plan/>

21. For instance, research has shown that agricultural growth focused on large-scale commercial agriculture, including for export, has a smaller impact on poverty reduction than small-scale farming for local and national markets¹². UK government trade policies should take this into account, and ensure that future trade agreements support sustainable livelihoods for small-scale farmers, not undermine them. In the same light, as UK develops environmental policies for its own farm sector, policy on agricultural inputs, such as pesticides, should be consistent across the UK and internationally, to ensure that the environmental impact of UK food consumption is not exported.
22. Similarly, the UK must ensure that its work on climate is aligned with its development priorities, is pro-poor and supports sustainable agriculture – sustainable for livelihoods, diverse diets and building resilient communities as well as reducing GHG emissions.
23. Our research shows that current approaches to agriculture lacked clear criteria and focus. In our analysis, we identified all UK bilateral aid programmes reporting £2 million of spend on agriculture in 2019. We assessed programme objectives and indicators of these programmes against our propositional framework of six social and six environmental criteria. The results show only 32% of programmes had any nature and climate indicators, and only 16-20% had strong social indicators.
24. Our research also shows the positive impact that agriculture makes to climate change, suggesting that UK aid to agriculture in 2020 was potentially responsible for the majority of estimated reduction in greenhouse gas emissions achieved through the UK aid programme¹³. Mitigating climate change and transitioning towards sustainable agriculture are intrinsically linked to tackling extreme poverty.
25. The UK government has ringfenced £3bn of the ICF budget to nature-related spend for the period 2021-2026¹⁴, and our research found that bilateral spend is the predominant form of UK ICF. So as the UK Government is developing its new ICF strategy, it must acknowledge the role that sustainable agriculture has to play in protecting nature, tackling poverty and climate change.
26. This needs to be done through agroecological approaches that focus on diversifying crops, reintroducing indigenous species where these have been lost, reforesting and restoring land and marine areas. Agroecological approaches not only help communities adapt through greater dietary diversity, greater crop diversity and therefore greater resilience to climate change, but they increase genetic diversity,

¹² Mellor, J. and Malik, S. (2017). The impact of growth in small commercial farm productivity on rural poverty reduction. *World Development*. 2017 vol. 91. Available at: [The Impact of Growth in Small Commercial Farm Productivity on Rural Poverty Reduction - ScienceDirect](#)

¹³UK Government (2020). *2020 UK Climate Finance Results*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/911393/ICF-Results-Publication-2020.pdf

¹⁴ Prime Minister's Office (2021). *Press release*. Available at: [Prime Minister commits £3bn UK climate finance to supporting nature - GOV.UK \(www.gov.uk\)](#)

can increase carbon capture, and provide viable livelihood strategies.¹⁵ This is in stark contrast to some of the more negative impacts of industrial agriculture (i.e. agriculture reliant on high levels of external inputs), which reduce biological diversity and have much higher greenhouse gas emissions; and is also a risky agricultural model for the poorest farmers, because of the financial burden of paying for fertilisers and pesticides.

27. Recommendation 1: To make the most of the transformative potential of agriculture, the UK Government must create a new strategic vision for agriculture and land use to harness its potential to alleviate poverty, supporting livelihoods and rights, tackling climate change, and protecting and restoring nature. The strategic vision must be adopted across government departments, ensuring coherence across climate, trade, aid and environment policies. As a foundation, agriculture must be key pillar of the forthcoming International Development Strategy.

28. Recommendation 2: The UK should develop a new approach to agriculture and land use with a clear assessment criterion on poverty, nature and climate change, and apply this to all relevant ODA expenditure and International Climate Finance (ICF). The new ICF strategy - including the £3bn climate finance earmarked for nature - needs to be explicit on the role agriculture will play to support communities to tackle poverty, protect the environment and adapt to climate change.

Review and improve existing financial support for agriculture and land use

29. CAFOD's research has found that the single largest source of UK aid support for agriculture is the CDC Group (now referred to as British International Investment), whose investments often do not prioritise tackling poverty.¹⁶ Bodies such as the International Development Committee (IDC)¹⁷, the Independent Commission for Aid Impact (ICAI)^{18,19}, the Public Accounts Committee²⁰ and the National Audit Office

¹⁵ Pimbert, M. and Moeller, N. (2018). Absent agroecology aid: on UK agricultural development assistance since 2010. *Sustainability*. 2018, 10 (2). Available at: [Sustainability | Free Full-Text | Absent Agroecology Aid: On UK Agricultural Development Assistance Since 2010 \(mdpi.com\)](https://www.mdpi.com/2076-3439/10/2/281)

