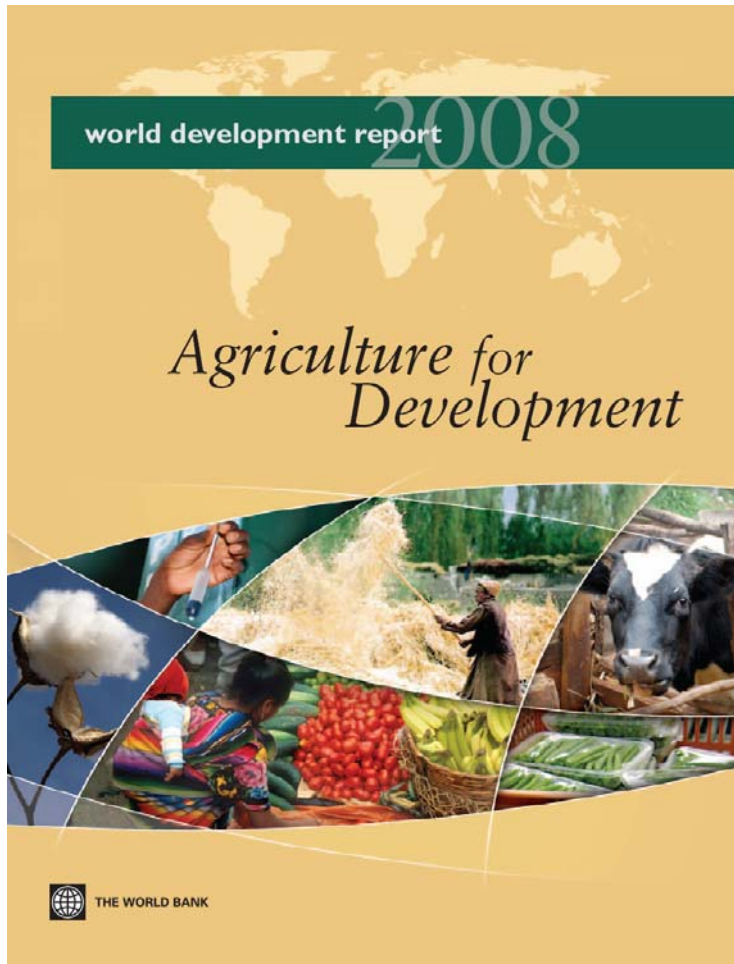


Presentation at McGill University Global
Food Security Conference Oct. 6, 2009

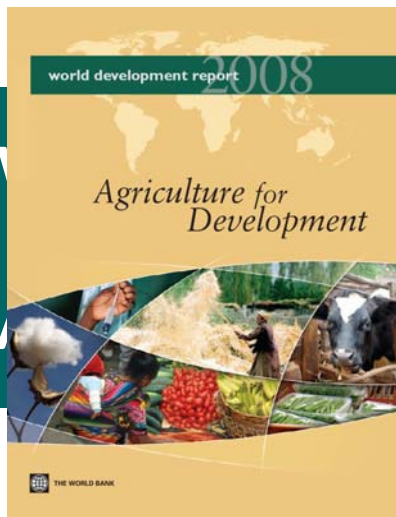
The World Bank Group Agriculture Action Plan FY10-12



Agriculture Action Plan: FY10-12



- Operationalizes the WDR 2008: Agriculture for Development
- 3 year time frame aligns with internal planning horizons



Agriculture for Development

75% of the world's poor are rural and most are involved in farming. In the 21st century agriculture remains fundamental for poverty reduction, economic growth and environmental sustainability.

Global Challenges

Poverty reduction

- Agriculture has been effective at reducing poverty, enhancement requires linking farmers to markets

Feeding the World

- Food demand is rising (population growth, biofuels) yet grain crop yield growth has declined

Climate change

- Agriculture is part of the problem (deforestation, pollution) and is part of the solution

Economic transformation

- Rising rural-urban income disparities often threatens of undermine overall growth processes

Food & financial crises

- Volatility grain prices and lower purchasing power are hurting poor producers and consumers

Priority areas in FY10-12 to respond



Five Focal Areas

**Raise
agricultural
productivity**

**Link farmers to
market &
strengthen
value chains**

**Reduce risk
and
vulnerability**

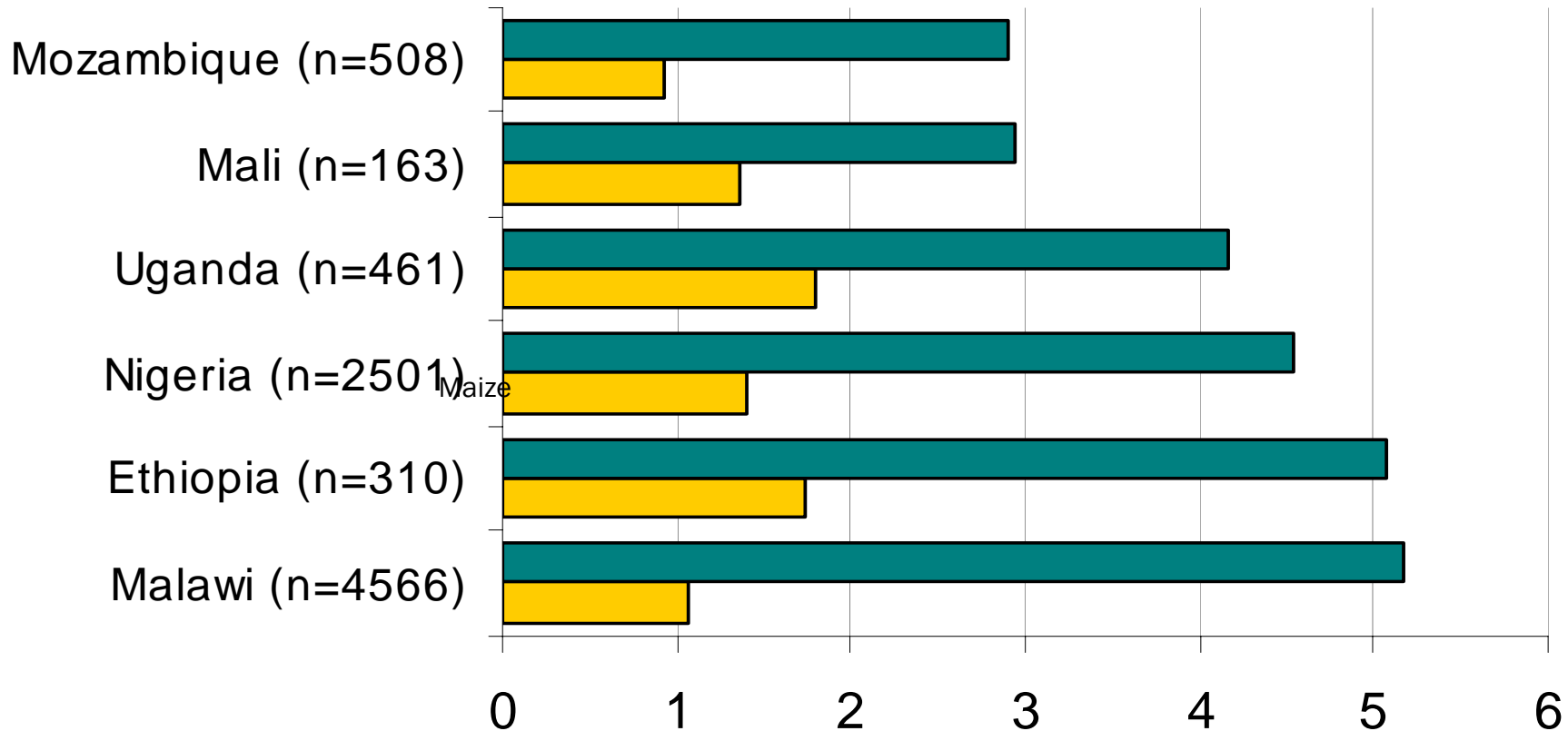
**Facilitate
agricultural
entry, exit &
rural non-farm
income**

**Enhance
environmental
services and
sustainability**

1. Raise agricultural productivity

[selective areas]

