



Report on Effectiveness

Swiss development cooperation in the agricultural sector 2010



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC

State Secretariat for
Economic Affairs SECO

Contents

Editorial	3
Summary	4
Agriculture fosters development	6
Switzerland's engagement – a tradition with a future	9
Donors want to see results	12
What worked – and what didn't	14
Successes and areas for further improvement	22
Outlook	24
Annex	26

Abbreviations

CIDA	Canadian International Development Agency
CGIAR	Consultative Group on International Agricultural Research
CHF	Swiss franc
DAC	Development Assistance Committee of the OECD
DFID	Department for International Development (United Kingdom)
ETH	Swiss Federal Institute of Technology
FAO	UN Food and Agricultural Organization
FLO	Fairtrade Labelling Organizations International
IFAD	International Fund for Agricultural Development
IRRI	International Rice Research Institute
MDG	Millennium Development Goals
NGO	Non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
SDC	Swiss Agency for Development and Cooperation
SECO	Swiss State Secretariat for Economic Affairs
SIPPO	Swiss Import Promotion Programme
SME	Small and medium-sized enterprises
UN	United Nations
USAID	United States Agency for International Development
USD	US dollar
WFP	UN World Food Programme
WTO	World Trade Organization

Editorial

The Swiss development cooperation has been heavily engaged in the agricultural sector for many years. Each year, the SDC and SECO together invest around CHF 200 million in agriculture and food security, placing Switzerland alongside France and Finland among the donor countries that allocate the largest percentage of their budget to agriculture.

What impact has Switzerland achieved through its aid? Where and how have the invested funds helped to improve local living conditions? Who benefits from this engagement? These are the questions which this second Report on the Effectiveness of Swiss development cooperation aims to answer. From the standpoint of an independent observer, it scrutinises an important intervention field of Swiss development cooperation and follows the same thematic and methodological approach as the first Report on Effectiveness in the Water Sector, published in 2008.

The observation period covers the years 2003 to 2008 and takes into account bilateral as well as multilateral cooperation projects. The external evaluators examined 27 SDC and SECO projects, programmes, and programme contributions and categorised the findings under four thematic areas.

Thanks to its ongoing engagement, Switzerland has acquired extensive expertise, which is reflected in the success of many small- and large-scale projects. Nevertheless, development cooperation entails risks. There are always cases of setbacks and projects where the results fall below expectations. Characteristically, the work performed by the SDC and SECO involves

engagement at several intervention levels which can complement each other. Swiss development cooperation and humanitarian aid contribute to mitigating humanitarian crises, and to improving agricultural production. Furthermore, they contribute to establishing and reinforcing local and international value chains and to improving the marketing of agricultural raw materials and processed products. Switzerland is committed to ensuring that the poorest countries also have a say in shaping framework conditions governing trade policy and that their needs are taken into consideration.

Sustainable effectiveness – such an important result – is not achieved through isolated measures but through a combination of different instruments in specific contexts. Efforts take time to bear fruit. Thus a continuation of Switzerland's engagement and its participation in international networking is essential for sustainable success. Only if Switzerland actively participates in multilateral institutions can it contribute the experiences it has acquired in the field to help influence international food security and trade policies in the interests of the poor.

One thing is certain: in the wake of climate change, dwindling natural resources and the ongoing growth of the world population, engagements in agriculture and food security are essential in the global effort to fight hunger and poverty.

We wish you interesting reading and look forward to your comments.

Martin Dahinden



Ambassador

SDC Director-General

Jean-Daniel Gerber



State Secretary

SECO Director

The Reports on Effectiveness of Swiss development cooperation

The Reports on Effectiveness render an account of the manner in which state funds for development cooperation are used. They express the increased focus of Swiss development cooperation on effectiveness and provide important points of reference for the further development of development cooperation activities. This Report on Effectiveness is the second of its kind, following the Report on Effectiveness in the Water Sector, published in 2008.

Summary

The seed has germinated

Between 2003 and 2008, Swiss development cooperation invested CHF 1.189 billion in the agricultural sector. Switzerland's engagement is proving effective and is reaching people in the rural regions of poor countries.

Switzerland is heavily involved in the agricultural sector

The perseverance with which Swiss development cooperation pursues its efforts in the agricultural sector is unique by international comparison. Unlike many other donor countries, far from reducing its activities in this area over the past twenty years, Switzerland has increased them. On the one hand, it has done so because poverty in rural regions has remained widespread despite progressive urbanisation in developing countries. On the other hand, the agricultural sector is the most important potential engine of growth for development in the world's poorest countries. This report shows that the funds allocated for the agricultural sector by Swiss development cooperation between 2003 and 2008 have been well invested.

Switzerland's efforts to reduce poverty, improve food security, and achieve more sustainable economic growth are proving effective. Nevertheless, due to the broad thematic spectrum from food aid to improvements in trade policy frameworks, it is impossible to make any overall statements of effectiveness for the sector as a whole. The results presented here are therefore divided into four thematic areas:

1. Production and productivity

The interventions co-financed by Swiss funds of the four international organisations examined in this report helped to improve the economic situation of 14 million people. This was achieved by providing support for innovative and applied research and consulting which resulted in the cultivation of better-quality produce.

2. Trade policy frameworks

Countries, businesses, and producers from developing countries obtained better access to international markets. A large number of small businesses took advantage of new marketing opportunities to penetrate attractive niche markets. In the area of promoting voluntary sustainability standards – for example, Fairtrade and organic production – Switzerland along with Germany have become the most important donor countries.

3. Producer-to-consumer value chains

With self-reliance as a criterion, cooperation was optimised between farmers, traders, importers, retailers, civil society and other actors. The interventions examined in this report helped 1.3 million farming families benefit from local and international markets.

4. Food crises

Swiss aid seeks to combat malnutrition, and helps improve food security through disaster risk reduction and crisis prevention measures. In the reporting period and depending on the situation, the Humanitarian Aid of the Swiss Confederation provided direct food aid, financed WFP operations and the activities of other partner organisations, and supported the needy by making direct cash contributions for individual food supplies and other needs. Every year, those efforts provided support to several million people in critical situations.

The relationship between contributions and results made visible

This document also highlights by means of results chains the complex relationships between contributions made, results achieved and the influence of external factors. The visualisation of results chains also shines a light on the need to further improve the quality of the data used to measure results.

Contributing to further develop the aid system

Switzerland's contribution is subdivided into bilateral interventions (CHF 937 million) and support for multilateral organisations (CHF 252 million). The Report on Effectiveness shows the individual nature of Switzerland's efforts in selected countries (Burkina Faso, Mali, Madagascar, Mozambique, Southern Africa, Sudan, Bolivia, Nicaragua, Peru, Armenia, Kosovo, Romania, India, Laos, Vietnam, and Mongolia) while simultaneously reinforcing the impact via international organisations and multilateral programmes such as CGIAR, IFAD, WFP and the World Bank. The interventions analysed in the Report on Effectiveness show that while Swiss development cooperation is achieving its objectives in the agricultural and food sector there is also room for improvement, for example by involving women in projects. Moreover, in agricultural negotiations, Switzerland must continue to work towards trade liberalisation that addresses all the interests of all WTO members. The fact that Switzerland is able to participate in important multilateral institutions and networks constitutes an obligation. Switzerland must continue to contribute the experience and expertise it has acquired through its persistent efforts in the agricultural sector.



1 million households in Mozambique increased their income significantly by selling cashew nuts



Bean production in Nicaragua rose by **36** per cent between 2005 and 2008



102 million people in 18 countries benefited from food aid provided by the WFP in 2008

Agriculture fosters development

Refocusing on agriculture

Three quarters of the poorest populations in developing countries live in rural, often remote areas. Improvements in agricultural production, productivity, and the marketing of harvested crops have an immediate and positive impact on these people. Yet in most developing countries, agriculture is not accorded the strategic and financial value that it deserves in the context of poverty reduction. In industrialised countries, too, the key role agriculture has in reducing poverty tends to be played down. Whereas no less than 16 per cent of total development aid was earmarked for agriculture in 1980, today the figure is only 5 per cent. Only since 2003 has a reversal of this trend been identified (Fig. 1). For example, the World Bank increased its support for agriculture by a factor of 2.5, from USD 1.4 billion in 2008 to USD 3.4 billion in 2009.

Population growth and the shortage of resources drive the need to act

The growing importance of agriculture in development cooperation has been driven by the realisation that key resources such as energy, water, land and biodiversity are becoming increasingly scarce, and this growing shortage is increasing tensions. The causes are well-known: on the one hand, demand for food is increasing due to the growing world population, changes in consumer habits, higher living

standards, increased calorie requirements, and the consumption of animal products. On the other hand, the global supply of basic foodstuffs and producer goods is stagnating or falling. Moreover, the effects of climate change coupled with speculative trading in international raw material markets are increasing the volatility of commodity prices. In 2008, the poorest sections of the population in countries in the South were hit hard by massive price hikes on the global market, resulting in protests and riots. The gap between supply and demand for food along with the trend towards higher prices simultaneously present a risk and an opportunity for developing countries. There is an obvious need to strengthen agriculture sustainably in these countries and to focus heavily on agriculture in Swiss development cooperation.

The “green sector” is an important factor in achieving the Millennium Development Goals

Hunger is a direct result of poverty. In some cases, the poor populations in developing countries spend well over half of their household budget on food. Yet this is not enough for them to purchase sufficient food. In Sub-Saharan Africa, the percentage of the population suffering from malnutrition both in rural and urban areas is particularly high: 20 to 50 per cent (Fig. 2). The causes of poverty and undernourishment include poor governance, lack of food supplies due to poor harvests or price fluctuations, natural disasters, insufficient storage capacity, or simply insufficient income as well as lack of access to land, water, and credit facilities.

The eight Millennium Development Goals (MDG) defined by the UN in 2000, to which the international community renewed its pledge at the Summit on the MDGs in New York in September 2010, aim, among other things, to halve the number of people living in extreme poverty by 2015. This is where agriculture can play a pivotal role. The interventions examined in the Report on Effectiveness contribute to the following MDGs:

- Eradicate extreme hunger and poverty (MDG 1)
- Ensure environmental sustainability (MDG 7)
- Develop a global partnership for development (MDG 8)

MDG 3, to “Promote gender equality and empower women”, is incorporated in the SDC’s activities as a transversal theme.

