

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Third Delegated Legislation Committee

DRAFT INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (TENTH REPLENISHMENT) ORDER 2015

Thursday 19 November 2015

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STRICT ADHERENCE TO THIS ARRANGEMENT WILL GREATLY
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IN GENERAL COMMITTEES

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The Committee consisted of the following Members:

Chair: Ms KAREN BUCK

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|---|---|
| † Abbott, Ms Diane (<i>Hackney North and Stoke Newington</i>) (Lab) | † Garnier, Mark (<i>Wyre Forest</i>) (Con) |
| † Atkins, Victoria (<i>Louth and Horncastle</i>) (Con) | Goodman, Helen (<i>Bishop Auckland</i>) (Lab) |
| † Berry, James (<i>Kingston and Surbiton</i>) (Con) | † Grady, Patrick (<i>Glasgow North</i>) (SNP) |
| † Bingham, Andrew (<i>High Peak</i>) (Con) | † Lammy, Mr David (<i>Tottenham</i>) (Lab) |
| † Davies, Chris (<i>Brecon and Radnorshire</i>) (Con) | Mills, Nigel (<i>Amber Valley</i>) (Con) |
| † Dowden, Oliver (<i>Hertsmere</i>) (Con) | Simpson, David (<i>Upper Barn</i>) (DUP) |
| † Evennett, Mr David (<i>Lord Commissioner of Her Majesty's Treasury</i>) | † Swayne, Mr Desmond (<i>Minister of State, Department for International Development</i>) |
| † Fletcher, Colleen (<i>Coventry North East</i>) (Lab) | † Wragg, William (<i>Hazel Grove</i>) (Con) |
| Flint, Caroline (<i>Don Valley</i>) (Lab) | Sarah Thatcher, <i>Committee Clerk</i> |
| † Foxcroft, Vicky (<i>Lewisham, Deptford</i>) (Lab) | † attended the Committee |

Third Delegated Legislation Committee

Thursday 19 November 2015

[Ms KAREN BUCK *in the Chair*]

Draft International Fund for Agricultural Development (Tenth Replenishment) Order 2015

11.30 am

The Minister of State, Department for International Development (Mr Desmond Swayne): I beg to move,

That the Committee has considered the draft International Fund for Agricultural Development (Tenth Replenishment) Order 2015.

If the Committee obliges me by agreeing to consider the order, it will allow the Secretary of State to fund the International Fund for Agricultural Development, which is an international financial institution—in effect, a bank—and also a special agency of the United Nations, focusing exclusively on provision for the rural poor.

The 10th replenishment, which covers the period from 2016 to 2018, is intended to raise \$1.44 billion in order to disburse loans and grants to the tune of \$3 billion. The United Kingdom's share is to be some £57 million, which equates to some £19 million per year. That is an increase of £2 million per year from the last disbursement—the last was £17 million per year—or of some 15%. I believe that that increase reflects the identity of the International Fund for Agricultural Development and its objectives as well as our own preoccupations, particularly in preparing for climate change and gender issues. We will remain the second largest donor and an active member of the governing body.

On 3 November, I launched our new agricultural framework at the all-party group on agriculture and food for development. At the centre of our new approach is support for smallholders. That is vital because they feed a third of the world's population and indeed, in developing countries, feed 90% of the population. If the world is to support some 9 billion souls by 2050, despite the disadvantages of climate change and the increase in plant and animal disease consequent on climate change, we will need to maximise the productivity of those smallholders and their economic potential. In effect, we will have to enable them to become commercial farmers.

That is why we support the International Fund for Agricultural Development, an organisation dedicated to eradicating rural poverty and hunger in developing countries by improving smallholder incomes and food security. The fund approaches smallholders as businesses. It invests in rural projects designed collaboratively, in partnership between local communities, Governments and other partners. It is a participatory process. The focus of the fund increasingly is to empower women and girls, and that is consistent with the new global modus operandi of leaving absolutely no one behind.

Increasingly, the fund is focused on building resilience to climate change. It runs the largest global fund dedicated to supporting the adaptation of smallholders to climate

change, to which we have contributed significantly—I am afraid that the Adaptation for Smallholder Agriculture Programme comes with the unpleasant acronym ASAP, but perhaps there is urgency in the agenda. The fund is consistent with and abides by the international aid transparency initiative.