¹⁶ CAFOD (2020). *CDC Energy Support Overseas*. Available at: <https://cafod.org.uk/About-us/Policy-and-research/Climate-change-and-energy/Sustainable-energy/CDC-support-energy-overseas>

¹⁷ International Development Committee (2021). Available at: <https://committees.parliament.uk/committee/98/international-development-committee/news/141631/foreign-and-development-secretary-writes-to-idc-following-recent-evidence-session/>

¹⁸ ICAI (2019). *Review of CDC's investments in low-income and fragile states*. Available at: <https://icai.independent.gov.uk/review/cdc/>

¹⁹ ICAI (2020). *Performance review: CDC's investments in low-income and fragile states*. Available at: <https://icai.independent.gov.uk/html-version/cdc/>

²⁰ House of Commons Committee of Public Accounts (2017). *Department for International Development: investing through CDC*. Available at: <https://publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/956/956.pdf>

(NAO)²¹ have previously referenced the CDC's lack of poverty focus and difficulty of showing development impact.

30. The FCDO must examine its current financial support for the CDC. Our research has shown that FCDO's investment in agriculture does not always contribute to poverty alleviation and can have a negative impact on the environment. For example, between 2013-2019 UK aid-funded institutions invested at least £126m of UK aid (mainly CDC, also via PIDG and the IFC) in chemical fertiliser production at the Indorama petrochemicals and plastics plant in Nigeria²², which is run on fossil gas (in comparison total reported bilateral UK aid to Nigeria for agriculture and rural development during that period was £26.2m, or a fifth of the amount invested in chemical fertilisers²³). The government justified this investment as it helped Nigeria become a net exporter of fertiliser²⁴ but our research showed the majority has been exported to Brazil²⁵ for likely use in industrial agriculture²⁶ which has negative impacts for local people and biodiversity.
31. As its sole shareholder, the FCDO can improve CDC's investments in agriculture to increase the likelihood they will contribute to reducing extreme poverty. Currently the various policy frameworks CDC uses to guide its investments, in particular the Code of Responsible Investing, are not fit for purpose. The frameworks need a thorough review to ensure that they are in line with the UK's global commitments, so that one part of UK aid does not undermine the UK's diplomatic and development efforts in another part.
32. For example, activities excluded from CDC investment (schedule 6, p11, Code of Responsible Investing) only refer to "any product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed phase-outs or bans as defined in global conventions and agreements", including hazardous pesticides or unsustainable fishing methods.
33. Pesticides that are dangerous to human health and the environment, such as glyphosate, which are subject to increasing bans across the world, including in the EU and UK over coming years, would still be permitted under CDC's code. The FCDO must ensure that UK aid does not cause harm to people and to the environment in other countries.
34. Yet, there are existing initiatives, such as the Global Agriculture and Food Security Program (GAFSP) which CAFOD research has found to be effective in tackling poverty by investing in sustainable agriculture. The GAFSP provides financial support

²¹ National Audit Office (2016). *Department for International Development: Investing through CDC*. Available at: <https://www.nao.org.uk/wp-content/uploads/2016/11/Department-for-International-Development-through-CDC.pdf>

²² CDC website. Available at: [Indorama Eleme Fertilizer & Chemicals Limited - CDC Group](#)

²³ RSPB (2019) *Assessing UK Aid for agriculture and land use*. Available at: [supporting-analysis-harnessing-the-potential-of-agriculture-for-people-and-nature-the-role-of-uk-aid.pdf \(rspb.org.uk\)](#)

²⁴ Hansard HC Debate, 19 July 2021. Available at: [Written questions and answers - Written questions, answers and statements - UK Parliament](#)

²⁵ RSPB (2019) op cit.

²⁶ Indorama press release (2021). Available at: [Indorama purchases 100% Shares in brazilian fertilizer distributor ADUFÉRTIL FERTILIZANTES LTDA](#)

to low-income countries to invest in sustainable agriculture and food security. The majority of GAFSP projects operate in countries with the highest poverty rates.²⁷

35. As growth in the agriculture sector is two to four times more effective than other sectors in raising incomes among the poorest,²⁸ our research has found that GAFSP has been an effective multilateral fund that directly addresses extreme poverty.
36. The investments focus specifically on smallholder farmers and those often left behind in development programming, with particular emphasis on women and girls' empowerment. It is now raising its ambition on climate, increasing its potential to contribute to national and global climate commitments.
37. The GAFSP is also one of the few instruments providing grants to low-income countries as multilateral ODA, as agricultural development tends to be loan-based. The UK is one of the founding and leading donors of the GAFSP. It has contributed US\$ 250.1 million to the Programme since its inception and the FCDO has held a seat as co-chair since 2017. CAFOD believes the UK Government needs to provide additional financial commitments to GAFSP.
 - a. **Recommendation 3:** The UK should review all existing public support for agriculture and stop any programmes that cannot show how they tackle extreme poverty and that are not in line with the UK's global commitments on the environment and climate change. The FCDO should instruct CDC to ensure its agricultural investments contribute to reducing extreme poverty and protecting biodiversity.
 - b. **Recommendation 4:** The UK Government should provide financial support to the Global Agriculture and Food Security Program (GAFSP) in its second replenishment process because the GAFSP is one of the best available global agricultural funds able to tackle extreme poverty.