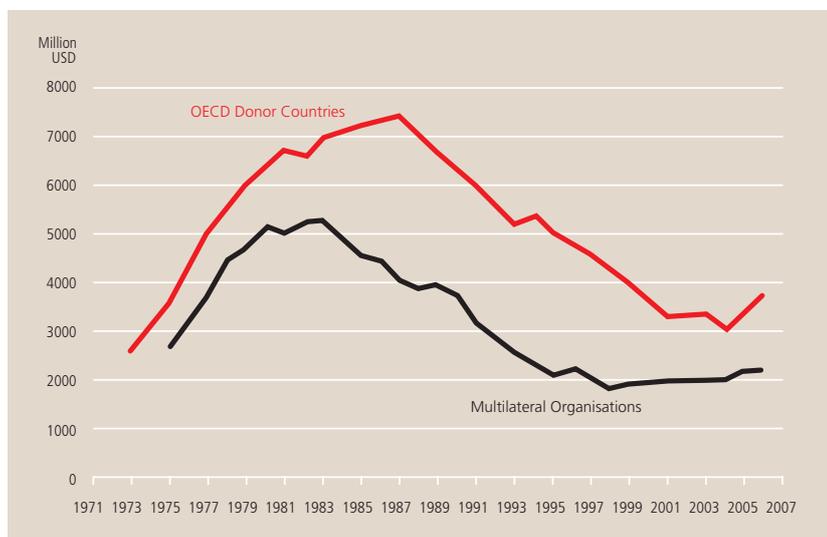


Fig. 1: Investments in agriculture, in USD million, from 1971 to 2007 (Source OECD (2010): Measuring Aid to Agriculture).

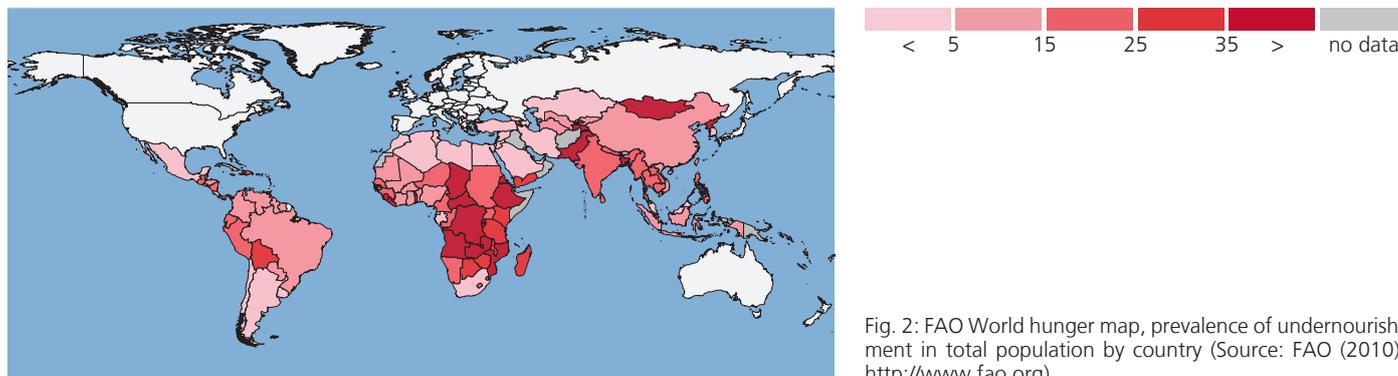


Fig. 2: FAO World hunger map, prevalence of undernourishment in total population by country (Source: FAO (2010): <http://www.fao.org>).

Growth in agriculture offers the greatest benefits

The agricultural sector is a key part of the economy in most developing countries: depending on the country, this sector accounts for between 10 and 50 per cent of its gross domestic product. In this context, the World Development Report published by the World Bank in 2008 concluded that agricultural growth has been twice as effective in reducing poverty as growth in other sectors – despite the declining importance of agriculture in policy development strategies.

In the poorest countries in Sub-Saharan Africa and Asia, Swiss development cooperation concentrates on equipping farmers more effectively to promote sustainable production. In countries in Eastern Europe and the former Soviet Union, South America, the Middle East, and North Africa there is a stronger focus on reducing disparities between the urban and rural populations by, for instance, providing access to new markets for high-value processed products. In both cases, access to regional and international trade is an important element in a country's development and in consolidating economic growth in rural regions.

Family-run enterprises are key

60 per cent of world farming enterprises are run on a family basis. In Africa the figure is as high as 90 per cent. Family-run farming operations form the backbone of food production and it is thanks to them alone that there is enough food available to feed the growing world population. According to the FAO's 2008 'Report on the State of Food and Agriculture', family-run structures offer the best guarantees for local food security as well as national and regional food

sovereignty. Their multifunctional nature, including their ecological and social contributions, is recognised and systematically promoted by Swiss development cooperation. The World Economic Council and the World Bank also assign the greatest potential for increased productivity and sustainable resource management to family-run businesses. The aim is to provide support to around 400 million small farmers - either through knowledge transfer and instruction on appropriate methods, or by providing better access to local, national and international markets. This supports the fight against hunger and poverty by creating jobs and increasing incomes. Assistance can be provided either through direct cooperation or in partnership with large producers of agricultural raw materials. Moreover, the sale of internationally traded commodities generates foreign exchange revenue which can be used to finance urgently required infrastructures from which small farmers in turn benefit.

Higher production and improved marketing in Kosovo

Switzerland supports farming families in Kosovo who are prepared to bear the risk of introducing new production methods. Farming families are schooled in the use of innovative farming technologies, storage, quality checks, and the processing and marketing of strawberries, onions, watermelons, herbs, and medicinal plants. Between 2005 and 2008 the number of farming families involved in the project rose from 160 to 1,846. 350 farming families increased their annual income by EUR 2,500. The income of 1,500 harvest workers rose by EUR 700. 88 new full-time jobs were created in farming operations. The collection of medicinal plants has created full-time employment for around 200 people, mostly women.



Food security at risk

The FAO defines 'food security' as a situation that exists when "all people at all times have access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active, healthy life". Food security is still under threat in many countries due to soil erosion, water scarcity, higher exposure on price fluctuations in the international agricultural markets, unreliable income structures, low land ownership, lack of education, and poor productivity.

Problems continue to be exacerbated

Not only the growing world population but also the increase in calorie consumption due to more affluent lifestyles in many regions have driven up the demand for food. The FAO estimates that global food requirements will rise by 50 per cent by 2030. Yet access to new arable land and water sources is limited. Basic crops such as maize and soya are also under threat due to the growing demand for animal fodder for meat production and for bio fuels. The OECD and FAO expect the production of bio fuels to triple by 2017.

Actors in the agricultural and food sector therefore face the challenge of feeding the world population while managing resources such as energy, water, and soil more sustainably and efficiently. The challenges are particularly difficult for regions characterised by poverty, scarce natural resources, and high population growth. Other regions have the potential to increase production and manage the available resources more effectively. All of these regions are dependent on effective and efficient development cooperation.



Increasing the income of farming families in Vietnam

Thanks to the provision of consulting services, some 3,000 farming families were able to diversify production, apply more productive methods, and grow higher-yield crops. In 2008, chayote farms increased their net income by an average of USD 2,100.



Swiss expertise useful worldwide

Thanks to its special attributes as a mountainous country with a decentralised, direct democracy, and a place of cultural diversity, Switzerland is able to contribute valuable experience and expertise which is particularly important for developing mountainous and other regions of the world with similar societal structures. In addition, Switzerland's experience of the agricultural crisis at the end of the 19th century, which forced almost half of the country's rural alpine population to emigrate, has left its mark on national policies. As a result, Switzerland has developed a strong will to support independent farming. Research and consulting as a supplement to farming know-how have not lost sight of the needs of actors in rural regions.

Moreover, for the past twenty years and thanks to a high level of government support, Switzerland has gradually assumed a pioneering role in agricultural policy rooted in sustainability. Examples include the separation of price support from income support, the linking of direct payments with ecological achievements, and incentives for particularly ecological forms of production (organic production, Extensio crops) and animal welfare. Switzerland contributes knowledge and experience to establishing sustainability labels (Fairtrade, organic production) and implementing cooperative ventures in the food value chain. For years, private actors such as retailers and food processors have taken responsibility for the sustainable structure of their sourcing chains, particularly from poor countries in the South.

Switzerland's engagement – a tradition with a future

Agriculture: a priority of Swiss development policy

Swiss development cooperation has traditionally accorded high priority to agriculture. Between 2003 and 2008, Switzerland invested CHF 1.189 billion in this sector. This corresponds to around 13 per cent of the country's total budget for development cooperation, making Switzerland one of the highest contributors to agricultural aid (Fig. 3).

The Swiss development cooperation toolbox

Swiss development cooperation in the agricultural sector, including humanitarian aid, is based both on direct bilateral cooperation with individual countries and on cooperation with other donors within multilateral organisations. This coordinated approach ensures the best possible results because global challenges demand global solutions. Specialised international organisations are better placed to exert an influence and have better access to skills than individual states engaged in bilateral cooperation. Between 2003 and 2008, bilateral activities in the agricultural sector accounted for CHF 937 million, or 13 per cent, and multilateral activities for CHF 252 million, or 11 per cent, of the respective total investments (Table 1).

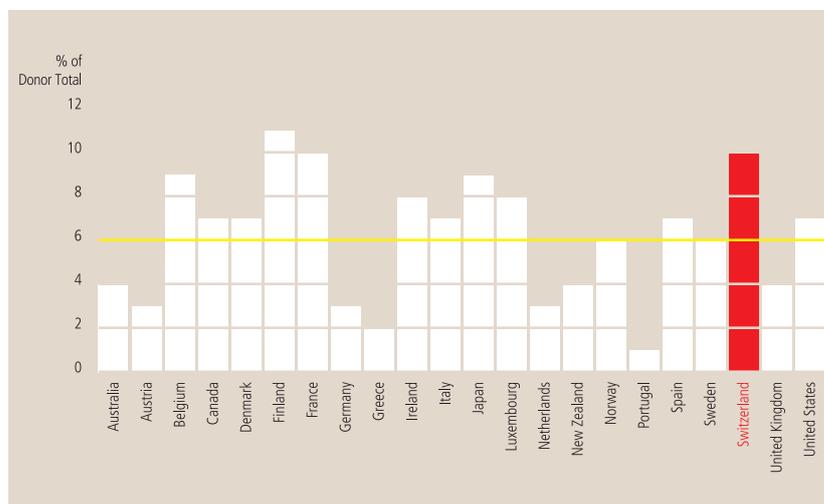


Fig. 3: Bilateral cooperation (without humanitarian aid) in agriculture as percentage of the development cooperation budget in 2007/2008. (Source: OECD (2010): Measuring Aid to Agriculture).

The activities of the SDC and SECO complement each other. While SECO concentrates on economic and trade policy measures in the interest of developing countries, SDC efforts focus on long-term support for rural areas in the world's poorest regions and on humanitarian aid. Switzerland invests the largest proportion of its available funds in Africa (Fig. 4).

