

Joint Standing Committee on Foreign Affairs, Defence and Trade
Foreign Affairs and Aid Sub-Committee

The role of development partnerships in agriculture and agribusiness

22 February 2016

QUESTIONS ON NOTICE/IN WRITING

Question No 1

Program: DFAT

Topic: Agricultural development programs in South Asia

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Senator Singh

Question

I am interested to know whether DFAT is actually focusing on South Asia when we are talking about agriculture and agribusiness... if you could take on notice to provide the committee with some of those specific programs in South Asia, that would be great.

Answer

In South Asia, DFAT funds several initiatives in support of agriculture and agribusiness development:

- Under the regional South Asia Sustainable Development Investment Portfolio, DFAT is supporting ACIAR's Sustainable and Resilient Farming Systems Intensification (SRFSI) initiative.
- The multi-country Market Development Facility now operates in both Pakistan and Sri Lanka, and includes a focus on agricultural market development.
- In Pakistan, relevant bilateral initiatives include the Australia Balochistan Agribusiness Project, in partnership with the Food and Agriculture Organisation (FAO), and the new Agriculture Value Chain Collaborative Research Program, to be implemented through ACIAR. Projects with the Sarhad Rural Support Program focus specifically on empowering women entrepreneurs. DFAT also contributes to a World Bank partnership on nutrition and supports World Food Program efforts relating to food fortification.
- In Sri Lanka, agriculture and food security has been a significant focus of the Australian Community Rehabilitation Program.

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- In Afghanistan, the Community Resilience Scheme addresses livelihood challenges while the ACIAR Afghanistan Agricultural Research Portfolio is helping improve staple crop and livestock productivity and water management.
- The Global Agriculture and Food Security Program is supporting the development of agriculture and agribusiness in low income countries including Nepal, Bangladesh and Bhutan.
- Australia's scholarships and volunteer programs support development of priority sectors in our partner countries, including those in South Asia.

Further details on these programs are provided in Attachment A.

Attachment A: DFAT agriculture-sector aid investments in South Asia

REGIONAL South Asia
Sustainable Development Investment Portfolio (\$49.4 million, 2012-2016; new phase under design)
<p>The Sustainable Development Investment Portfolio (SDIP) seeks to improve transboundary water resource management, increase access to energy and energy connectivity, and improve agricultural productivity and farm incomes. For the agriculture component, DFAT funds ACIAR to implement the Sustainable and Resilient Farming Systems Intensification (SRFSI) initiative. SRFSI enables farmers in the Eastern Gangetic Plains (north-eastern India, north-western Bangladesh and Nepal) to adopt productivity-enhancing and climate-resilient technologies. This is achieved by testing a range of innovations in the field including conservation agriculture systems and ways to improve water use efficiency. The project is also strengthening farmers' ability to adapt and link to markets and support services. In Phase 1 of the project it targeted 10,000 farmers in eight districts: two in north-west Bangladesh, two in the eastern Terai of Nepal, and two each in the Indian states of Bihar and West Bengal.</p> <p>SRFSI is developing and engaging the private sector in the trial and scale-out of innovative technologies across the target region, where markets are poorly developed and private sector investment is lacking. SRFSI is assisting existing businesses by: developing new business models; adapting technologies and services for local conditions; charging customers for service; building customer capacity; and offering a variety of services. The project is also encouraging local entrepreneurs and small businesses in rural areas to provide new goods and services, by: undertaking value chain analysis to identify bottlenecks; providing training in new technologies; and organising farmer groups to aggregate supply and demand. The innovations introduced as part of SRFSI that are shown to be most effective will be replicated at scale by engaging with all key stakeholders including NGOs, farmer groups, private sector players and public institutions.</p>
Australia Awards South and West Asia (\$28.9 million, 2015-2020)
<p>This Australia Awards program incorporates management of scholarships for Bangladesh, Bhutan, India, Nepal, Maldives, Pakistan, Sri Lanka and Afghanistan. Scholarships programs contribute to long term development by providing opportunities for men and women to improve their technical and leadership capacity through full time study or short course training in Australia. Designated sectors in each country align with Australia's bilateral aid program and Governments' human resource needs. In Pakistan, for example, designated sectors cover topics such as agriculture, rural development, agri-business, entrepreneurship and nutrition.</p>
MULTI-COUNTRY (including Pakistan, Sri Lanka)
Market Development Facility (\$48 million, 2011-2017)
<p>The Market Development Facility (MDF) is focused on reducing poverty by stimulating economic growth. It works through partnerships with the private and public sector to identify and develop new products and services or new ways of doing business, which provide increased income and employment opportunities for poorer populations. MDF shares the risk of investment to turn local opportunities into realities. The facility is a six-year multi-country program to increase employment and incomes for poor women and men in Fiji, Timor-Leste, Pakistan, and more recently, Sri Lanka and Papua New Guinea. Partnerships with businesses span carefully selected sectors with high growth potential. In Pakistan, these include Dairy and Meat, Leather, and Horticulture. MDF commenced in Sri Lanka in late 2015; its first partnership (signed Feb 2016) aims to improve the supply chain and access for giant fresh water prawns for export markets.</p>