Place agriculture at the top of the UK's COP Presidency's agenda

38. At COP26, the UK signed up to ambitious commitments on agriculture and food through the Glasgow Leaders Declaration (GLD) on Forests and Land Use²⁹. As an initiator and signatory country of the GLD, the UK has committed to support local communities and Indigenous peoples, redesign agricultural policies and programmes, and significantly increase ODA commitments to incentivise sustainable agriculture (Commitments 3, 4 and 5). As the UK continues its COP Presidency in 2022, it must make good on its own commitments and ensure that global processes and moments such as the G7, the Convention on Biological Diversity's COP15 and COP27 continue to deliver on reforming the food system.
39. The UK should therefore work closely with the Egyptian Presidency to ensure that COP27 is a Food COP that highlights the interconnectedness of tackling issues

²⁷ GAFSP website. Available at: <https://www.gafspfund.org/>

²⁸ World Bank agriculture and food overview (2021). Available at: [Agriculture Overview: Development news, research, data | World Bank](#)

²⁹ Glasgow Leaders' Declaration on Forest and Land Use (2021). op cit.

concerning climate, food and agriculture, and that it is also truly an African COP that prioritises the voices of African farmers and civil society. One way to do this is through a dedicated multi-stakeholder stream of work that will lead to a “Food Day” at COP27 where farmers, Indigenous peoples and local communities and wider civil society, as well as governments, business and international institutions will make policy and financial commitments to reform the global food system.

40. In the same way that the South African Just Energy Transition partnership was a political declaration from the governments of South Africa, France, Germany, the United Kingdom and the United States of America, along with the European Union, to help accelerate South Africa’s decarbonisation transition away from coal,³⁰ the UK should use its COP Presidency to encourage and broker Agroecological Transition Partnerships to be announced at COP27 between countries in the global south and donor institutions and governments. This will be one way of supporting existing commitments to reform harmful agricultural subsidies.
41. Furthermore, if the UK Government is to ensure that all UK aid directed towards agriculture has a transformative impact in tackling extreme poverty, it needs to ensure that this is the case for its multilateral spend as well as its bilateral spend. The World Bank is a leader in public development finance, not only due to the amounts of money that it channels through grants and loans, but also in the policy environment which it encourages through its Development Policy Lending (DPL). The DLP has come under scrutiny³¹ for imposing conditions on many low-income countries that encourage policies that are primarily focused on economic growth and have had detrimental impacts on tackling poverty, on the environmental and on climate change.
42. The UK has a seat on the World Bank board and should encourage a thorough review of all World Bank policy lending, to ensure it is focused on tackling extreme poverty, with a particular focus on agriculture ahead of COP27.
 - a. **Recommendation 5:** The UK as COP26 President should support civil society calls to have a multi-stakeholder stream of work leading to a specific food day at COP27, where farmers, indigenous peoples and local communities and wider civil society, as well as governments, business and international institutions will make policy and financial commitments to reform the global food system.
 - b. **Recommendation 6:** Building on the South African Just Energy Transition partnership at COP 26, the UK should seek to support Agroecology Transition Partnerships between specific countries and donors to be announced at COP27.
 - c. **Recommendation 7:** The UK Government should use its position on the Board of the World Bank and its COP26 Presidency to push for the World Bank and other Multilateral Development Banks to review and reform their development

³⁰ Prime Minister’s Office (2021). *Joint Statement: International Just Energy Transition Partnership*. Available at: <https://www.gov.uk/government/news/joint-statement-international-just-energy-transition-partnership>

³¹ Witt, F., Prasetyo, A. and Moulvi, Z. (2021) *World Bank’s Development Policy Finance 2015 - 2021*. Available at: [World-Bank’s-Development-Policy-Finance-2015-to-2021-Stuck-in-a-carbon-intensive-rut_final.pdf \(re-course.org\)](https://www.worldbank.org/~/media/World-Bank/s-Development-Policy-Finance-2015-to-2021-Stuck-in-a-carbon-intensive-rut_final.pdf)

policy lending for agriculture to have a clearer poverty focus – and to announce this ahead of COP27.