Instruments of the Swiss development cooperation in agriculture and food security (A&F)		Total investments ° 2003–2008 (in CHF million)	Investments in A&F 2003–2008 (in CHF million)	A&F as a proportion of total investments	Number of interventions examined by the Report on Effectiveness
Economic development (SECO)	Bilateral	1,409	99	7%	7
Rural development (SDC)	Bilateral	4,017	516	13%	13
	Multilateral*	2,146	242	11%	3
Humanitarian aid (SDC)	Bilateral	1,585	322	20%	4
	Multilateral	163	11	6%	0
Total	Bilateral	7,012	937	13%	24
	Multilateral	2,309	252	11%	3
		9,321	1,189	13%	27

Table 1: Swiss development cooperation in the agricultural sector, 2003–2008 (rounded figures). For details on the calculation of the multilateral engagement see explanations in Annex 2.

* including joint contribution of SDC and SECO to the World Bank
 ° of SECO, SDC and the Confederation's Humanitarian Aid

Rural development through SDC interventions

Agriculture, based on a large number of family-run enterprises, provides food to local markets at affordable prices, creates jobs and generates income, thus helping to alleviate poverty.

SDC investments in rural development therefore target public and private facilities as well as research, training, and advisory services tailored to meet the needs of small agricultural businesses. Besides self-sufficiency, the objectives include sustainable natural resource management, the retention and further development of local knowledge using appropriate farming methods, and biodiversity conservation. SDC projects also help farming families sell their products on national and regional markets and diversify their operations. Such projects have the potential to bring about significant long-term improvements in food security and quality of life for the households concerned.

Economic development through SECO interventions

While SECO's economic development measures are not specifically aimed at the agricultural sector, its support to partner countries in trade-related areas increases income and employment in rural regions, and also puts agriculture on a more professional footing so as to generate sustainable economic growth and reduce poverty. SECO's interventions therefore focus on three objectives: strengthening the framework conditions for sustainable agricultural exports from developing countries, sustainable management of natural resources, and greater price stability for raw materials.



Multilateral development cooperation

Switzerland has little impact on its own. It accounts for only one per cent of the total funds invested around the world in agricultural programmes in developing countries. It is therefore important for Switzerland to coordinate its efforts with international organisations and networks. Switzerland's presence and influence within international organisations active in the agricultural sector provides an important impetus.

Global challenges call for globally coordinated solutions. Specialised international organisations have greater opportunities to exert an influence and better access to skills than individual states through their bilateral cooperation. The agricultural sector is supported in various ways by increasing productivity, providing access to know-how, setting up rural infrastructures, improving framework conditions (prices, credit facilities) or improving value chains. Switzerland supports programmes and projects run by a number of multilateral institutions, which directly and indirectly benefit the agricultural sector. For the purpose of this report, the effectiveness of the following organisations was examined: Consultative Group on International Agriculture Research (CGIAR), International Fund for Agricultural Development (IFAD), the UN World Food Programme (WFP) and the World Bank.

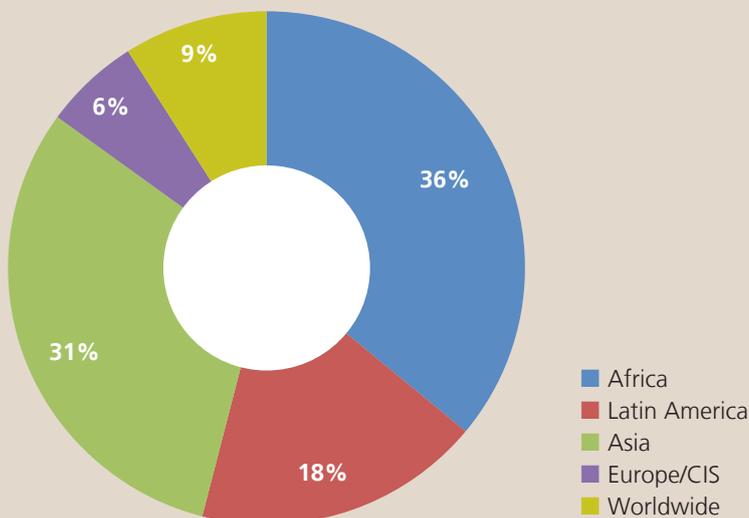


Fig. 4: Distribution of Swiss bilateral expenditures in the agricultural sector (rural development, economic development and humanitarian aid), 2003–2008, by continent.

New bean variety for South-East Africa

In cooperation with CIDA, USAID, DFID and the Rockefeller Foundation, Switzerland is funding research and farming programmes for new varieties of beans in South-East Africa. At least 10 million people in 12 countries (2 million households) benefited between 2003 and 2006, and 200,000 households diversified their production techniques.



SECO is active in the following specific areas:

- Promotion of favourable trade policy frameworks, for example by introducing geographical indications of origin
- Improvement of international value chains
- Promotion and application of technical norms and quality standards
- Ensuring a sufficiently large demand for organic and Fairtrade products
- Improving risk management (weather and price risks) for agricultural production.

Humanitarian Aid of the Swiss Confederation

The instruments of Swiss Humanitarian Aid come into play in situations of acute humanitarian crisis in which the food security of thousands is endangered. For decades, food aid has been one of these instruments: basic foodstuffs such as Swiss powdered milk as well as cereals (flour, wheat or rice), purchased locally or in the region, if possible, are distributed to needy members of the population.

Where the situation permits, e.g. access to local markets, cash is provided instead of food aid. One-off cash contributions are made to help people restore their livelihood as they see fit, whether by purchasing domestic animals, food, or other essentials.

An increasingly important element in Swiss Humanitarian Aid efforts is the implementation of disaster preparedness and prevention programmes in order to achieve a lasting reduction in the population's vulnerability. This can include adjusting agricultural production, improving storage facilities, or setting up early-warning systems.

With its Humanitarian Aid Unit (SHA), Switzerland has at its disposal experts who are able to ensure the effective deployment of these instruments.

Benefits for small farmers

Switzerland's cooperation activities are focussed on small family farms, farming organisations, and small- and medium-sized enterprises in the food sector. Authorities, research institutes, advisory services and associations act as intermediaries between the main target groups and project managers. Victims of crisis situations, undernourished children, orphans, and women in critical food situations benefit from humanitarian aid.



New jobs thanks to the Swiss Import Promotion Programme (SIPPO)

The aim of the SIPPO programme is to promote and foster market access in Europe for SMEs in developing countries. According to a study conducted by the University of Harvard in 2007, a contribution of CHF 8.5 million by SIPPO helped to create 3,800 new jobs in the beneficiary companies, and indirectly created around 23,000 jobs in the supplier organisations in 2006.

Donors want to see results

Effects can have many causes

Development processes are complex, and proving their effectiveness is correspondingly difficult. The relationship between cause and effect is not always obvious: a reduction of poverty in a country or in a specific segment of the population (effect) cannot automatically be attributed to the development aid provided (cause), because external factors beyond the protagonists' control can also affect the results of a development project (Figs. 5 and 6).

Switzerland uses a variety of instruments to implement its programmes in order to achieve the defined results. This includes identifying the needs of the target groups from the outset, and designing the activities to meet these needs. Action plans with measurable objectives are used as steering instruments by project managers. Evaluations are conducted regularly to review implementation and make any necessary adjustments. Yet this was not always the case. Only in the past few years have project managers developed appropriate indicators to measure effects in order to interpret the results correctly and draw conclusions about how to proceed. This so-called "project monitoring cycle" is also applied in cooperation with the key partner organisations and multilateral institutions.

Interventions examined for the Report on Effectiveness

For the purposes of this report, 27 interventions (Annex 1) – both bilateral projects as well as financing contributions to multilateral organisations – were drawn by lot from a geographical and thematic short list. Success or failure was not a criterion for short-listing a project. The impact analysis was performed by external experts on the basis of existing project documentation, as well as of 10 field visits to projects in six different countries.

Summary of results

In order to provide a clear overview of the results and cater fully to the breadth of the agricultural sector, including food security, the interventions were grouped into four thematic areas:

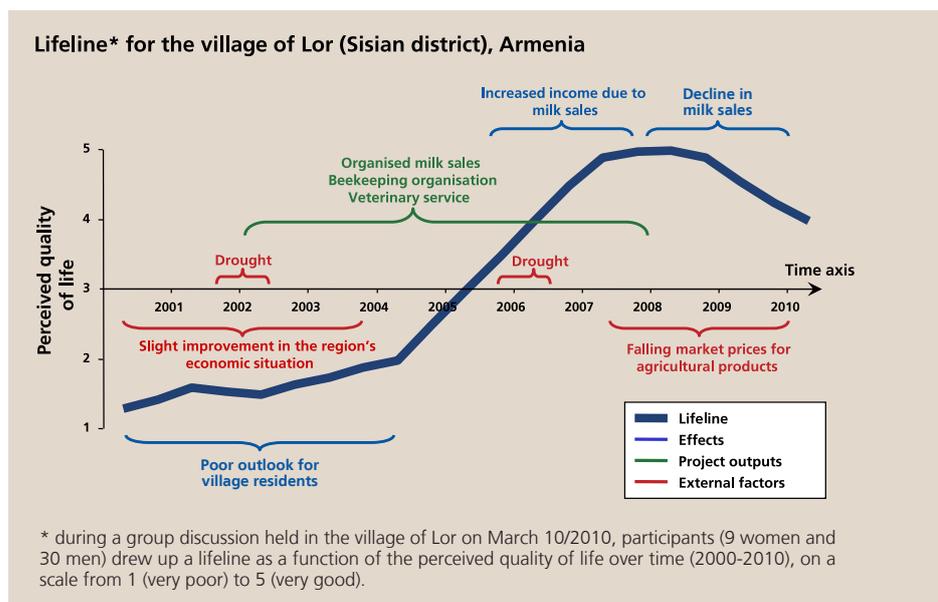
- Pages 14-15: Increasing production and productivity for family-run farms (nine interventions analysed).
- Pages 16-17: Improving the economic and trade policy conditions for farming families, producer organisations and SMEs (five interventions analysed).
- Pages 18-19: Establishing long-term, market-oriented value chains (nine interventions analysed).
- Pages 20-21: Alleviating food crises (four interventions analysed).



Higher income despite rising fodder prices and lower milk prices in Armenia

Switzerland is aiming to support the rural population in the Sisian region of the Southern Caucasus, among others, by cooperating with market actors to improve milk production and milk marketing. A project launched in 2002 already began to show positive effects in 2004. Thanks to organised sales of fresh milk, the income of village residents was significantly improved by 2008. Unfortunately, the slump in milk prices coupled with increased prices for fodder have, more recently, led to a drop in income (Fig. 5).

Fig. 5: The change in quality of life over time was estimated by individuals who took part in the project during a group discussion for informing this Report on Effectiveness. The figure shows that the quality of life of the beneficiaries was both positively and negatively affected by the project as well as by a range of external factors. The example illustrates the importance of conducting a risk analysis both at the beginning of and during an intervention.



The results chain

The complex relationship between cause and effect can be illustrated using results chains. Fig. 6 shows a simplified results chain in development cooperation.