Close the yield gap



■ Average yield in farm demonstrations Tons per hectare

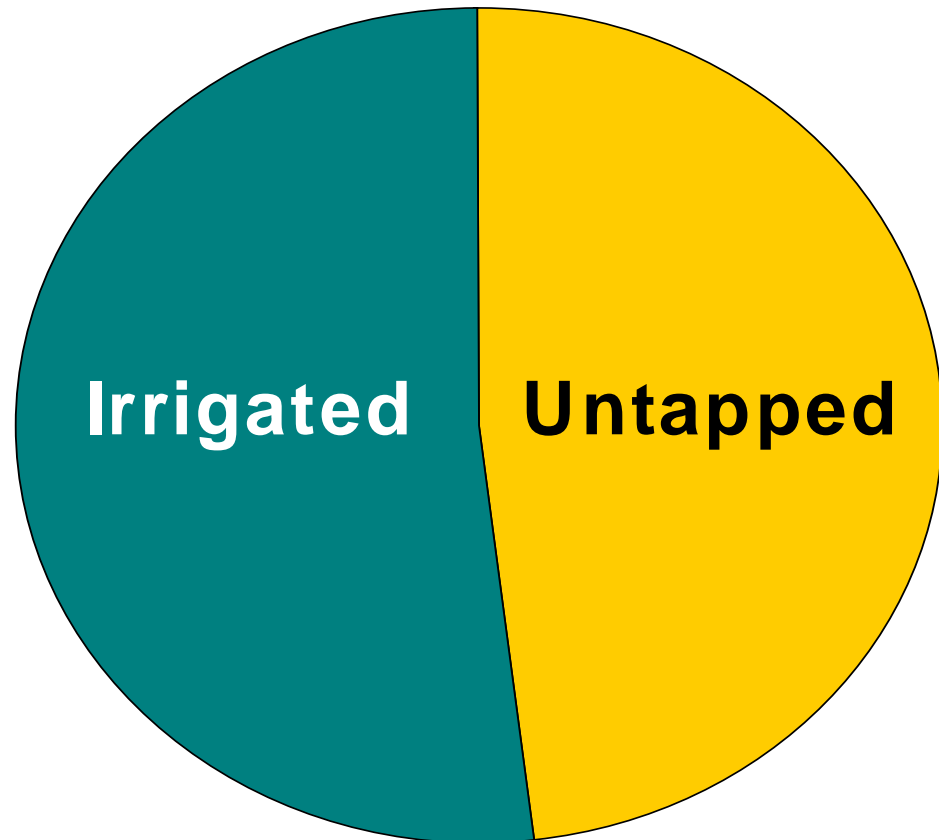
■ Average national yield

1. Raise agricultural productivity

[selective areas]

Exploit untapped irrigation potential

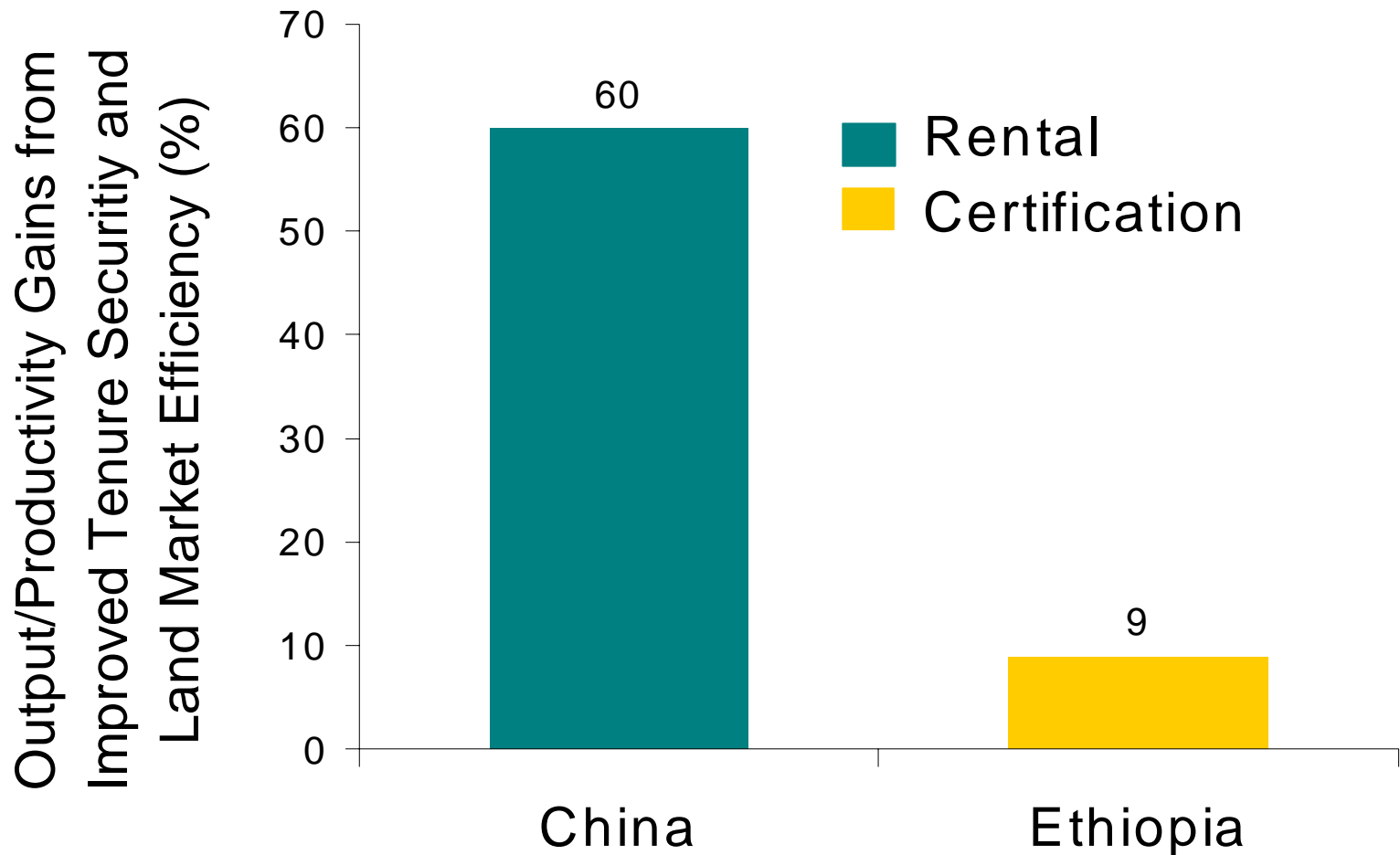
Share of arable land
with irrigation potential
that's actually irrigated
[developing countries]



1. Raise agricultural productivity

[selective areas]

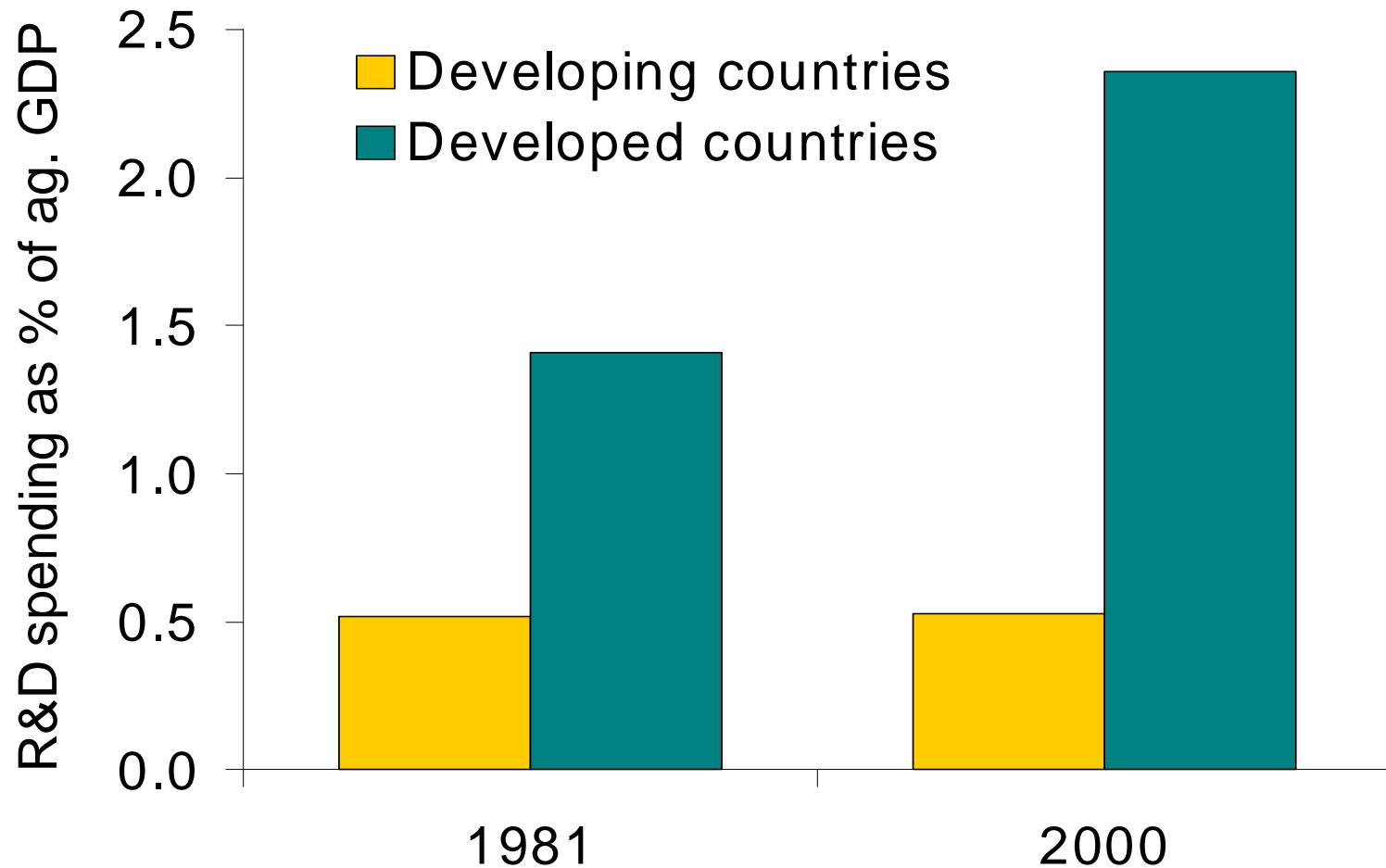
Improve tenure security & land markets



1. Raise agricultural productivity

[selective areas]