Attachment A: DFAT agriculture-sector aid investments in South Asia

COUNTRY-SPECIFIC (Pakistan)
Australian Assistance to Agriculture Development in Balochistan Border Areas (AusABBA), Pakistan (12.9 million, 2011-2016)
<p>AusABBA, implemented by the Food and Agriculture Organisation, aims to reduce poverty and economic inequities for 175,000 people from Pakistan's western border districts (Balochistan) by working with marginal and small-scale producers, as well as food processors, traders and exporters.</p> <p>Notable results to date include:</p> <ul style="list-style-type: none"> • Improved market linkages for onions and dates increased their value by up to 30 per cent. • Improved seed and plant distribution led to an increase of up to 40 per cent in the value per hectare of wheat, melon, cotton, alfalfa and grapes. • Improved feeding and health management of sheep and mechanised shearing led to an increase of up to six times in the value of wool. • Homestead vegetable gardening helped women save \$80 annually on vegetables and provided them with additional annual income of \$130.
Agriculture Value Chain Collaborative Research Program: (\$9m 2016-2020 - just commenced)
<p>AVCCR, to be implemented through ACIAR, seeks to improve agricultural productivity and enhance livelihoods by linking Australian and Pakistani expertise to smallholder farmers, particularly in goat meat, pulses, dairy and beef industries. Value chain assessments under AVCCR will include a strong focus on potential for pro-poor development outcomes. AVCCR will build on the long-running Agriculture Sector Linkages Program, also implemented by ACIAR.</p>
Women's Economic Development and Market Development Project; and Empowering Women Entrepreneurs in Crisis and Disaster Affected Areas of Pakistan (Total \$5.6m, 2015-2018)
<p>These projects, implemented through the Sarhad Rural Support Program, aim to increase employment opportunities, market access and incomes for poor and marginalised groups, particularly women by developing skills suitable to the local job market, and improving access to value chains and markets. Women will also be enabled to access finance to start or grow small businesses. Training will improve literacy and functional skills, and women will be encouraged to build leadership opportunities and voice through community based business groups.</p>
World Bank Multi Donor Trust Fund (MDTF) -Pakistan Partnership for Nutrition (\$41m, 2013-2017, including \$1m to World Food Program)
<p>The goal of the MDTF is to contribute to a reduction in malnutrition during the first thousand days of life with a particular focus on women, girls and the poorest. The MDTF is part of a broader effort to ensure national coverage of nutritional interventions at scale. As the founding donor to the MDTF, Australia focuses on the border provinces of Balochistan and KP. MDTF allows scale up of 'direct nutrition interventions' known to reduce under nutrition in mothers and children and building the capacity of provincial governments and their partners to deliver nutrition-related services.</p> <p>\$1 million of Australia's commitment is managed by the World Food Program (WFP) to support the Government of Pakistan's National Fortification Alliance and four Provincial Fortification Alliances, to strengthen the enabling environment for food fortification in Pakistan.</p>
COUNTRY-SPECIFIC (Sri Lanka)
Australian Community Rehabilitation Program, Phase 3 (ACRP3) (\$45 million, 2009-2016)
<p>ACRP3 works through community based organisations and local government agencies in war-affected and lagging areas of Sri Lanka. It addresses the constraints to livelihood and economic development at the community level while systematically tackling the causes of conflicts and strengthening governance and State service provision. Areas of focus have included developing value chains for agricultural commodities such as papaya, rice, spices and peanuts.</p>