Results chains in development projects or humanitarian actions are used to express the causal relationship between the intended objectives (laid out during planning), the outputs achieved, and their effects (estimated during monitoring & evaluation). External factors such as the global trend in food prices, natural disasters and climate change may have a relatively minor effect on project activities and the outputs achieved. However, their influence on the intended immediate and intermediate outcomes and on the (long-term) impacts increases progressively.

On the following pages, the results of the analysed interventions are shown in the form of results chains. For each of the four thematic areas, results frameworks have been drawn up to illustrate graphically the interplay between individual results chains. For illustration, results chains for selected analysed interventions are shown in different colours in the specific results frameworks.

Simplified results chain

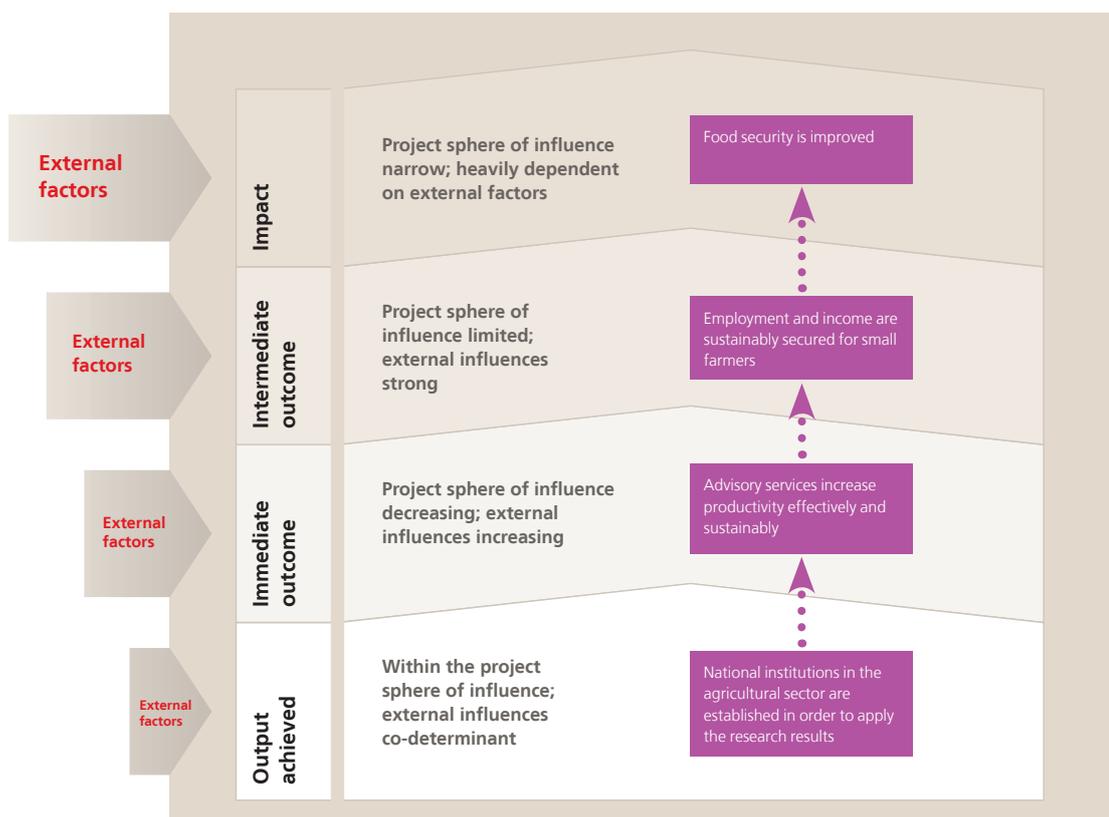
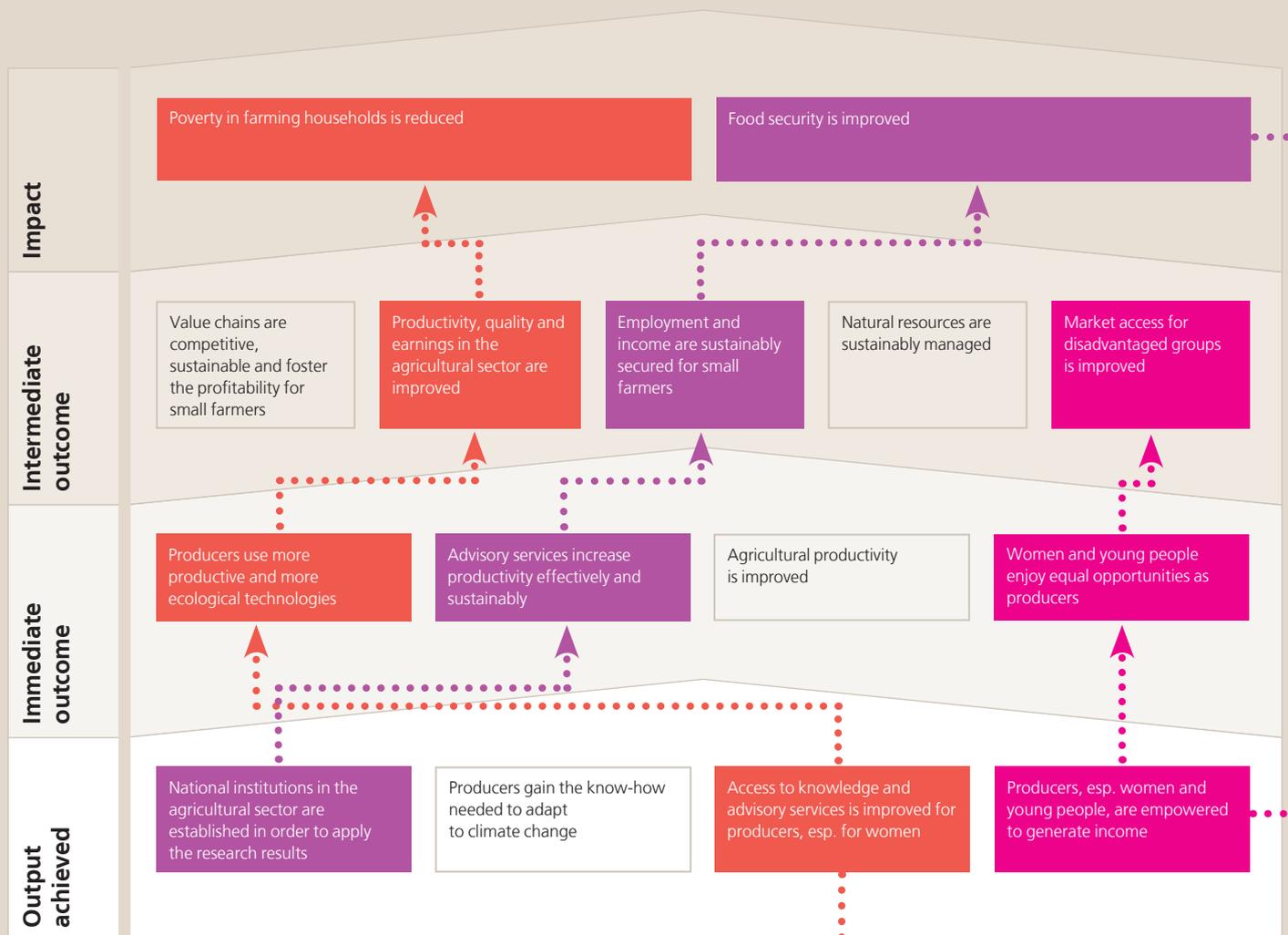


Fig. 6: Results chain of the CGIAR example (see p. 14); simplified representation of the relationship between cause and effect in development cooperation projects.

What worked – and what didn't

Production and productivity increased

Supported by innovative, practical agricultural research and consulting services, farmers are able to increase their agricultural production and crop yields, and to improve the quality of their produce. The workload is reduced and the production system is made more sustainable. The nine bilateral interventions analysed alone provided support to more than 14 million people.



Findings

Switzerland's activities are based on supporting national research institutions and strengthening their international networking. The programmes and projects Switzerland promotes support the spread of improved technologies appropriate to the location. Special emphasis is placed on innovations that protect the environment and enable sustainable resource management, water and soil as production factors, political framework conditions, and access to credit facilities.

Successes: Farmers are increasingly using improved breeds of animal and seed varieties, as well as applying higher-yield production techniques. In conjunction with improved access to sales markets and the development of value chains, new jobs have been created and farming families enjoy a higher income. The rise in production is increasing the attractiveness of agriculture and animal husbandry. This higher productivity goes hand in hand with more sustainable resource management and better adjustments to climate change. In particular, the gender-specific focus of the projects is enabling women to acquire their own land and increase their income.

Room for improvement: New technologies, plant varieties, and breeds must provide short-term solutions to farmers' current problems to ensure food security. Efforts to include more young people in the programmes and projects must continue.

Consultative Group on International Agriculture Research (CGIAR): Small farmers increase production and income

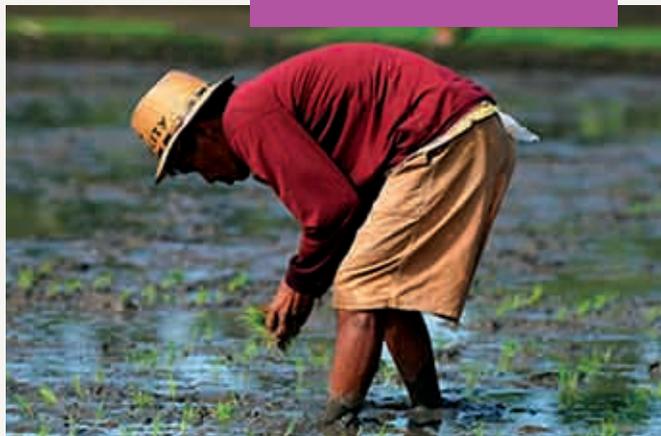
Switzerland has been a high-profile partner of the CGIAR research network since the network was founded in 1971. As one of the five leading donor countries, Switzerland makes available the scientific and technical resources of a large number of institutions such as the ETH Zurich and Lausanne, the University of Bern, the Swiss Tropical Institute, Agroscope, the Research Institute of Organic Agriculture and the Swiss College of Agriculture. Examples of important CGIAR research results are:

New manioc production and processing technologies have created 6,000 jobs in Nigeria since 2004. As a result, the income of farming families and SMEs has risen by USD 50 million.

Low-input soil processing methods such as zero-till farming or green manuring protect the soil, save water and reduce CO₂ emissions. The rapid spread of these methods to rice and wheat farming in South Asia has reduced production costs by 10 per cent and increased productivity by the same amount. Half a million farmers use this technology on 3.2 million hectares. The total estimated economic benefit amounts to USD 147 million.