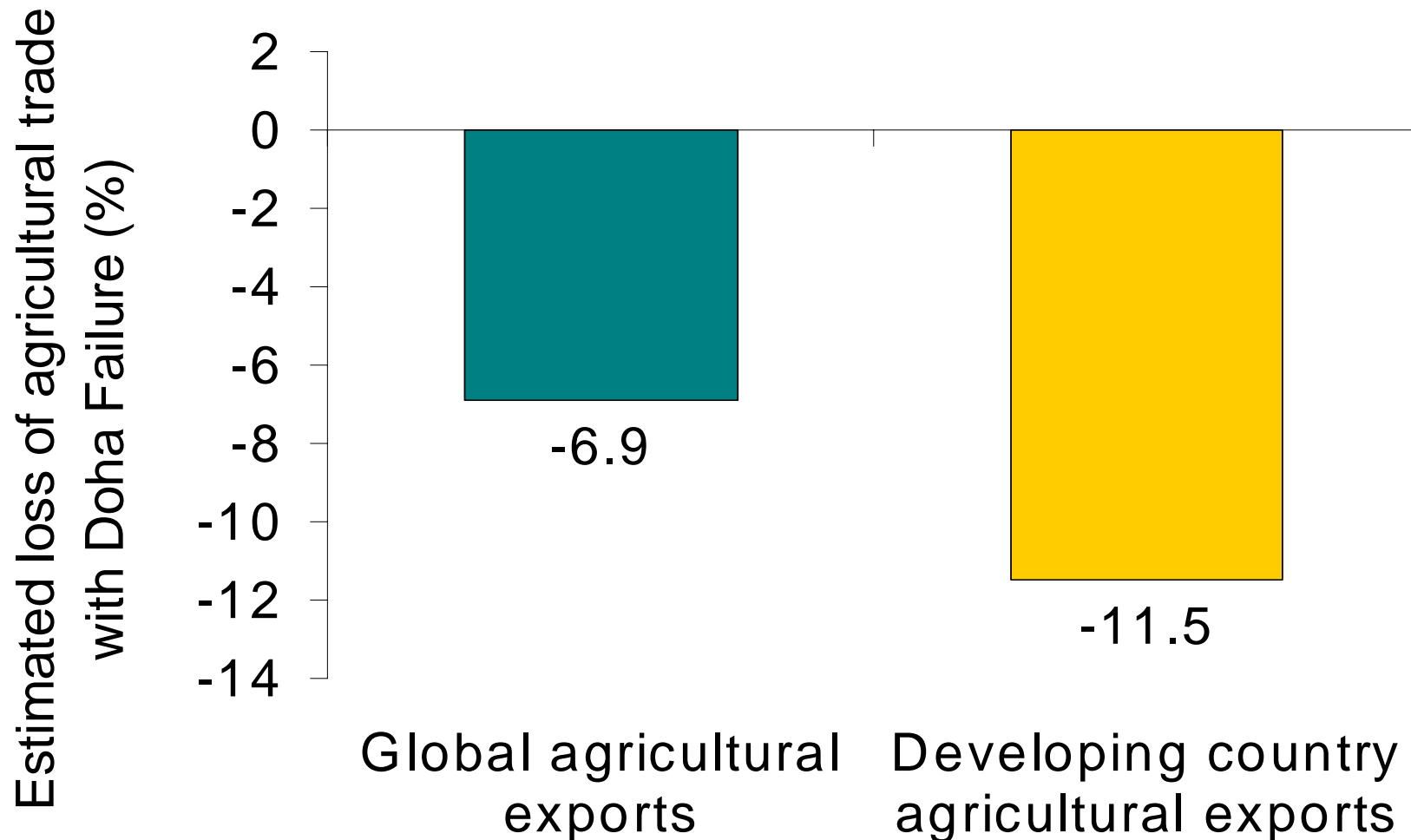
Invest in technology generation



2. Link farmers to markets & strengthen value chains

[selective areas]

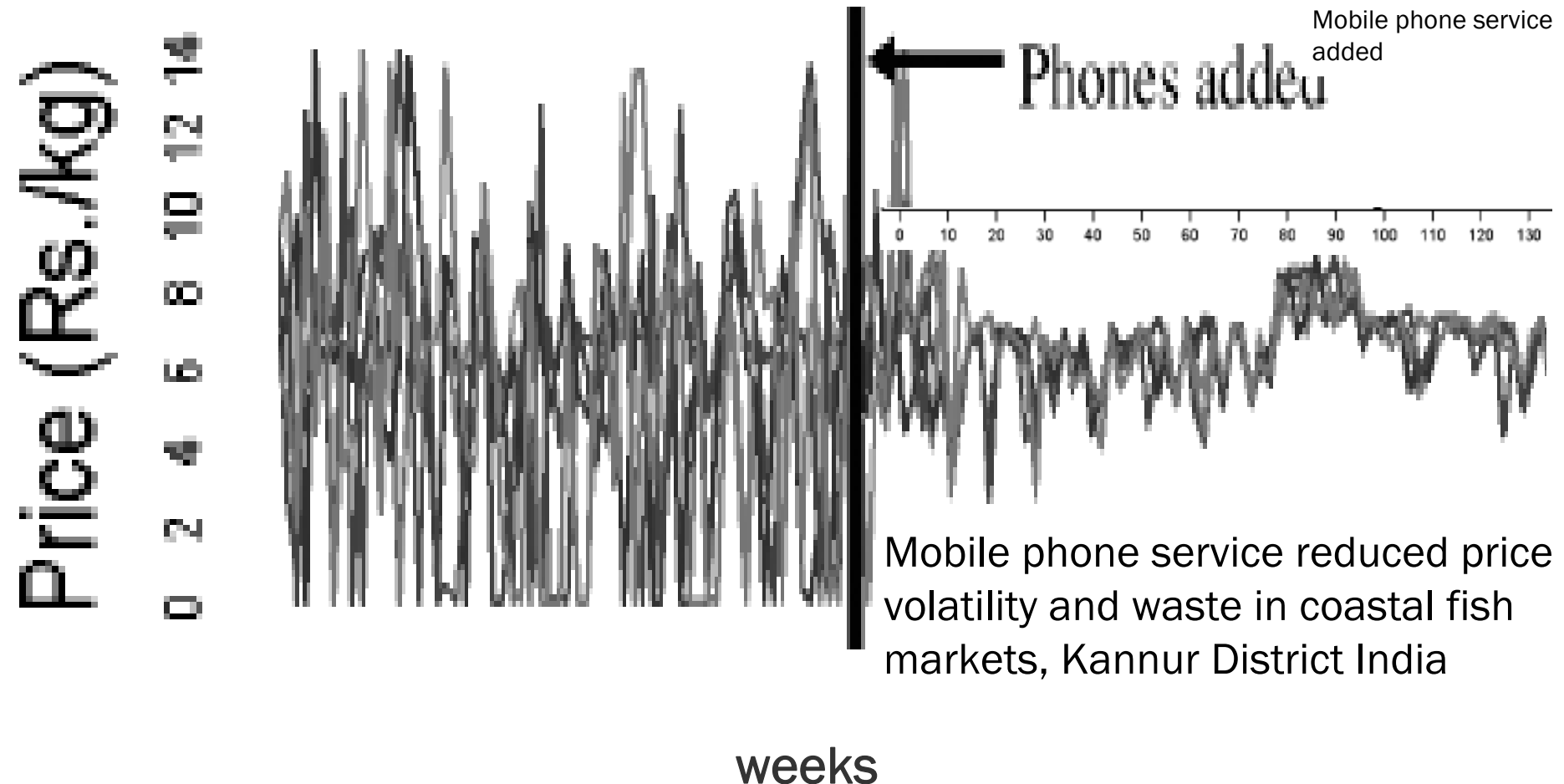
Continue support for the Doha round



2. Link farmers to markets & strengthen value chains

[selective areas]

Expand infrastructure (roads, ICT, energy)