Attachment A: DFAT agriculture-sector aid investments in South Asia

COUNTRY-SPECIFIC (Afghanistan)
Australia Afghanistan Community Resilience Scheme (AACRS) (\$25.4 million, 2011-2017)
<p>AACRS is a collaboration between DFAT, the Afghanistan Government and five international NGOs aimed at improving the resilience of rural Afghan communities by promoting innovative solutions to livelihood challenges. The AACRS focuses on helping the most vulnerable, particularly women, access economic opportunities. NGO-led interventions include farmer training and provision of improved technologies; establishing links to markets and supporting private sector growth; building the capacity of local civil society organisations; and rehabilitating irrigation infrastructure.</p>
ACIAR Afghanistan Agricultural Research Portfolio (\$ 17.7 million, 2012-2017)
<p>DFAT funding under this initiative supports ACIAR's work on three adaptive agricultural research projects aimed at improving and sustaining the productivity of targeted Afghan farming systems in water scarce environments. The first project, led by the International Maize and Wheat Improvement Centre (CIMMYT), is improving the quality and availability of improved wheat and maize varieties adapted to both irrigated and rain fed farming systems. The second project, implemented by the International Centre for Agricultural Research in the Dry Areas (ICARDA), is investigating forage options for smallholder livestock with a view to increasing the availability of supplementary feed and fodder resources adapted for low water-use environments. ICARDA also leads on the third project, which aims to improve the availability and efficient use of water resources through integrated watershed development and capacity building.</p>
GLOBAL programs with activities in South Asia
Global Agriculture and Food Security Program (GAFSP) (\$107.9 million, 2010-2018)
<p>GAFSP is a multi-donor, World Bank-managed program initiated by the G8 and G20 to boost investment in agriculture and food security. Its Public Sector Window provides grants to low-income countries to assist them to implement national strategies to raise agricultural productivity, link farmers to markets, improve rural livelihoods, and reduce risk and vulnerability. The Private Sector Window provides finance to stimulate additional agribusiness and rural finance activity in low-income countries. Australia initially contributed \$100 million to the public sector window, followed in 2015 by \$7.9 million for private sector operations in the Indo-Pacific region.</p> <p><u>Public sector window</u> projects in South Asia include:</p> <ul style="list-style-type: none"> • <u>Nepal</u>: \$46.5 million (2013-18) to improve household food security through increased agricultural productivity, household incomes, and awareness about health and nutrition in the poorest and most food insecure regions. • <u>Bangladesh</u>: \$50 million (2011-16) to enhance the productivity of agriculture in selected agro-ecologically challenged and economically depressed areas where production is highly vulnerable to weather conditions and productivity is low. GAFSP is helping provide small farms with higher-yielding, locally adapted technologies including seed/breeding material, along with extension/advisory support and improved irrigation and water management. • <u>Bhutan</u>: \$8 million (2015-20) to increase the productivity and commercialization of agriculture in seven of the poorest rural districts in Eastern Bhutan. This will be achieved through (i) improved irrigation and water management and inputs such as quality seeds, mechanised farming tools and better farming practices, (ii) improved post-harvest storage and access to crop supply and price information, and (iii) low-cost, appropriate-technology fencing to control wildlife intrusions into farm areas. <p>The <u>private sector window</u> currently has investments in Nepal (poultry feed), Bangladesh (fruit and vegetable processing), and Bhutan (hazelnut production).</p>

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QUESTIONS ON NOTICE/IN WRITING

Question No 2

Program: DFAT

Topic: Poultry development in Timor Leste

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Ms Parke

Question

I was fortunate to visit Timor-Leste in August 2013. ... I was being told while I was there that there was a program ... about how to make the chickens healthy so that they would then produce eggs. I want to know: what is the progress on those particular aims, and are there any Australian partners involved in those programs?