500,000

farmers apply sustainable methods for rice and wheat production



International Fund for Agricultural Development (IFAD) Education, adapted production and processing systems thanks to credits for farming families

This specialised agency of the United Nations provides loans to finance programmes and projects for poor, rural populations in developing countries. As an active member of IFAD since it was founded in 1977, Switzerland has contributed more than USD 120 million. Between 2003 and 2008, Switzerland invested CHF 42 million in the fund and co-financed IFAD projects in West Africa, Central Asia and East Asia. In 2009 IFAD provided training for three million farmers, built 15,000 kilometres of new roads, and granted 29 million micro credits.



More than

350 million

people have been able to improve their vocational capacities since 1977

Mali: Working together to find solutions

Researchers working with farmers to find solutions to problems such as infertile soil or regular water shortages developed a resistant variety of rice and combined it with optimised land and water management methods. 1,460 farmers, including many women, immediately began to grow the new rice variety. Between 2002 and 2004 yields per hectare rose from 400 to 1,500 kilograms. A second research achievement was breeding a new, more disease-resistant breed of sheep. Within three years the new breed was being used by 104 of 114 households in the village of Kaniko. The market price for the sheep tripled and family income increased six-fold.

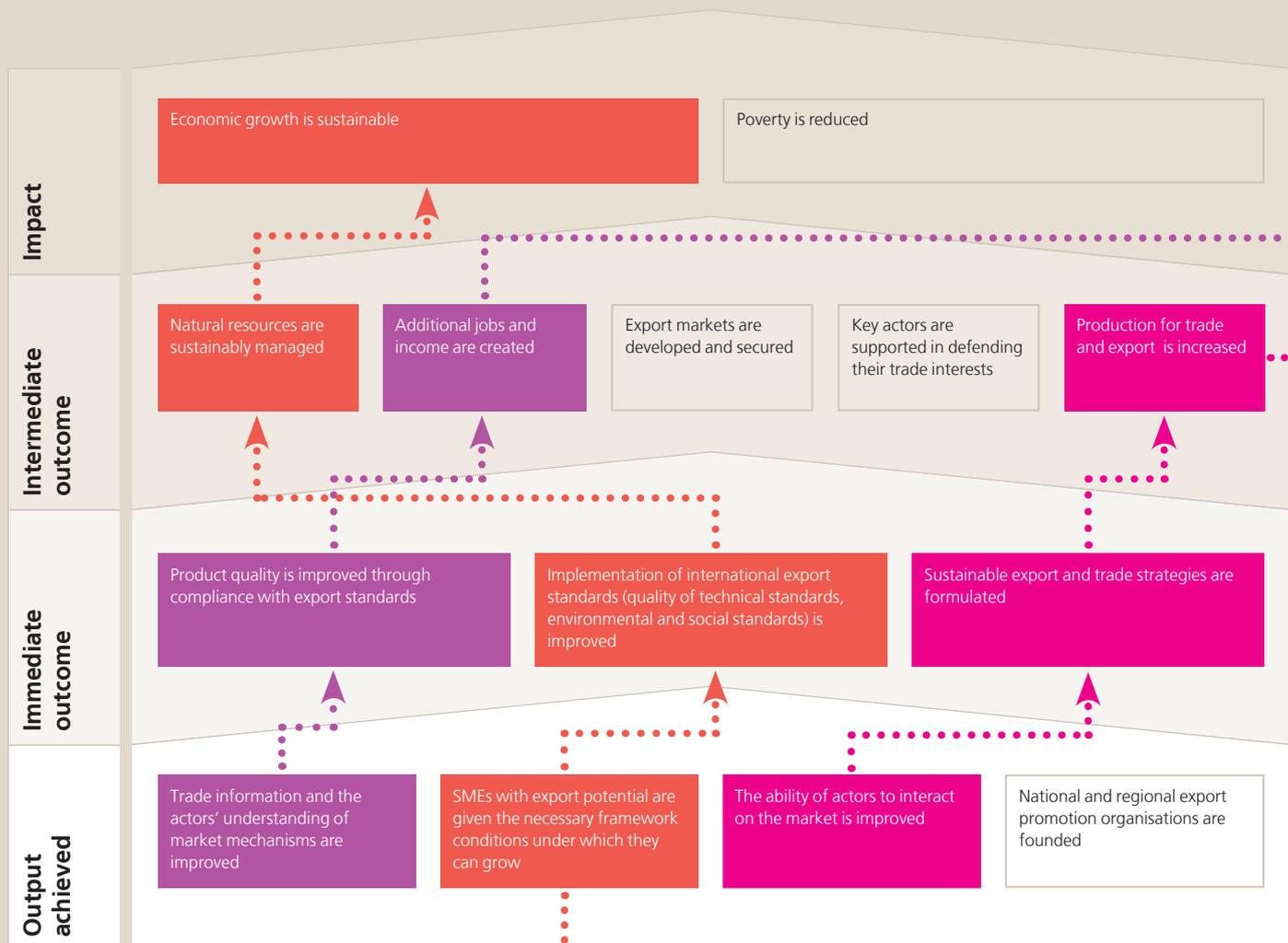
39,000

herder families increased their sales by 43 per cent



Trade policy conditions improved

Countries that formulate trade and export strategies take better advantage of international trading opportunities in agricultural products. Switzerland supports governments, associations, businesses and producers in the development and implementation of their trade policies, and structures its import regime in a more development-friendly manner.



Findings

The aim is to enable developing countries to benefit from international trade in agricultural products. Switzerland provides support to partner countries in the formulation and implementation of their trade policies, and helps countries process their applications to join the World Trade Organisation (WTO) or apply WTO agreements. Switzerland provides assistance in setting up and operating specialised departments within the administrations of the partner countries, and helps them to formulate their export strategies. The focus is on exploiting international market potentials as well as ensuring food security at the local level. Switzerland pays attention to coherent policies and grants import duty concessions for goods from developing countries.

Successes: Thanks to Swiss support, countries such as Peru and Mali are now better able to articulate and incorporate their own requirements in trade agreements with other countries. The key factor in this context was the involvement of producers in formulating policy. By introducing customs- and quota-free market access for goods from the poorest developing countries, eliminating customs duties on numerous processed agricultural goods and granting customs concessions for the main agricultural goods from all developing countries, Switzerland was able to facilitate access to the Swiss market and, as a result, to contribute to increased sales and income.

Room for improvement: Cooperation with other donor countries could be stepped up, for example with the EU and Norway, by simplifying the rule of origin in the frame of the generalised system of preferences for goods from developing countries. Such an opportunity would increase Switzerland's influence on the definition of sustainable trade policy conditions. Taxes on imports from the poorest developing countries, the revenue from which goes towards financing the mandatory storage of strategic raw materials, should also be abolished.

West Africa: Need to abolish subsidies on cotton export from industrialised countries

Between 10 and 15 million people in West Africa make a living from cotton farming, which accounts for five per cent of the world's cotton production. West African cotton producers are the world's cheapest and at the same time among the world's poorest. The slump in global market prices ushered in a grave crisis for farmers in the Sahel. Unable to cover their production costs, they could no longer repay loans for seed and fertiliser. The entire community, not just the farmers, suffered as a result. The loss in income due to subsidies on cotton production in industrialised countries is estimated at CHF 250 million a year.

Switzerland helped West African countries to formulate their positions and input for the ongoing WTO Doha round. And this paid off: it is highly unlikely that the Doha round will conclude without resolving the controversy around export subsidies. Global awareness was raised, and West African cotton production is expected to recover once the Doha round has been concluded.



The incomes of
6,494
cotton producers
increased by
10 to 30 percent

Peru: More professional trade promotion

For trade frameworks to create real benefits, they must be generally accepted and effective. This is best achieved if the related policies are drawn up with the active involvement of businesses, trade associations, and civil society. This approach was adopted in Peru to draw up technical studies and position papers on the key issues affecting agricultural exports. These studies and position papers were also used to define the official positions to be adopted in international negotiations. This was the basis, for example, on which the agricultural free trade agreement with the USA was negotiated and concluded.



40
small enterprises
signed new export
agreements for a
volume of more than
USD 1 million

Max Havelaar Foundation Switzerland: An ongoing success story

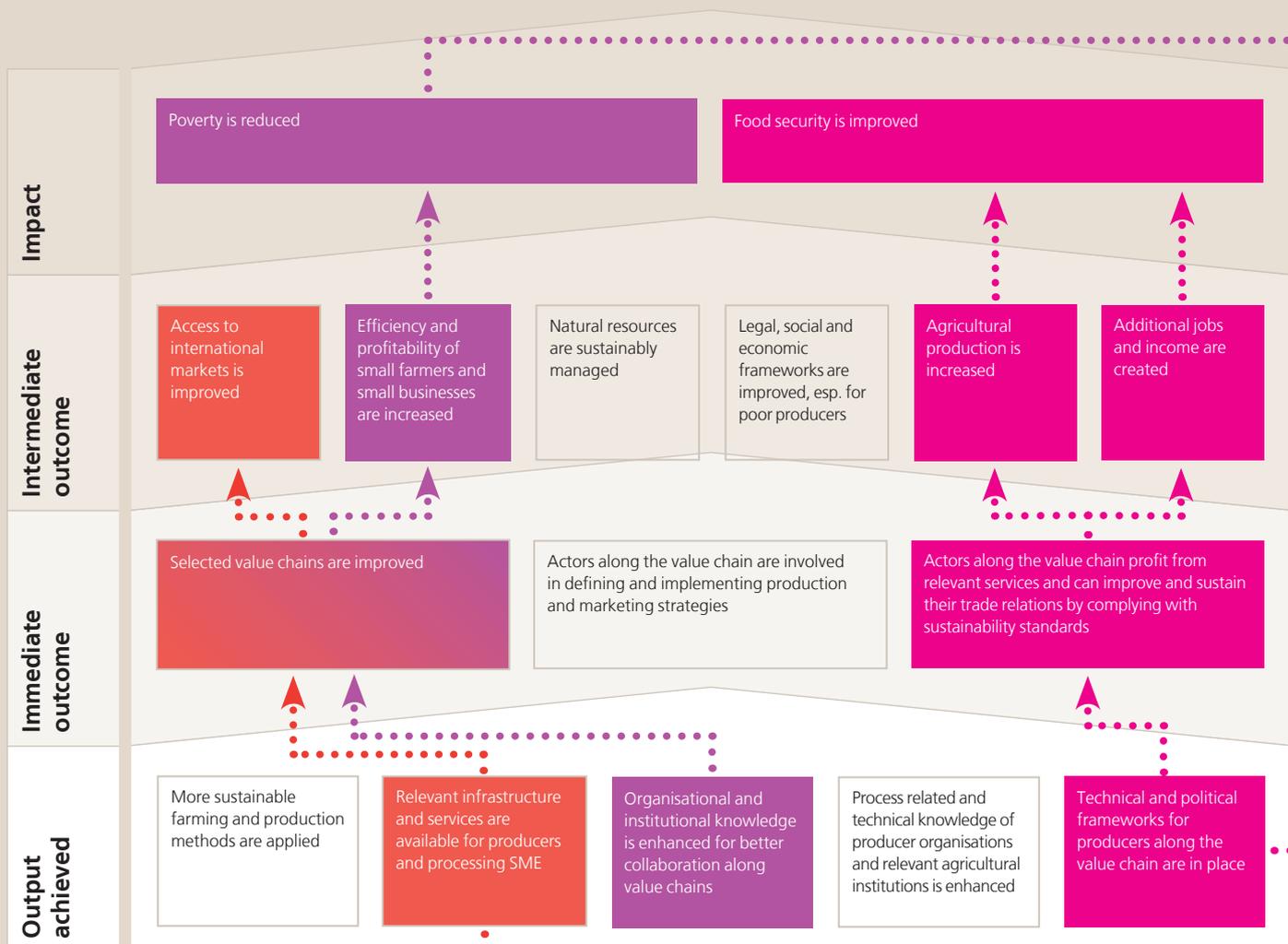
To facilitate access for sustainable products to the Swiss market, Switzerland granted CHF 2.8 million between 1992 and 2000 to finance the establishment of the Foundation Max Havelaar Switzerland. The aim of the organisation is to promote Fairtrade imports by awarding a quality label, and to report on the positive effects that Fairtrade has on the development of the producer countries. This way, Swiss consumers can personally contribute to development through selective purchasing. During the observation period covered by the Report on Effectiveness (2003 – 2008), Fairtrade has produced positive effects in the countries involved. Fairtrade products open doors to international export markets. In 2007, 400 producer organisations and 150 plantations including 1.5 million producers and workers in 57 countries benefited from Fairtrade. If one includes the families of workers, then as many as seven million people benefited from Fairtrade. Three years ago, encouraged by this huge success and at Switzerland's initiative, donors from five countries pledged to promote Fairtrade on an international scale and to harmonise and further coordinate fair trading via the umbrella organisation Fairtrade Labelling Organizations International (FLO). Max Havelaar is now self-financing.