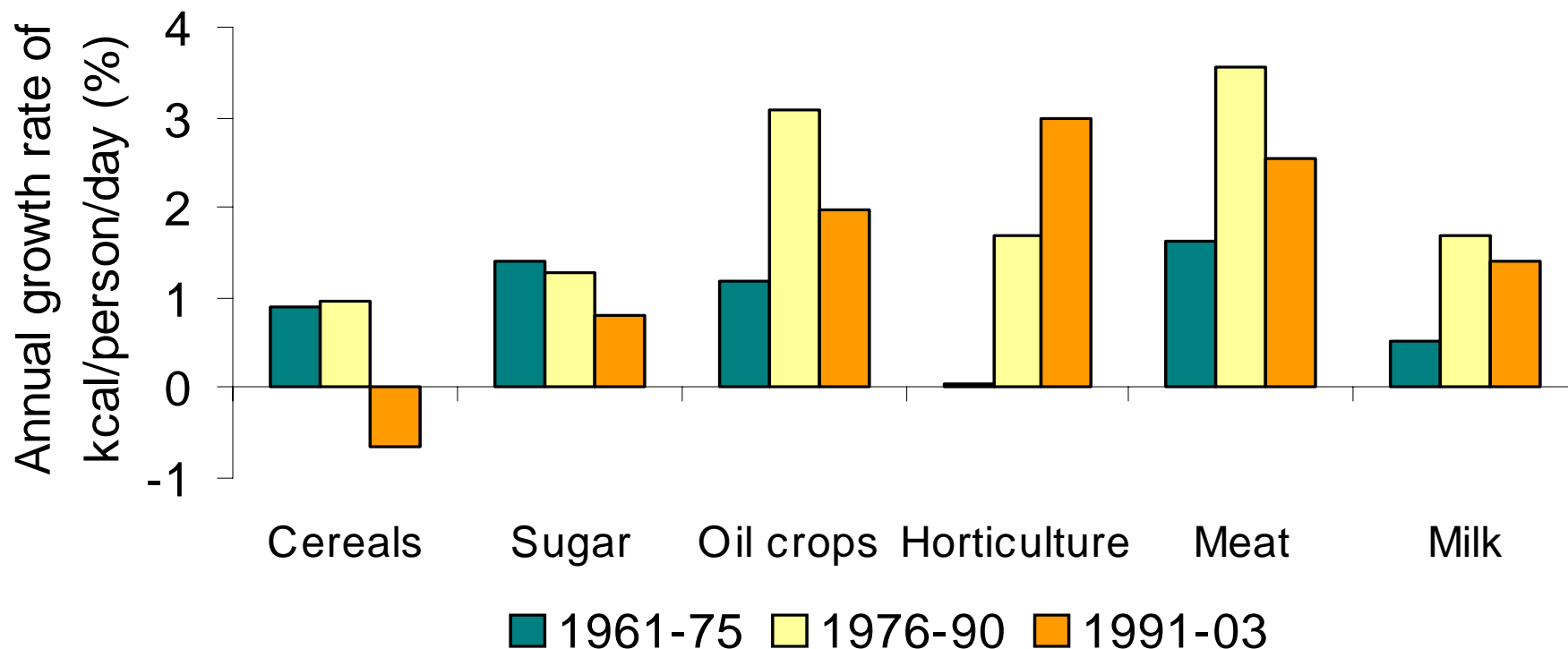


2. Link farmers to markets & strengthen value chains

[selective areas]

Strengthen producer organizations

Overcoming off-farm transaction costs in the higher value growth markets

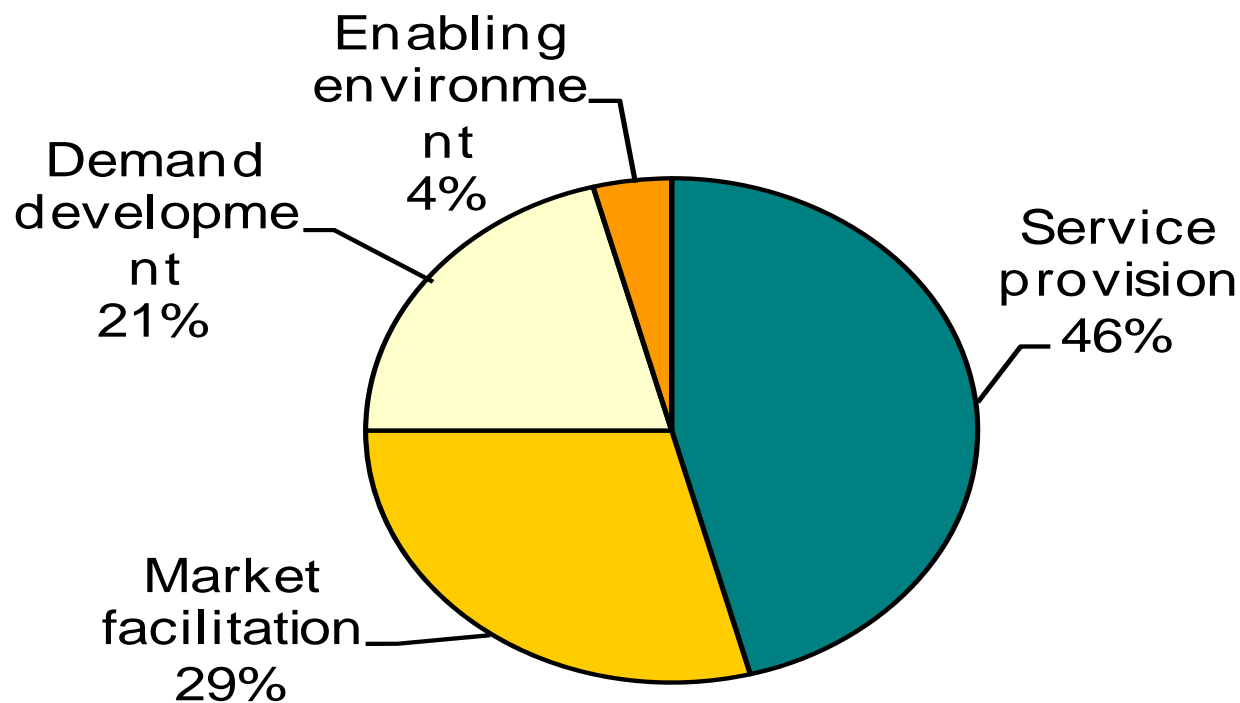


2. Link farmers to markets & strengthen value chains

[selective areas]

Increase access to finance

Share of past WB efforts

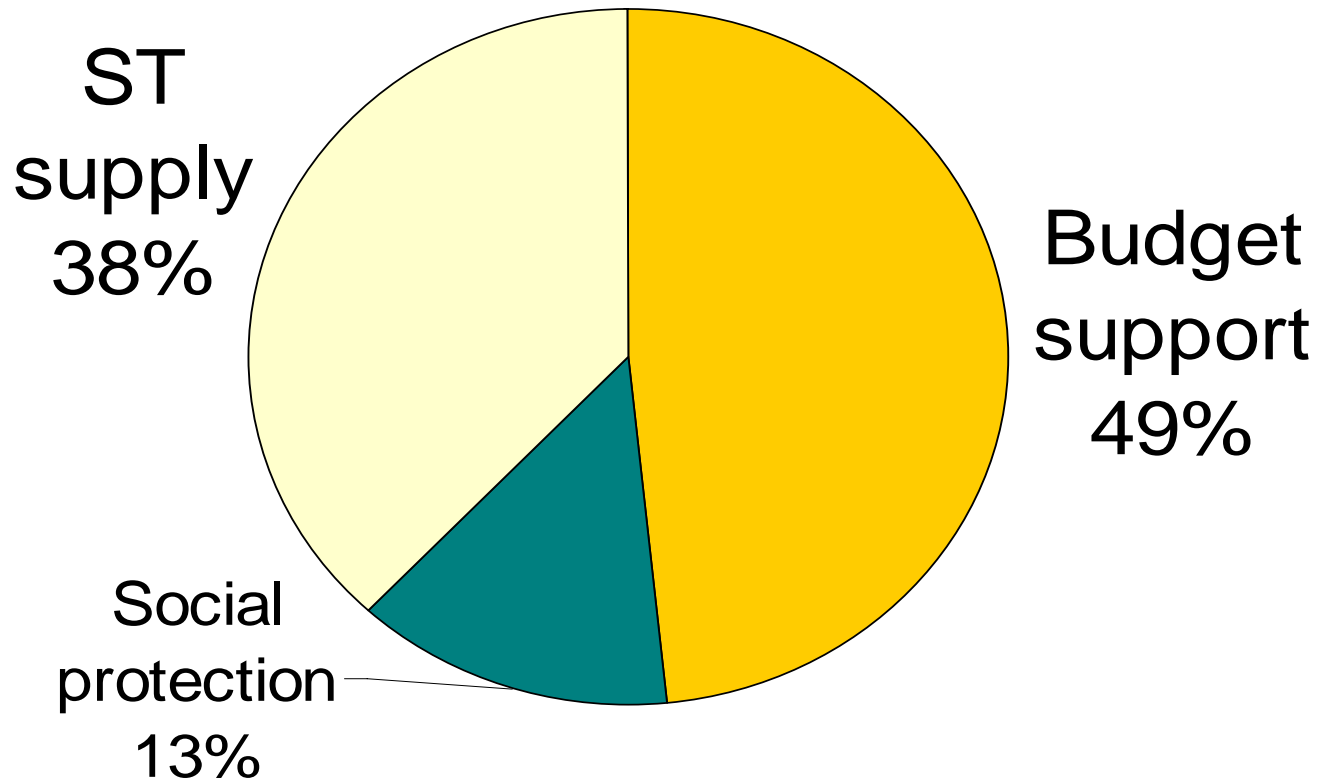


3. Reduce risk and vulnerability

[selective areas]

