Chairperson’s Comments:
Committee on Development Effectiveness (CODE)


**Summary**

The Committee welcomed the informative IEG report, underlining the critical importance of the agriculture sector for food security, poverty reduction, and development. In this context, the renewed World Bank Group attention to the agriculture sector was welcomed, and members underlined the critical need to maintain focus on this sector. They also sought to better understand why support to this sector had contracted in the past, not only by the World Bank Group but also by other donors. In disseminating the report’s findings, IEG was encouraged to reflect the renewed Bank Group focus on the sector.

Management’s response to the IEG report was appreciated. The Committee noted the convergence of views between management and IEG, and management’s ongoing efforts that address many of the issues highlighted by the IEG. A range of issues was discussed, including Bank Group support to the Africa Region and the need to also provide support to other Regions, link and balance of focus between food security and agricultural productivity, provision of analytical and advisory services, IFC support in the sector, coordination and synergy between the Bank and IFC, and human and budgetary resources.

**Recommendations and Next Steps**

The Committee requested a Board discussion on the overall World Bank Group strategy in the agriculture sector, for which the IEG evaluation report may serve as background information. Suggestions were made to deepen the Management Response to the IEG report, including to better reflect the positive measures taken to strengthen Bank Group support for the agriculture sector and key lessons learned.

**Main Issues Discussed**

**General Comments on the IEG Findings.** Further to the informative IEG report, some members sought more elaboration on coordination of Bank and IFC support with other agencies (such as the U.N.) and differentiation of policies for low- and middle-income countries. A note of caution was expressed about the reference to low country commitment for agriculture in the Africa Region; a mention was made of the country commitment to agriculture declared through, among others, the 2003 Maputo Declaration, and that one issue is the constraints in availability of IDA resources and competing demands in use of resources. Bank management added that notwithstanding country commitment, client capacity remains a challenge. There was a suggestion to further elaborate on a range of factors contributing to the lower productivity in Sub-Saharan Africa. IEG said that it would work with Bank management to address differences in data used in connection with the assessment of project outcomes in the Africa Region. While agreeing with the IEG recommendations, some members felt they could have been more specific. In this respect, IEG noted the challenges of making more specific recommendations given the diversity of Regions and country circumstances.

**Trend in World Bank Group Support.** The Committee commented on the renewed Bank Group attention to the agriculture sector following the 2008 *World Development Report*, the global food crisis, and the articulation of the World Bank Group Agriculture Action Plan and the importance of maintaining this focus. Participants reflected on a confluence of factors, including the availability of food and greater priority given to other areas by many countries, which led to a decline in agriculture support by the Bank Group and by other...
Noting that the IEG report covers the period between 1998 and 2008, when Bank Group support for agriculture declined and then started to recover, several speakers urged IEG to clearly communicate the context of renewed Bank Group attention to agriculture during its dissemination efforts.

Focus of World Bank Group Support. While acknowledging the need to support agricultural growth and productivity in Sub-Saharan Africa, some speakers noted that other regions, such as Central America, also continue to face food security issues, which should be addressed by the Bank. The Committee discussed the link and balance of focus between food security and agricultural productivity and issues of reliance on global market and domestic production to meet local food demand, which were recognized as complex issues driven by country context and choice. In addition, a member observed the need to consider the role of agriculture for development in countries emerging from conflict. Comments were made on the importance of a comprehensive approach; cross-sectoral work to address agricultural productivity issues, including with infrastructure; strengthening monitoring and evaluation; and further mainstreaming of gender.

A few members encouraged more attention by the Bank to rainfed areas, and a member noted the value added of Bank Group support in the palm oil sector. Regarding IFC investments, some members supported greater engagement in Sub-Saharan Africa, including to promote public-private partnerships in the sector. The importance of deepening coordination between Bank and the IFC was noted.

Knowledge Work and Capacity-Building Support. Noting the contribution of analytical and advisory work and its linkage with lending, speakers raised concerns about the IEG findings on the declining level of analytical work, and also stressed the importance of ensuring quality. Emphasizing the Bank Group’s role as a knowledge institution, some members encouraged concrete actions to strengthen the Bank and IFC’s advisory work in this sector. Members echoed IEG in encouraging the greater use of CGIAR research work and expressed interest in Bank Group collaboration with the CGIAR, beyond its reform. A few members highlighted the importance of supporting south-south cooperation for knowledge transfer, and working with local institutions to leverage knowledge. In addition, there was interest in further analytical work on impact of overseas agriculture investment on growth and productivity in developing countries.

Human and Budgetary Resources. Expressing concerns about the decline in agriculture-related technical skills relative to agricultural generalists, members and speakers raised questions about reasons for this decline, including whether the decentralization of the World Bank Group is a factor, and concrete actions, including timeline, to address this issue. Bank management noted that it is working on staffing strategy and briefly commented on the challenges of addressing staffing issues. This includes the differentiated demand at the country level for agriculture generalists (including agricultural policy and economics experts) and for specialized agriculture-related technical experts for whom there may not be a full work program in a single country or Region. IFC remarked on its ongoing decentralization initiative, including of staff, which is expected to strengthen its country engagement, particularly in Sub-Saharan Africa. In view of the recent reorganization at IFC, IEG observed the need for IFC to ensure alignment between its new organizational structure and strategic priorities for the sector. Some speakers also raised concerns about the gap between demand for agricultural support and constraints in budgetary resources.

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