1.5 million
producers and
workers in
54 countries
benefited from
Fairtrade

Producer-to-consumer value chains improved

Wherever trade relations are jointly forged and expanded between producers, processors, retailers, and end consumers, the resulting value chains create new jobs and increase incomes. The nine bilateral interventions examined in the report provided around 1.3 million farming families with better access to local and international markets.



Findings

When it comes to promoting agricultural projects, a holistic approach covering the entire product cycle “from farm to fork” is often more effective than an isolated approach based on a single measure. For the product to reach the market successfully, all links in the value chain must function effectively (value-added approach). Swiss projects support actors along the value chain in the following ways: advisory services for producers, packaging improvements for the processing industry, and better labelling and compliance with technical standards for exporters.

Successes: Small producers and businesses have been certified according to production and quality standards thus, improving their access to export markets. Higher-yield and more widely diversified agricultural production have resulted in higher sales in local, regional and international markets, and increased income and job creation.

Room for improvement: Only eight per cent of the agricultural products traded on the world market are produced in accordance with voluntary sustainability standards. Switzerland can further promote the import of sustainably produced goods, for example by setting up a platform for sustainable tendering processes in the private and public sectors. Efforts to harmonise and ensure the compatibility of voluntary sustainability standards at the international level must be pursued further to make the application of such standards simpler and more affordable for producers.

Madagascar: Access to food secured

Since 2000, 150,000 people have taken part in 1,500 sub-projects in the regions of Imerina, Betsileo and Morondava. Thanks to the increased production of strawberries, fish, honey and silk, better market access, and quality enhancements in production processes, the average household income has increased and food security improved. The standard of living has risen for more than 40,000 people as a result of improved health, food security, and social environment. 8,000 households have been able to improve their incomes. This is illustrated by the example of strawberry production, in which the average production per household rose by 11 per cent. As a result, annual operating profit per household has risen 14 per cent, from the equivalent of around CHF 148 in 2001 to CHF 170 in 2004.



122,000
people improved their
production and have
gained better access
to the market

Mozambique: Higher incomes due to exports of cashew nuts

Thanks to the introduction of a quality management system and improved management structures and processing methods, cashew nut production in Mozambique has increased significantly and adapted to meet international demand. As a result, sales are ensured and bank guarantees are afforded on more favourable terms. This has given rise to nine new processing businesses, which in 2008 generated an operating profit of USD 1.3 million (compared to zero in 2002). 5,000 new jobs have been created and around one million households in rural regions have been able to increase their incomes by selling cashew nuts. With their higher wages, cashew nut farmers and factory workers stimulated the local economy. The project investment costs of USD 3 million for the first five years were virtually amortised between 2003 and 2008 by the revenue of USD 2.65 million that the nine processing businesses generated.



The production
of cashew nuts
created

5,000
new jobs

Peru: External factors bring a success story to an end

In 1999, 100 farming families began to cultivate paprika. It was the beginning of a success story. In the space of a single year, 2003, paprika production rose from 8,600 kg to 40,000 kg. The entire crop was sold on the national and international market. Exports sales rose from EUR 9,000 in 2003 to EUR 57,000 in 2004. The income of farming families grew at an unexpected rate. However, the success story came to an abrupt halt in 2006 when prices plummeted.

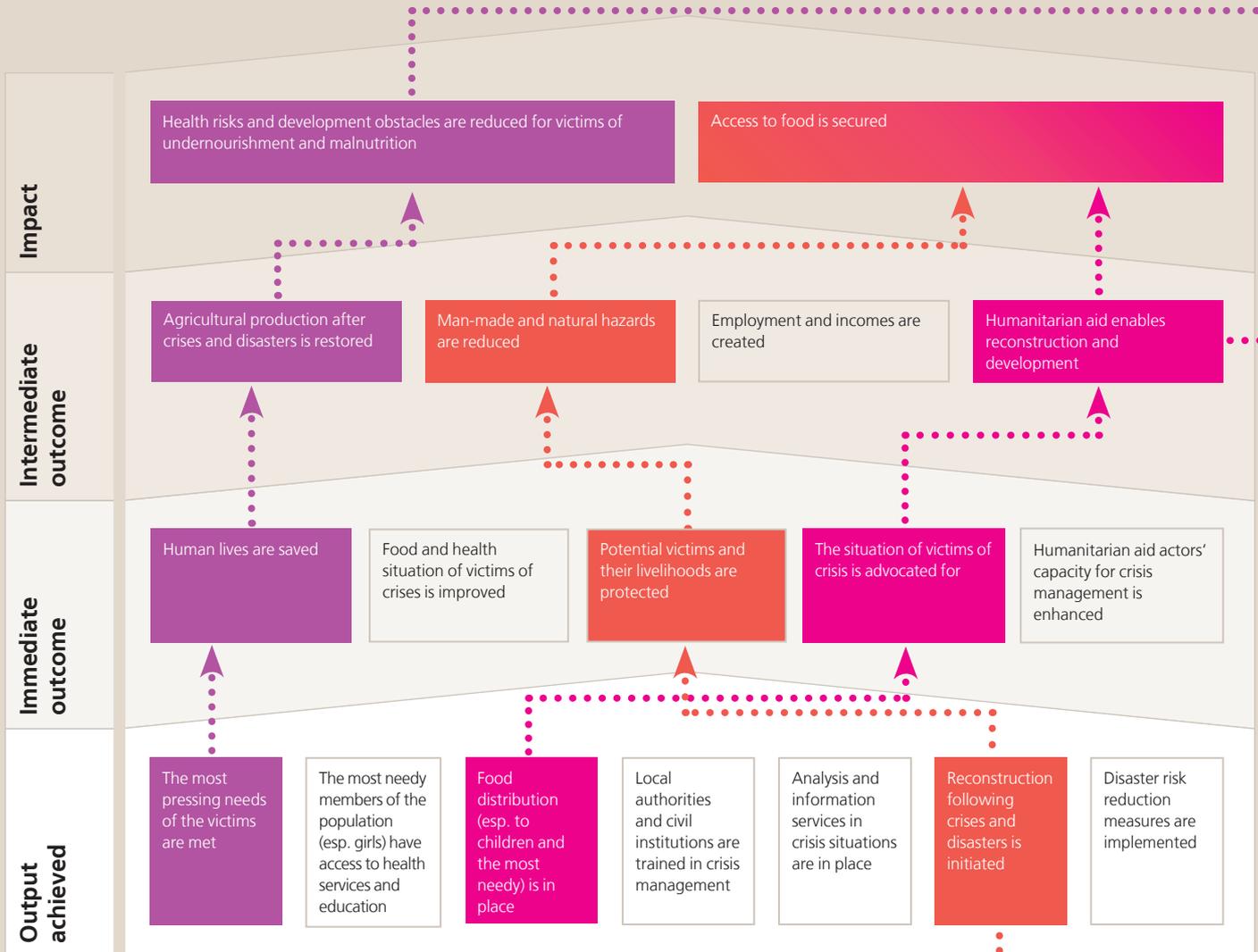


In 2004, the sales
of the paprika
production
increased

6-fold

Food crises alleviated

Humanitarian aid saves human lives by means of short-term intervention and helps to improve long-term food security through measures to prevent or reduce disaster risks.



Findings

The Humanitarian Aid of the Swiss Confederation provides support in various ways, for example through distribution of Swiss powdered milk to those in need, cash transfers to selected target groups, and contributions to the WFP. The allocated funds provide support to people who are at risk from food shortages due to armed conflict, natural disasters, or chronic poverty. Special emphasis is placed on women and children, as well as other particularly vulnerable groups such as refugees, displaced persons, and the sick.

Successes: Population groups who face the greatest risk benefit immediately from the invested funds. The interventions save lives, reduce child mortality rates, and lower the risk of long-term physical and psychological damage from undernourishment.

Room for improvement: The projects, many of which are located in crisis regions due to conflict and natural disasters, primarily help to ensure the survival of those affected. However, the projects do not appear to have any long-term influence on circumstances that prevent permanent access to food. Also in crisis situations, measures to improve long-term access to food supplies must be included in the aid efforts more effectively and as early as possible.

Burkina Faso: Swiss powdered milk saves lives

One of the instruments of Humanitarian Aid used in areas severely affected by undernourishment is the distribution of Swiss powdered milk. Every year, 3,000 tonnes of powdered milk, worth around CHF 20 million, are distributed in various parts of the world by Swiss aid agencies and the WFP. The powdered milk is used to treat malnutrition and undernourishment.

In Burkina Faso between 2003 and 2008, around 259,800 people, mainly infants, were fed nutritious powdered milk for an average of two months. The local infant mortality rate was reduced and the health of others affected by undernourishment, such as nursing mothers, women and orphans suffering from AIDS, was improved. Advice was also dispensed leading to improvements in the feeding habits of people who care for children, particularly mothers. Nevertheless, the interventions lack virtually any sustainability since the food distribution programmes are not linked to efforts to promote local production of milk or other sources of protein.