Safety nets, fiscal support

Global Food Crisis Response

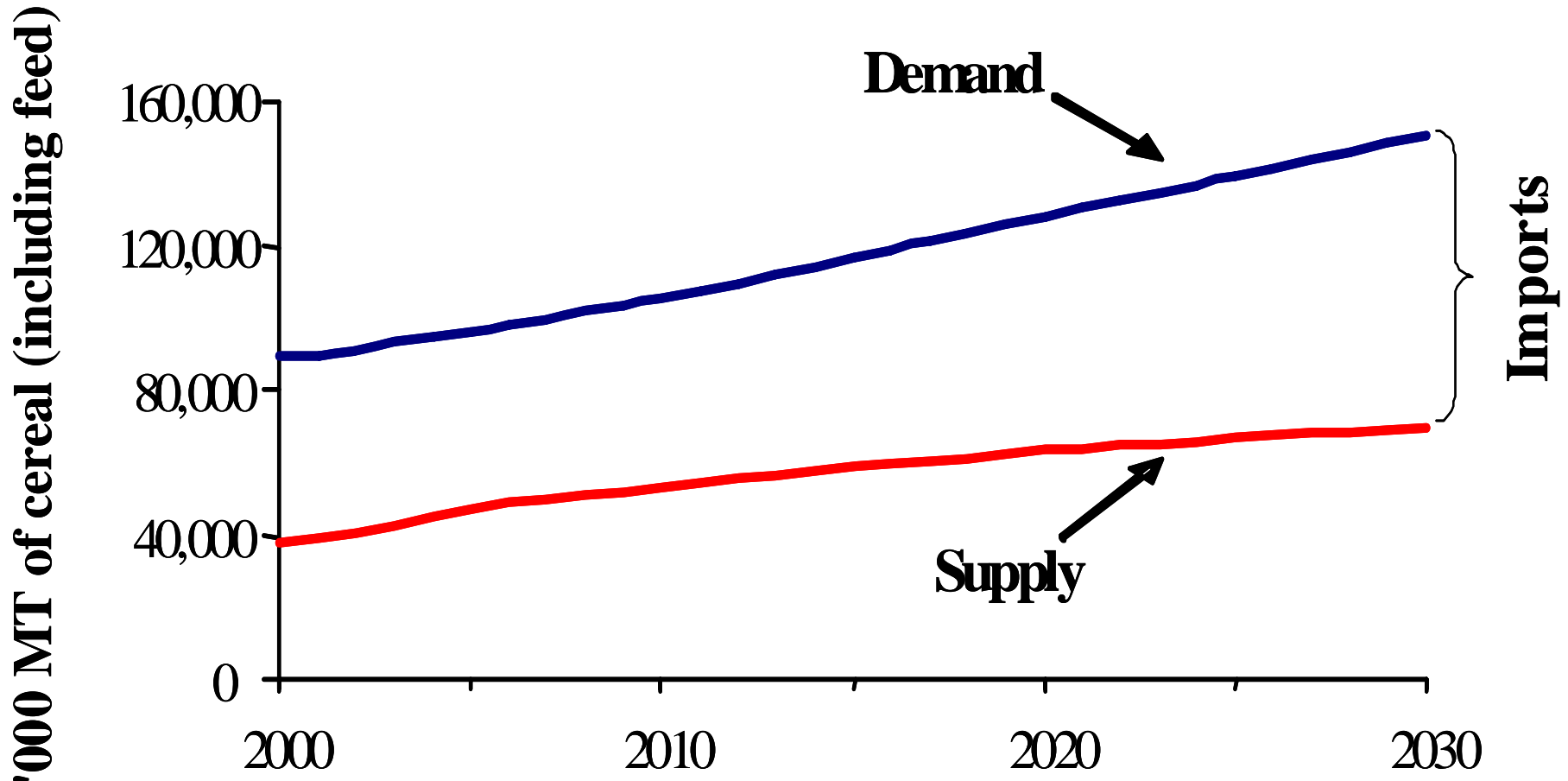


3. Reduce risk and vulnerability

[selective areas]

Better manage national food imports

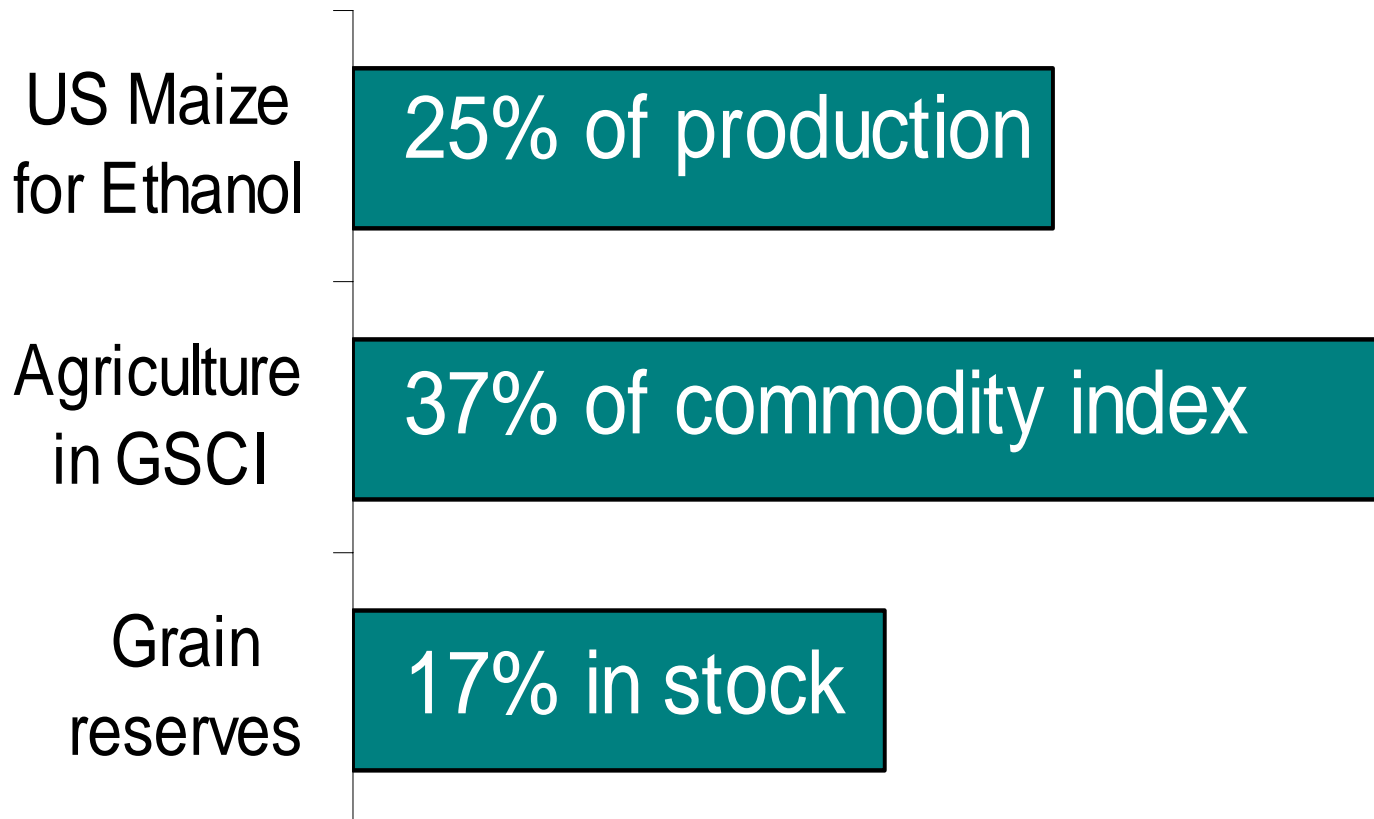
E.G.: Middle East North Africa



3. Reduce risk and vulnerability

[selective areas]

Global actions on grain price volatility?