Answer

DFAT (through the Government Partnerships for Development Program) has been partnering with the Commonwealth Department of Agriculture and Water Resources (DAWR) on poultry health and biosecurity in Timor Leste. The project has three closely-linked components:

- a. Poultry Health: managed by Associate Professor Robyn Alders of Sydney University, providing advice on Newcastle disease vaccination for the Timor Leste Ministry of Agriculture and Fisheries (MAF), and poultry management advice in three pilot villages.
- b. Cold Chain: Berrimah Veterinary Laboratory has provided training in laboratory techniques and the oversight necessary for vaccine potency testing and serology testing, all integral parts of evaluating vaccine delivery.
- c. Poultry Biosecurity: DAWR has a long history of providing advisory support to MAF on biosecurity. Under the current project, DAWR is assisting MAF to review and update its legislation and operational procedures and has provided an introductory workshop on Import Risk Analysis.

The University of Sydney's submission to the current inquiry (Submission 46) includes an update on its work on poultry health in Timor Leste. The relevant case study from that Submission is copied at Attachment A.

Attachment A: Excerpt from Submission 46 (University of Sydney)

Case study: Village poultry in Timor-Leste

University of Sydney researchers are empowering women, improving nutrition, building economic opportunity and supporting educational outcomes in Timor-Leste through gender sensitive village poultry development programs.

In Timor-Leste approximately 50% of children suffer from stunting (growth and neurodevelopmental failure) due to malnutrition. More than 30% of women suffer from chronic energy deficiency, and this is reflected in the high maternal mortality rate. The World Bank estimates that 11% of gross national product in developing countries is lost annually due to malnutrition.

Village poultry are frequently the only livestock under the control of women in Timor-Leste and other developing countries. If we can improve the health and productivity of village poultry we can make major contribution to ensuring that households, at all times, have physical and economic access to adequate amounts of nutritious, safe, and culturally appropriate foods.

Evidence shows that empowered women who can make decisions on how household incomes are allocated, spend more money on nutritious food, health care and education. Women's work can lead to increased income, which may be spent on food, resulting in improved nutrition outcomes. According to the Food and Agricultural Organization of the United Nations (FAO), an increase in women's income of \$10 achieves the same improvements to children's nutrition and health as an increase in a man's income of \$1102.

Much of our work on village poultry has been supported by the Australia Government including several research projects funded by the Australian Centre for International Agricultural Research (ACIAR). The model of cross-sectoral collaboration we have used incorporating producers and traders, as well as government and local and international research institutions, has been critical to the success of our village poultry program. It has allowed us to tailor our approach for each community to identify the strategies that work best for the long-term and that can gradually be handed over to the villagers to maintain.

Since November 2014 alone, our multidisciplinary, multiagency, gender and nutrition-sensitive approach to improving the health of village poultry in Timor-Leste has increased the number of households raising poultry by 13% in communities vaccinating against Newcastle Disease (ND). The emphasis is now on increasing the consumption of animal source food by mothers and children, and on the decision-making power of women. The involvement of women in the community-based ND vaccination campaigns and as community assistants in the research is leading to important changes in attitudes among men towards women and their role in society.

Our work also has a strong focus on capacity building by incorporating graduate students into our research projects. Many of our students benefit from Australian Government funding (either through the Australian Postgraduate Award scheme or Endeavour Australia Awards) and this funding support is vital. We work in direct collaboration with partner frontline Ministries and regional economic communities as well as regional and international research organisations and donors.