259,800

infants received Swiss powdered milk as life saving emergency measure

Sudan: Switzerland as an important partner of the UN World Food Programme (WFP)

In 2008, the WFP distributed food to 102 million people in 78 countries. At USD 6.14 per head, Switzerland was the twelfth largest donor to the WFP in the same year and provided earmarked contributions to defined aid projects in 35 countries. Switzerland expressly asked the WFP to use its contributions to purchase food in local and regional markets whenever possible in order to promote local and regional production.

Sudan is the scene of the largest operation ever carried out by the WFP. Switzerland has contributed between CHF 2.7 and CHF 5.4 million per year to the programme. Since 2002 the WFP has helped between three and six million people in critical health annually.



Food aid reached up to

6 million

people (about 60 per cent women) annually

Mongolia: Cash for herders to secure livelihoods in times of need

In 1999 and 2001, Mongolia was hit by a "Dzud": a climatic disaster in which an extremely dry summer is followed by a long, harsh winter. Eleven million animals died, robbing 63,000 herders of their livelihoods. Between 2002 and 2006, more than 8,000 severely affected herding families who were located in the project regions received a one-time cash contribution of between CHF 180 and CHF 200. Three years later, 84 per cent of the recipients were once again able to earn a living, largely through livestock farming. Cereal production and livestock numbers have increased. According to the Mongolian Office of Statistics, poverty in the provinces where support was provided is significantly lower than in the surrounding regions. However, progressive climate change is endangering the positive effects of the programme and many farming families have returned to the same less sustainable management of their pastures as before the catastrophic "Dzud".



84 per cent

of the beneficiaries were able once again to earn a living on livestock farming

Successes and areas for further improvement

Switzerland has consistently geared its assistance in the agricultural sector towards sustainability. It has continued to do so even when agriculture lost importance in the eyes of other donors and partner countries. Today, Switzerland can make an important contribution in the agricultural sector to reducing poverty and increasing food security because it has built up lasting expertise in cooperation with strong local partner organisations (universities, private enterprises, NGOs) domestically and at the same time it cooperates with multilateral organisations.

The projects examined show that, while Swiss development cooperation in the agricultural sector and in improving food security are achieving their objectives, there is still room for improvement. In this context the impact analysis provides operational findings based not only on concrete project results, but also on aspects of project steering.

Findings on factors expected to contribute to more effectiveness Sustainability

Changes in trade, consumption, and the environment are forcing farmers also in poor countries to adapt their practices. The impact analysis demonstrates that in addition to technical improvements such as new plant varieties or breeds of livestock, irrigation systems, etc. voluntary social and ecological standards can also make a contribution. Sustainability standards often provide producers with better, more qualified access to markets and in so doing help to generate more jobs and income. Switzerland was quick to recognise the importance of voluntary sustainability standards and, along with Germany, is

the largest donor in this area. The systematic Swiss approach is being adopted by other bilateral donors and multilateral organisations. Along with raising consumer awareness, this can contribute to enlarging the markets for sustainable products.

Multilateral engagement

Important donors, as well as developing countries, acknowledge Switzerland's long-term expertise and interest in agricultural and rural development. Switzerland has a seat on the boards of key multilateral organisations and is committed to ensuring that the decision-making processes of these supervisory boards and committees are efficient, fair, and transparent. Moreover, within multilateral organisations, Switzerland monitors compliance with respective mandates and works to ensure effective partnership and cooperation with other actors.

Development-oriented humanitarian aid

Acute crisis situations call for immediate humanitarian action. The main aim of emergency aid is to ensure the survival of those affected, rather than sustainability. Nevertheless, approaches that ensure long-term improvement to a situation, including efforts to reduce a population's vulnerability to crises, can be incorporated in the planning and emergency aid stages and during the follow-up transitional phase. The transition to longer-term development programmes aimed at sustainability must be planned at an early stage. Crisis prevention must also become increasingly a part of the design of development programmes.

Advising farmers in Nicaragua

Between 2005 and 2009, Switzerland contributed CHF 10.5 million to an agricultural programme in Nicaragua that was funded by 20 donor countries in total. About 54,000 small- and medium-sized farms received advice, while 30,000 women were provided with food, improved seeds, or animals for stock rearing. Food security was improved: between 2005 and 2008, bean production rose by 36 per cent and between 2000 and 2008 the number of jobs in the sector increased by 4 per cent.



Better export strategies and more jobs in Bolivia

By defining an export strategy to which producers have been invited to contribute, companies have succeeded in increasing exports of agricultural products, such as wild cocoa, organic quinoa, and organic caño, from USD 3.9 million in 2006 to USD 6.6 million in 2007. 910 jobs were retained or created and 2,840 farmers were able to enjoy prospects of a long-term regular income. The project supported the creation of the Bolivian Export Promotion Institute, which became a leading export institution. It offers services that meet the genuine needs of private producers. Despite a difficult environment, in which the current government assigns low priority to exports, the institute is able to hold its own.



Research conducted jointly with the local population

Research findings and new technologies can only be truly effective if they cater to the immediate needs of farming families. Improved varieties of rice are a good example. Fewer people suffer from hunger, and the varieties can be used to generate production surpluses and additional income. National partners and farmers must be involved in research efforts and programmes to develop appropriate, efficient technologies at the problem identification stage. By this way a subsequent spread of innovations is ensured.

The key role women play

Small farming households are organised in a very gender-specific manner, with women contributing the most to self-support, household and family duties. Still, only one of the analysed bilateral interventions focused primarily on women. In this context, there is clearly room for improvement in terms of targeted support for women. While it is generally acknowledged that the gender issue is a key element in all rural development projects, there is little documentation to indicate how exactly this is implemented. Breakdowns on data by gender are few and far between. In particular, there is a lack of data on processes that show ways in which men and women can effectively and sustainably improve their own welfare and that of the children and the elderly. Income alone provides little indication. Empowering women is a declared Millennium Development Goal because discrimination against women impedes any effective fight against poverty. Accordingly, Switzerland intends to integrate women more effectively in agricultural production and economic value chains, and facilitate their access to land and credit facilities. At the same time, it intends to take targeted steps to prevent promoted value chains triggering negative side-effects on the conditions of subsistence, households, and family work which are detrimental to general welfare.

Findings on programme and project management

Flexibility

The impact analysis shows that flexibility is one of the key strengths of Swiss development cooperation. In a climate of economic, ecological, and political uncertainty, flexibility is a key success factor. To ensure their effectiveness, programmes and projects must be adaptable to local situations and continually changing requirements and opportunities. However, such flexibility often conflicts with efficient project planning and implementation on the basis of predefined objectives and results. A flexible approach therefore calls for a long-term time scale on the part of the donor and the implementation partner's clear commitment to the transparent deployment of resources.

Monitoring

All projects regularly record and monitor the measures taken and the results achieved. At present, however, there is no result-oriented methodology in place which would enable any overarching conclusions to be made regarding the effectiveness of various projects within a thematic sector – based, for example, on standard indicators. The difficulty is in finding indicators that are not only sufficiently precise and measurable but that also allow for flexible, context-specific adjustments. This dilemma will continue to be a source of concern when reporting on the results of development cooperation in future.

Outlook

In many developing countries, poverty is often extreme in rural areas where there is a lack of essential goods and services. The agricultural sector therefore continues to be an important growth engine and source of hope for sustainable development in the poorest countries. At the same time, urban poverty is a pressing problem that is becoming exacerbated as more and more people migrate from the countryside to cities. The challenge is to find ways of enabling poor urban and landless rural populations to purchase food at affordable prices, and to provide farming families with the means to earn a living from their crops.

It is commonly acknowledged that higher temperatures and more frequent incidences of extreme weather conditions as a result of climate change are leading to declining production in developing countries. Successful adaptation to these new environmental conditions calls for technical, economic, socio-political, and institutional innovations. Small-farm production systems need therefore long-term investments.

The internationally agreed upon Millennium Development Goals as well as the follow-up agreements for improving coordination within the international community aims to focus cooperation on results and effectiveness. Switzerland is participating in these efforts.

Factors for the success of Swiss development cooperation in the future

The following four points constitute key success factors for the future of Swiss development cooperation in the fields of agriculture and food security.

1. A holistic approach

A country's development is influenced not only by development cooperation but also by trade relations, investments, and remittances from migrants to their families back home. Whether and how such external support can have an impact depends on internal factors such as national economic and tax policies, governance, and the value that the political and economic elite places on development issues. Development cooperation can act as a catalyst in this process and exert a positive influence on national processes. The action plans of international conferences focus on solutions for pressing poverty and development problems as well as for global challenges. Yet development cooperation can only be part of the solution. Sustainable change calls for effective policies at the local, national and global levels.

In developing countries, Switzerland promotes a form of sustainable agriculture that enhances food security and offers small farmers a solid source of income. Development cooperation is committed to this objective. Through its political strategies in areas such as agriculture, trade, climate, and the environment, Switzerland helps to shape international policies and, therefore, also the development prospects of poor countries.



Increased financial support from the World Bank for the agricultural sector

Between 2003 and 2008, Switzerland contributed CHF 70 million to the World Bank for the agricultural sector (for details on the calculation, see Annex 2). For its part, the World Bank set aside USD 18.1 billion for agricultural support in 108 countries between 1998 and 2008. The World Bank's priorities are on infrastructure for water usage, transport and marketing, research and development, access to credit facilities and arable land, the formalisation of land rights, and political and economic framework conditions. The World Bank increased its budget for agriculture in developing countries between 2008 and 2009 by a factor of 2.5.

2. Cooperation with the private sector and civil society

The processing and marketing of agricultural products primarily involves local and international private actors. Up to now, though, private actors have played a relatively minor role in development cooperation considering their potential and ability to exert an influence. Businesses, foundations and investors can work with public institutions to ensure that development policies made in the interest of the common good dovetails with private-sector interests.

Hosting globally active companies and a large number of SMEs, Switzerland has a proven expertise in food processing. Depending on the local needs in developing countries, Swiss economic development cooperation can enter into partnership with local, national and international companies with the goal of building up markets for producers.

The role played by local and international, including Swiss, NGOs remain an important one. Their priority is on poverty reduction. They have partners who are familiar with local situations and who are able to collaborate with the target groups.

3. Important voice in multilateral organisations

In the 2005 Paris Declaration, the international community pledged to introduce reform processes to increase the effectiveness of development cooperation. The advantages of bilateral and multilateral approaches must be effectively combined.

Switzerland is able to contribute its bilateral experience to the relevant multilateral organisations and international fora where it is committed to ensuring that agriculture plays a key role in the sustainable development of countries and regions; that poor countries obtain access to knowledge and results of development-oriented research; that the right to food is assured and the exercise of this right is supported in developing countries; and that a Global Partnership for Agriculture, Food Security and Nutrition is pursued within which governments, multilateral organisations, NGOs and private actors are able to formulate responses to current and future problems.