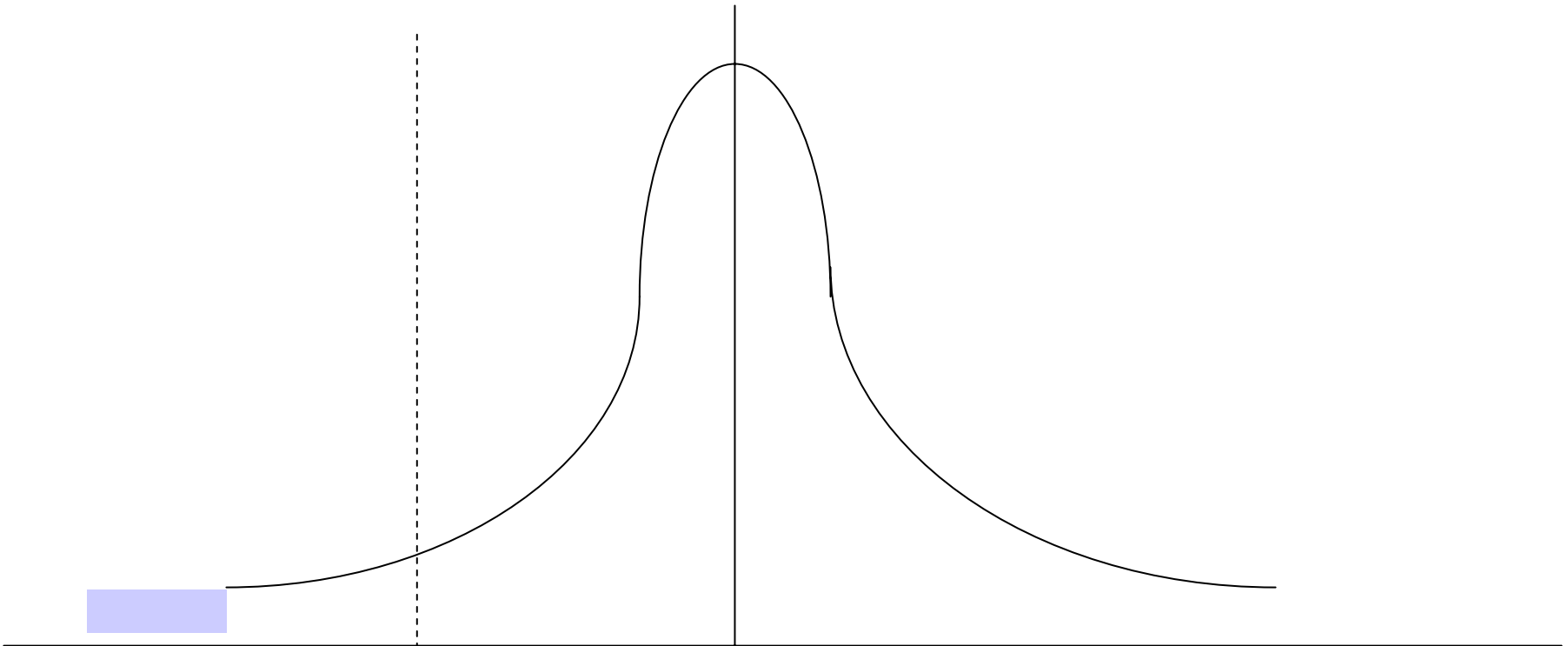


3. Reduce risk and vulnerability

[selective areas]

Insurance innovations

Transfer risk of extreme negative outcomes



4. Facilitate entry and exit, and rural non-farm income

[selective areas]

Improve land markets

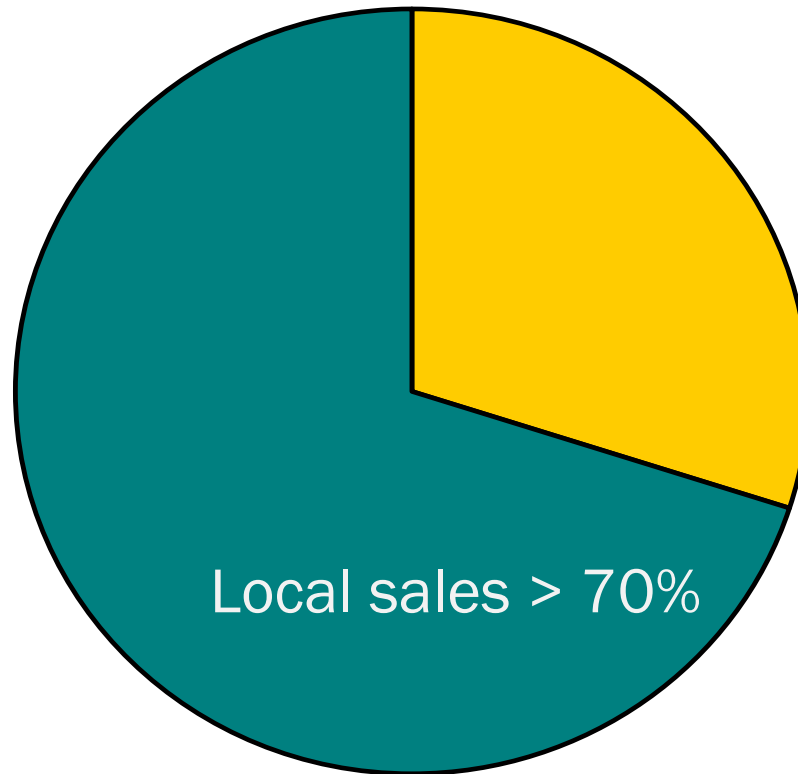
- Rental and sales markets
- Code of conduct for foreign investment
- Safety nets to reduce distress sales

4. Facilitate entry and exit, and rural non-farm income

[selective areas]

Improve the local investment climate

Most rural businesses sell locally: Local demand & investment climate matters

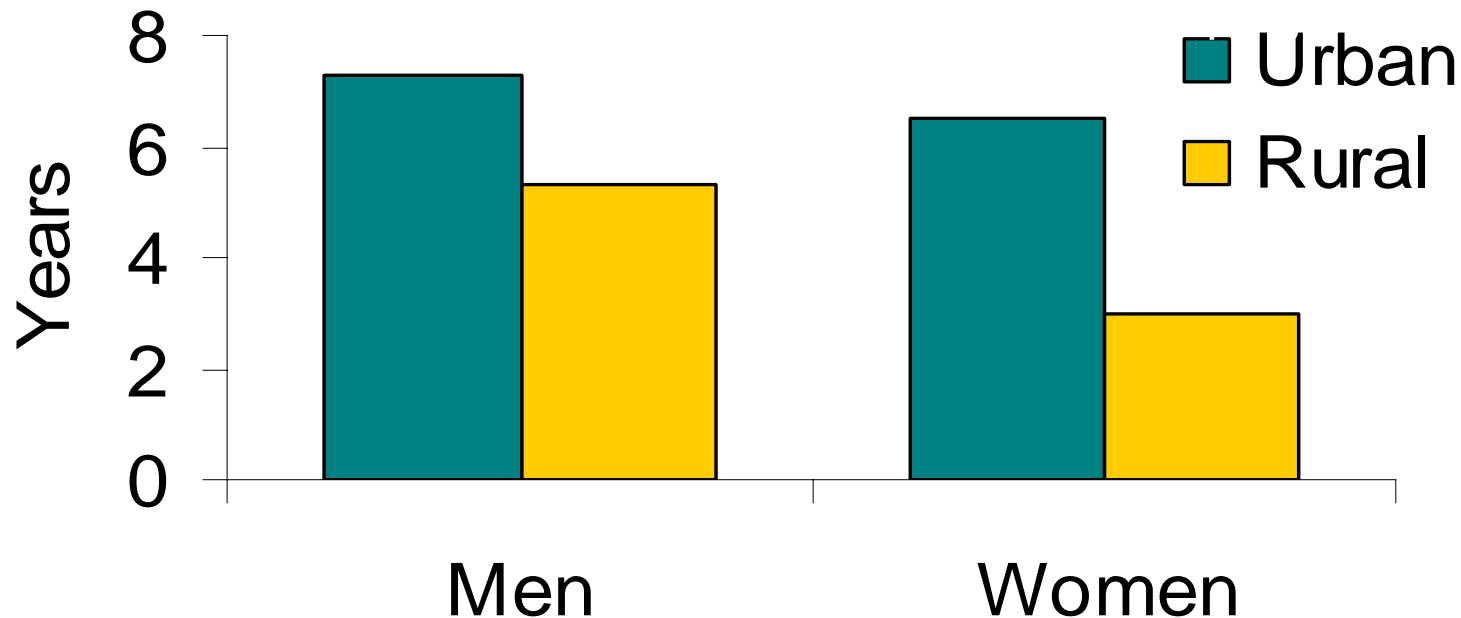


4. Facilitate entry and exit, and rural non-farm income

[selective areas]

Upgrade skills

South Asia: Average yrs of education,
18-25 yr olds

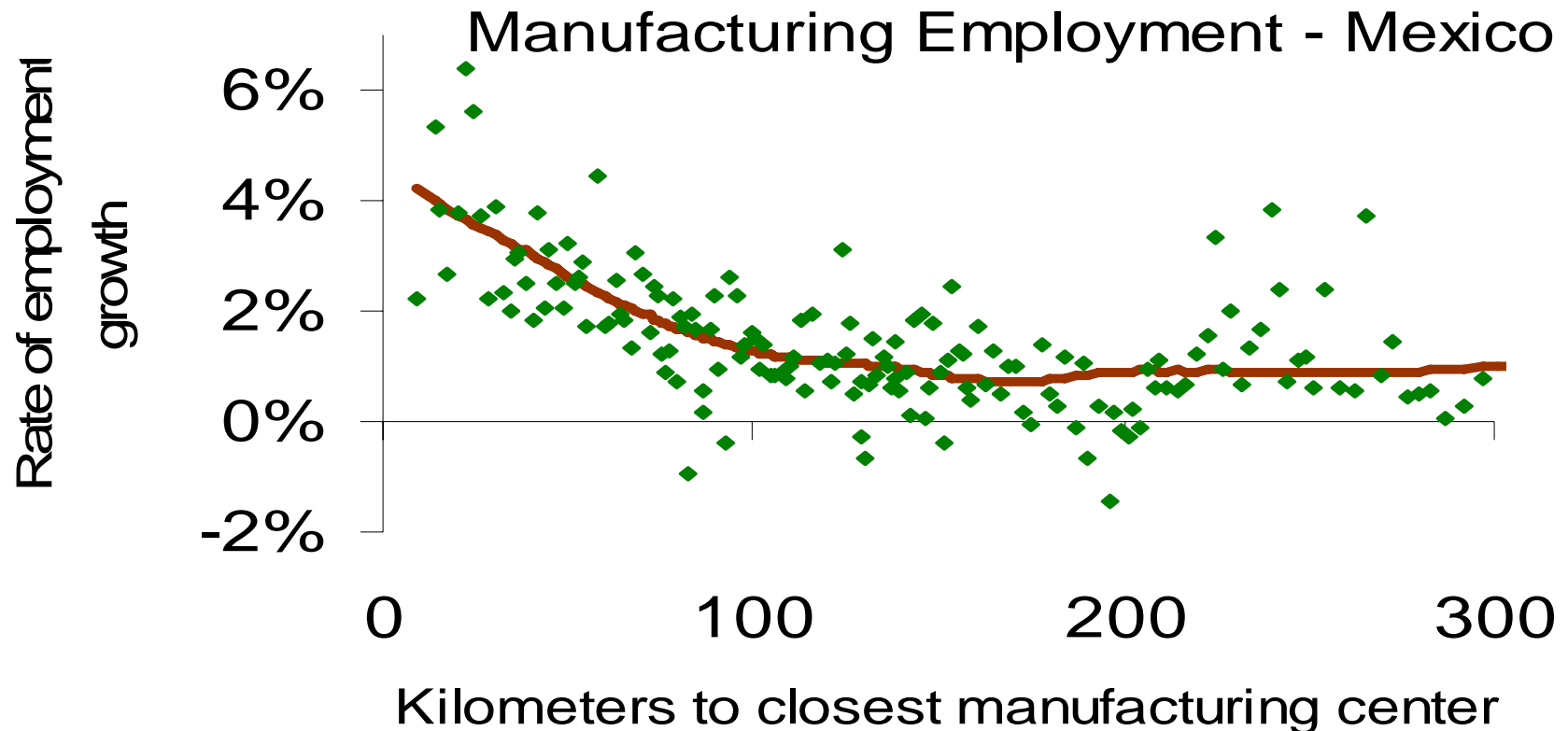


4. Facilitate entry and exit, and rural non-farm income

[selective areas]

Territorial development

Location matters for rural employment

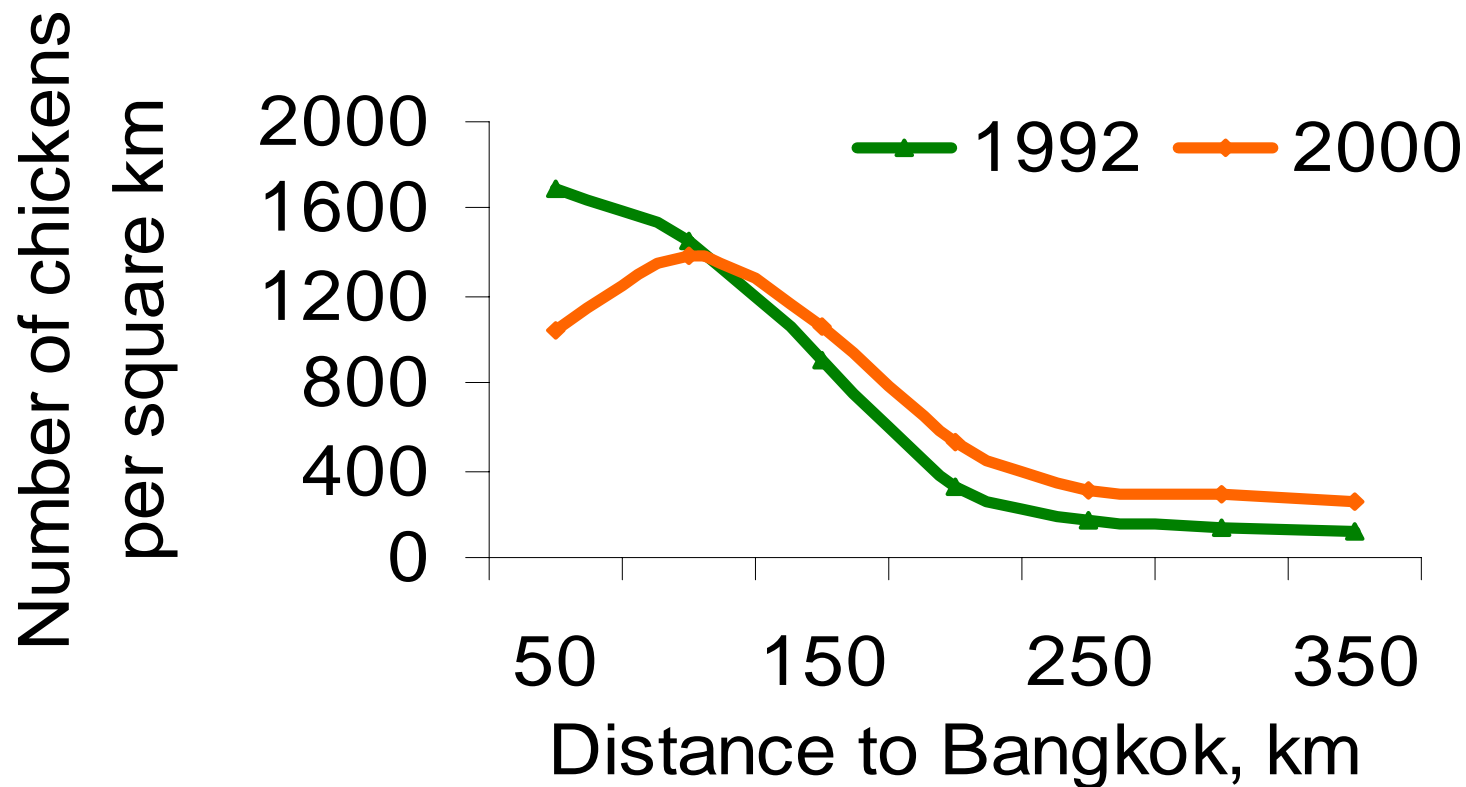


5. Enhance environmental services & sustainability

[selective areas]

Manage intensive livestock systems

Thailand: Managing pollution and disease risk



5. Enhance environmental services & sustainability

[selective areas]

Climate change mitigation & adaptation

- Reduce barriers to access (soil) carbon markets
- More drought tolerant crops and livestock breeds

5. Enhance environmental services & sustainability

[selective areas]

Reduce forest degradation

- Improve incentive systems
- Strengthen institutional capacity
- Complementary agriculture investments

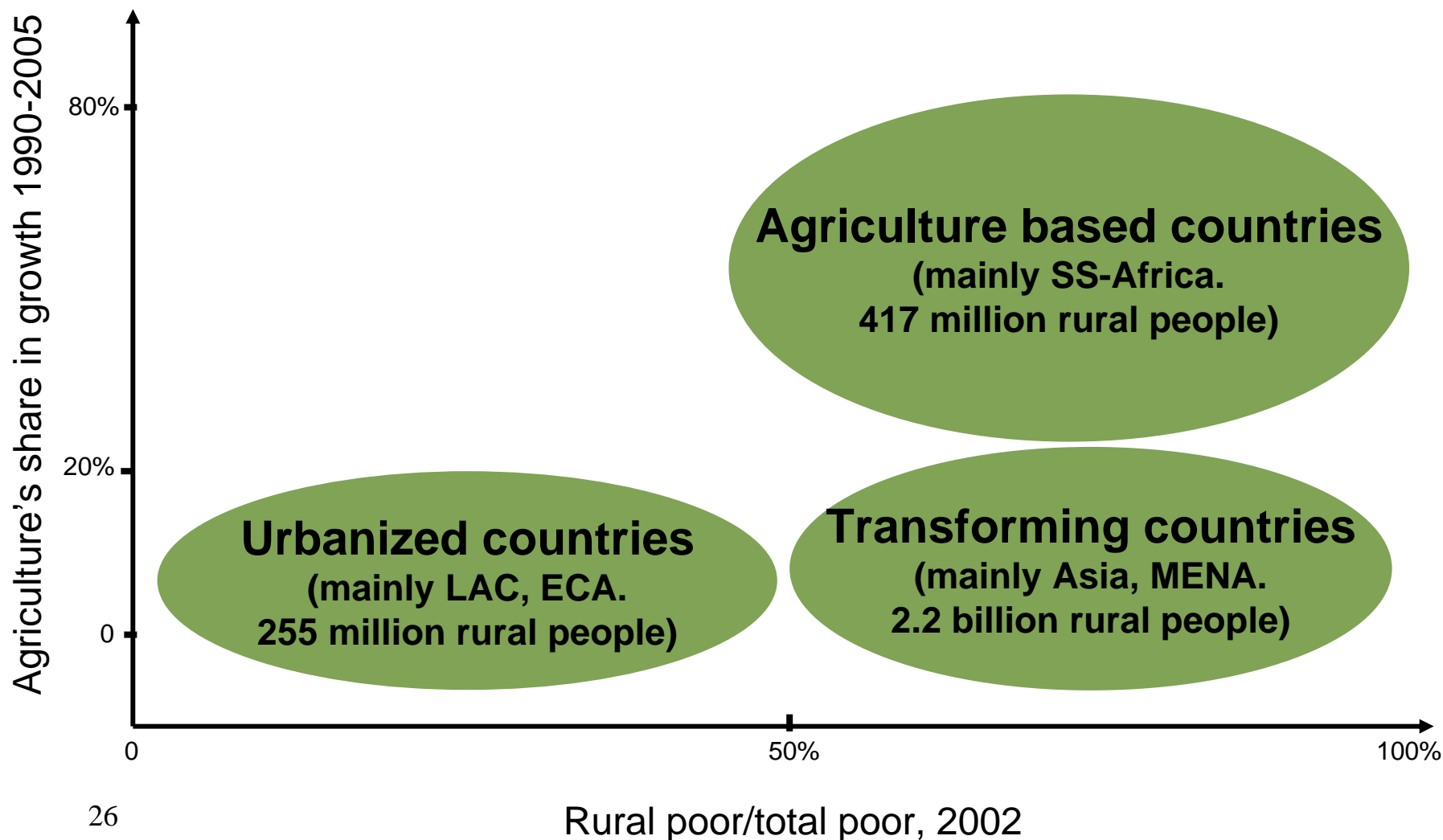
5. Enhance environmental services & sustainability