4. Open markets for developing countries

Since 2007, Switzerland has granted the poorest countries duty- and quota-free access to markets for all their goods. In addition, a wide range of goods from other developing countries are free of import duties and most agricultural goods enjoy preferential terms. Moreover, bilateral and regional agreements with developing countries contribute to market stabilisation.

However, international rules have particularly strong effects within the WTO. Therefore, as part of its negotiations on agricultural issues, Switzerland must continue to promote a form of market liberalisation that comprehensively caters to the interests of all WTO members. In particular, this means abolishing support for food aid from production surpluses as well as export subsidies.



Increased production in Laos

In Laos, Switzerland's multilateral cooperation with the International Rice Research Institute (IRRI) and the Ministry of Agriculture helped small farming families to introduce new varieties of rice, resulting in a 67 per cent increase in rice production between 1990 and 2004. In another project, 2,000 farming families increased pig production by an average of 143 per cent and chicken production by 262 per cent between 2001 and 2005.

Agriculture remains a priority for Swiss development cooperation

The agricultural and food sector will continue to grow in importance for Swiss development cooperation, among other things, due to large fluctuations in the prices of agricultural products as a result of conflicts, natural disasters, climate change or disputes over access to water.

Switzerland traditionally invests an above-average proportion of its development cooperation budget either directly or indirectly in the agricultural sector. It is therefore able to draw on expertise, instruments, and approaches to solutions from which other actors can and should benefit. In the context of sustainable agricultural policy and food management, Switzerland is one of the leading providers of know-how on sustainability, multi-functionality, small family-run farming, and raw material production. Likewise, it has extensive experience in promoting a sustainable trade of agricultural products. The results Switzerland achieves through its development cooperation not only depend on the activities carried out in partner countries, it is just as important for Switzerland to have coherent national and international policies. It is therefore essential for the future that Switzerland remains committed to implementing its cooperation coherently and in a coordinated manner.

Annex 1

Summary of interventions examined for the impact analysis

Region / country	Project title, abbreviations	Year(s)	Commitments (in CHF million)	Results
Bilateral interventions				
Romania	Sustainable export development in Romania (SECO)	2005-2009	2.5	Organic farming in Romania expanded by 40% over 200,000 hectares in 2007. 21 supermarkets are successfully selling Romanian organic products.
Worldwide	Fairtrade Max Havelaar (SECO)	1992-2000 and 2008-2009	3.8	1.5 million small farmers and workers (approx. 7 million people incl. their families) in 57 countries benefited from the international market due to fair trade.
Bolivia	Export promotion programme in Bolivia (SECO)	2003-2008	4.6	8 companies were able to increase food export sales from USD 3.9 million in 2006 to USD 6.6 million in 2007. 910 jobs were retained or created. 2,840 small farming families now have a prospect of a long-term regular income.
Peru	Sustainable export development in Peru (SECO)	2003-2009	6.0	40 small enterprises signed new export agreements for a volume of more than USD 1 million.
Mali	Organic Fairtrade cotton (SECO)	2002-2008	3.0	The number of producers (family-run enterprises) of organic Fairtrade cotton rose from 385 in 2003 to 6,494 in 2008. Their net income rose by between 10% and 30%.
Mozambique	Export of cashew nuts (SECO)	2005-2009	1.0	Around 1 million rural households increased their income by selling cashew nuts. The revenue of 9 new processors rose from 0 in 2002 to around USD 13 million in 2008, and operating profit over the same period rose from 0 to over USD 1.3 million. Around 5,000 jobs were created in rural regions.
Worldwide	Swiss Import Promotion Programme (SIPPO) (SECO)	2004-2007	26.8	With a support contribution of CHF 8.5 million in 2006, 3,800 new jobs were created. According to external estimates, SIPPO activities indirectly generated employment for an additional 23,000 people.
Mali	Jékasy: Support for farming organisations (SDC)	2002-2008	8.6	39,000 families and herding families took part in the project. Income per family increased from CHF 1,417 to CHF 2,024.
Mozambique	Rural development in northern Mozambique (SDC)	2005-2008	9.7	More than 1,000 grain warehouses and silos were built. The population found the silos to be more acceptable than the warehouses. Due to lack of maintenance, the sustainability of the warehouses and silos is not assured.
Madagascar	SAHA: Promotion of rural development (SDC)	2003-2009	32.8	150,000 people took part in 1,500 sub-projects in Imerina, Betsileo and Morondava. The number of direct beneficiaries was around 122,000, and indirect beneficiaries 290,000. The average strawberry production per household, for example, rose by 11%. As a result, annual profit per household rose by 14%, from CHF 148 in 2001 to CHF 170 in 2004.
Vietnam and Laos	SADU: Promotion of small farms in the highlands (SDC)	2003-2009	5.3	Around 3,000 farming families benefited from interventions in Vietnam. For example, the net income of farms involved in the production and marketing of chayote rose between USD 1,600 and 2,100 in 2008. By setting up veterinarian practices in Laos, the local mortality rates of steer and buffalo was reduced by 80%. 9 out of 13 practices are still in operation two years later.
India	CALPI: Applying experience gained from livestock rearing programmes (SDC)	2002-2008	4.1	Support was provided to 27 partner organisations so as to enable extremely poor rural families in semi-arid regions of India to earn a living through livestock rearing (sheep, goats, chickens). Milk production increased and milk quality improved. 50% of those who rear livestock are women.
Peru	PYMAGROS: Strategies for bringing markets and producers together in the Sierra (SDC)	1999-2006	7.3	The project provided support to around 100 families in Cajabamba. Paprika production increased from 8,600 kg in 2003 to 40,000 kg in 2004, while export sales rose from EUR 9,000 in 2003 to EUR 57,000 in 2004. In the Curahasi region, the production of aniseed increased from 762kg in 1999 to 9383kg in 2003, and revenue from exports rose from EUR 1,400 to EUR 16,000.
Armenia	Rural development in the Sisian region (SDC)	2002-2010	5.2	Some 512 people (approx. 130 households, incl. 168 women) benefited directly from the project, as well as 2,131 people (incl. 676 women) indirectly. The income and employment situation of the village residents improved substantially.
Laos	LIRRT: Rice Research and Training Project (SDC)	2000-2007	8.4	Rice production increased from 1.5 million tonnes in 1990 to 2.5 million tonnes in 2004, corresponding to a rise of 70%. Around 4.5 million people can be regarded as a potential target group.
Laos	LEAP: Laos Extension for Agriculture Project (SDC)	2001-2012	13.1	At the end of the second phase, 20,000 farming families have been reached. Based on the findings from agricultural consulting services, these families were able to increase rice production by 46%, pig production by 143%, and hen production by 262%.
Vietnam	ETSP: Extension and Training Support for Forestry and Agriculture in the Uplands (SDC)	2003-2010	18.5	Around 18,900 people, one third of whom were women, received agricultural advice through courses, workshops, and excursions.
Africa	PABRA: Pan-African Bean Research Alliance (SDC in donor consortium)	2004-2008	3.8	Between 2003 and 2006, around 10 million people (2 million households) in 12 countries were reached; 200,000 households diversified their farming methods.
Nicaragua	PRORURAL: Program for Productive and Sustainable Rural Development (SDC in donor consortium)	2005-2009	10.6	Around 54,000 small- and medium-sized farms received advice, while 30,000 women were provided with food, improved seeds, or animals for stock rearing. Bean production rose by 36% between 2005 and 2008.
Kosovo	Promotion of vegetable farming (SDC)	2001-2009	14.0	Between 2005 and 2008 the number of farming families involved in the project rose from 160 to 1,846. 350 farming families have an additional annual income of EUR 2,500.
Burkina Faso	Distribution of Swiss powdered milk (SDC)	2003-2009	3.3	Between 2003 and 2008, around 259,800 beneficiaries, primarily undernourished children up to age 5, were given nutritious powdered milk for an average of two months. As a result, the local infant mortality rate declined.
Sudan	WFP: Food Aid (SDC)	2003-2008	20.8	Since 2002 the WFP in Sudan has been helping 3 to 6 million people annually in a critical state of health. In 2008 the programme reached 350,000 undernourished children.
Mongolia	Cash for herders (SDC)	2002-2006	2.6	Between 2002 and 2006, more than 8,000 affected herding families received a one-off cash contribution of up to CHF 200. Three years later, 84% of the herders, who received the support, regained their livelihood mainly through livestock rearing.
Worldwide	WFP (SDC)	2003-2008	238.0 *	In 2008, the WFP distributed food to 102 million people in 78 countries. Switzerland was the twelfth-highest donor country in 2008, having made earmarked contributions to aid projects in 35 countries.
Multilateral interventions				
Worldwide	CGIAR (SDC)	2003-2008	94.6 *	Without public investments in international agriculture research by the CGIAR, global food production would be 4-5% lower, developing countries would produce 7-8% less food, global food and fodder prices would be 18-21% higher, and 13-15 million more children would be undernourished.
Worldwide	IFAD (SDC)	2003-2008	37.0 *	Since its foundation in 1977, IFAD has reached around 350 million poor people in rural regions in 116 countries. In 2009 IFAD provided training for 3 million farmers, built 15,000 kilometres of new roads, and granted 29 million micro credits.
Worldwide	World Bank	2003-2008	70.4 °	Between 1994 and 2004, 12 million households benefited directly from agricultural projects.

* Bilateral and multilateral contributions / ° Calculation as outlined in Annex 2

Annex 2

Calculation of SDC and SECO multilateral contributions to agriculture and food security (A&F) in 2003-2008

Multilateral organization	Switzerland's contribution to the institution (in CHF)	Percentage of total investments accounted for by A&F	Calculated contribution by Switzerland to A&F investments (in CHF)
African Development Fund	318'285'314	17% *	53'133'349
Asian Development Fund (AsDB)	90'808'775	9% *	8'129'526
Consultative Group on International Agriculture Research (CGIAR)	70'442'520	100%	70'442'520
International Fund for Agricultural Development (IFAD)	36'499'303	100%	36'499'303
International Development Association (IDA)	921'950'429	8% *	70'355'550
UNO Convention to Combat Desertification (UNCCD)	2'961'702	100%	2'961'702
UN World Food Programme (WFP)°	10'500'000	100%	10'500'000
Total calculated Swiss contribution to A&F investments by multilateral organisation in 2003–2008			252'021'950

* Data taken from the annual reports of the respective multilateral organisation

° WFP: earmarked contributions to specific country operations are shown as bilateral expenditures

SDC and SECO multilateral contributions not taken into account (scope of around CHF 42 million)

Multilateral debt relief initiative for poor countries (SDC & SECO)

Switzerland's capital holdings in development banks

Multilateral contributions by other federal of the federal administration not taken into account (scope around CHF 70 million)

UN Food and Agriculture Organisation (Federal Office of Agriculture)

Biodiversity International Research Center (formerly IPGRI) (Federal Office of Agriculture)

UN Environment Programme UNEP (Political Affaires Directorate and Federal Office of Agriculture)

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