[selective areas]

Improve fisheries sustainability

- Awareness raising for improved fisheries governance
- Capacity building for implementation and enforcement

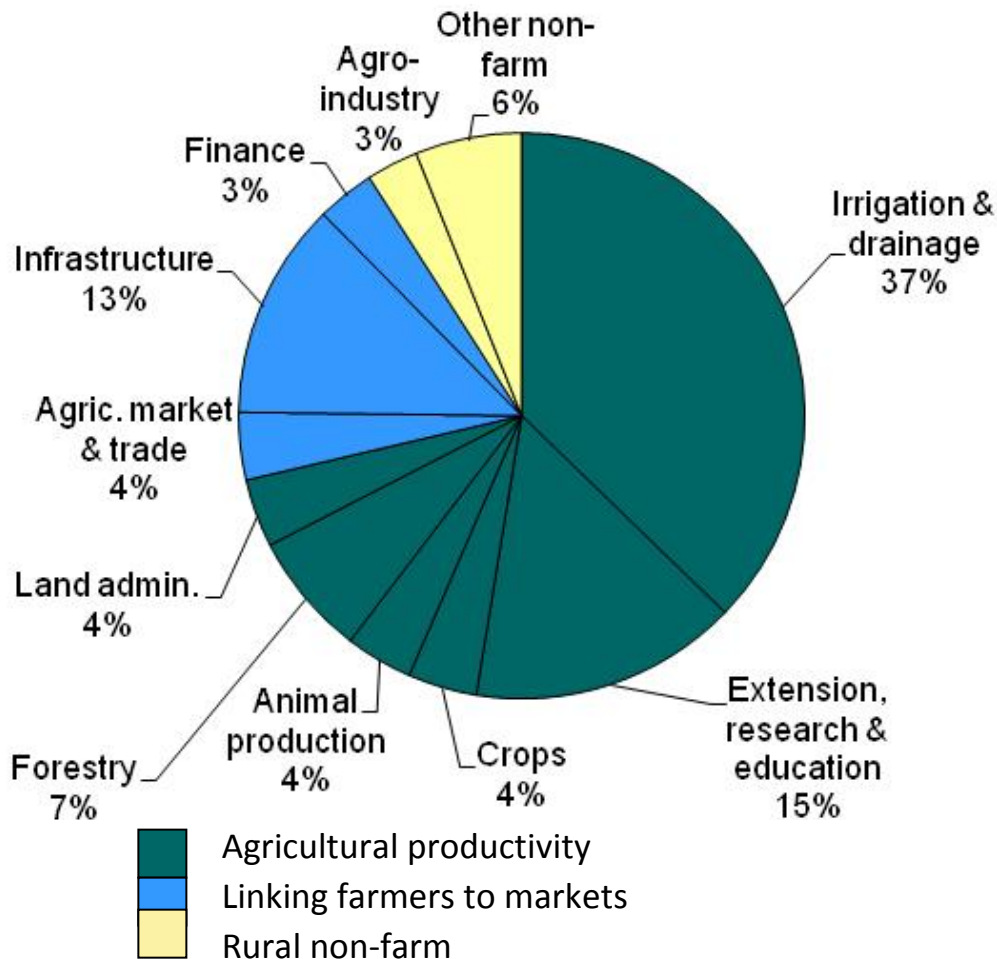
Mix of Support Varies Across Three Worlds of Agriculture



Program Composition: FY10-12

**\$10 bn to be disbursed over
FY10-12**

**Areas of emphasis for new
commitments: FY10-12**



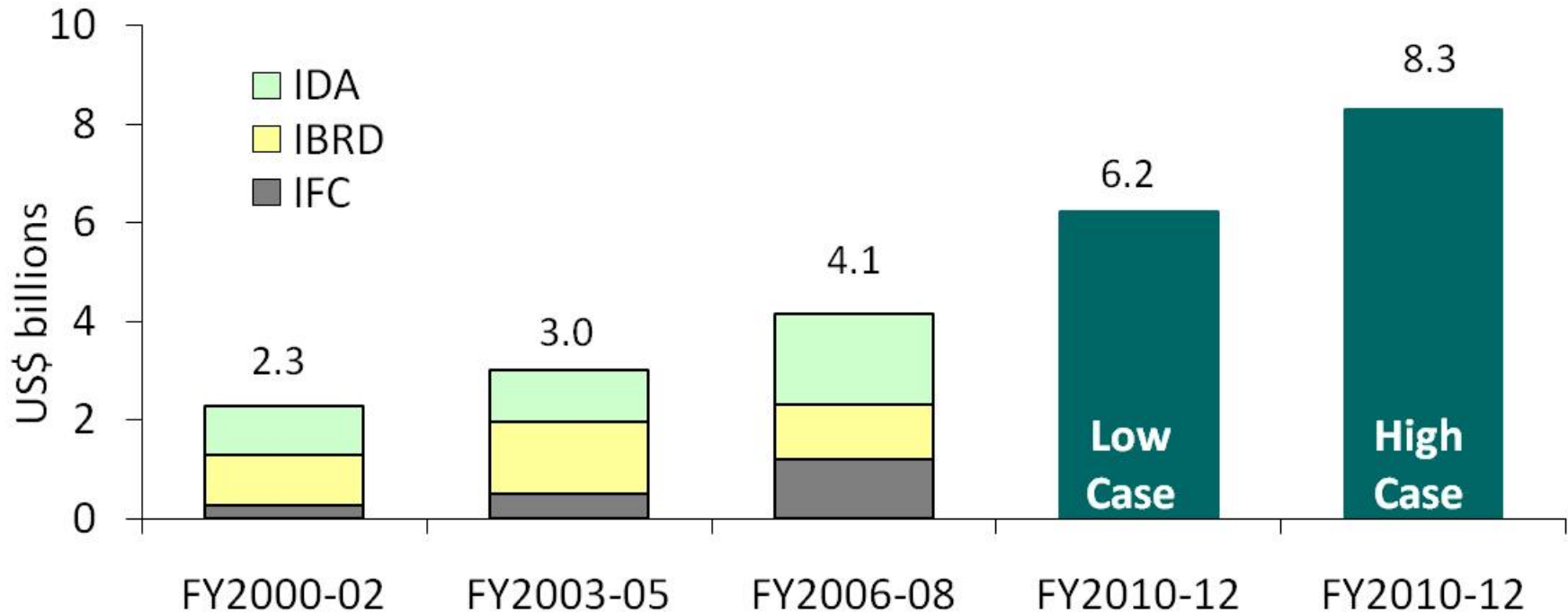
Investment support

- Productivity
 - Extension, land, research
 - Gender responsive
- Link farmers to market
 - Infrastructure, market information
- Reduce vulnerability

AAA

- Public expenditure
- Managing risk
- Productivity

Program Size: FY10-12 Targets



Achieving targets dependent on:

1. Continued strong client demand
2. Limited impact of the financial crisis
3. Adequate staff and budgets
4. IDA 16 replenishment

Roles of WBG Institutions



- 1.8 bn (44 percent of FY06-08 commitments)
- Direct financing of public investment in agriculture



- 1.1 bn (27 percent)
- Direct financing of public investment in agriculture
 - Technical assistance



- 1.2 bn (29)
- Working capital facilities
 - Direct financing in agribusiness firms



- 126 million (<1 percent)
- Guarantees, mediation services, TA on FDI