Let me highlight some of the fund's results for the last year. Its beneficiaries increased to 114 million, exceeding its target for this year of 90 million. As for rural micro-finance, its projects saw 19 million voluntary savers, 72% of whom were women, and 6 million active borrowers. As for the training that it provides to smallholders, 3.5 million people, 49% of whom were women, were trained in crop production, practice and technology. It trained 1.2 million people in business and entrepreneurial skills, and 2.9 million, 43% of whom were women, in livestock husbandry and technology. It repaired or constructed some 12,427 miles of rural roads; for those who prefer to think in foreign money, that is some 20,000 km. It also set up some 35,000 marketing groups.

I recommend that the Committee continues to support the International Fund for Agricultural Development in the vital work that it does to reach the world's poorest and to increase food security and growth by empowering the Secretary of State to make this disbursement. I commend the order to the Committee.

11.36 am

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The Opposition welcome the Government's increased replenishment of the International Fund for Agricultural Development. It comes at a crucial time, particularly with the financial issues facing the World Food Programme and the ever-decreasing levels of food security, which are partly due to climate change.

I was particularly interested to hear the Minister say how the fund reaches out to women; for instance, 72% of borrowers are women. That is very important. Women are often the backbone of agricultural work in the countryside in the global south. As I have said, however, there are ever-decreasing levels of food security in some of the poorest parts of the world and in principle, therefore, this replenishment seems an excellent use of money.

However, despite Her Majesty's Government's commitment to the target of 0.7%, we see increasing challenges to it and attempts to divert the funds to other areas of Government spending. For example, I understand that at a recent meeting of the OECD there was a bid to say that Governments could use aid money to help to settle refugees not just for 12 months but for three years. We would oppose that change, because it would seem to be an unnecessary degradation of aid funds.

We must defend our overseas aid budget. To do that, we must ensure that what is spent is not only transparent but effective, regardless of what type of agency it is given to. Whether someone is a *Daily Mail* reader or a lady on the high street in Accra, they have the same interest in aid and development; they want to know where the money is going. It is widely held that multinational agencies are perhaps less stringent in their monitoring of outcomes and Her Majesty's Government need to ensure that that is not the case in practice, and that it does not even appear to be the case.

We note that the Government have given generously to the fund, and they have even specifically given money in the past few years to alleviate the effects of climate change. However, getting money out of the door means nothing if steps are not taken to make this process sustainable.

The International Fund for Agricultural Development has focused particularly on the effects of climate change on agriculture in poor rural communities. Although climate change is not the subject of this statutory instrument, Her Majesty's Government should note that unless we reach a global deal on carbon emissions in Paris in a few weeks, many of the agricultural projects that we have funded and continue to fund will be under threat.

In conclusion, we support the replenishment in principle. We advise the Government that we want maximum transparency and accountability on the fund's outcomes. With the upcoming Paris climate change summit, the UN World Food Programme's problems and, above all, the effects of climate change on global food production, the replenishment could not be more timely.

11.40 am

Mr Swayne: I thank the hon. Lady for her support for the order. I take her concerns seriously and share a number of them. She began by applauding the 72% share of borrowers. I hope that I did not mislead her, but it is the savers of whom 72% are accounted for by women. I hope that the 7th Cavalry to my left will shortly supply the figure for the number of female borrowers, but I am not convinced that it will happen in time.

Ms Abbott: I should of course have realised that women, more than any other group in the community, recognise that it is better to save than to borrow.

Mr Swayne: The hon. Lady is quite right, because they are so often faced more fundamentally with the consequences of borrowing and not having saved sufficiently. They are much more on the frontline, particularly in agriculture. I found striking the number of female-led households and smallholdings in which they are actually the farmer.

On the fear of the diversion of aid, I remain absolutely comfortable with the focus we have placed on the national interest. I am conscious that a majority of my constituents, many perhaps readers of the *Daily Mail*, disapprove somewhat of international development aid. When they are confronted with a disaster, however, they put their hands deep into their pockets. They thoroughly appreciate the action that the Department for International Development and the Government take on their behalf, and they add their own money. They have less understanding and information about the continual need for international development expenditure to build resilience—if they had, they would support it—so that countries can actually survive disasters in the way that Nepal did. One way that I want to try to engage the public is by persuading and showing them that reducing poverty is in our national interest. Hence the focus that we have placed on international development in the national interest. It is a way of persuading the public.

Ms Abbott: I am grateful to the right hon. Gentleman. As he says, the British public are extraordinarily generous, among the most generous in Europe, when it comes to

humanitarian disasters, but my point was that the public, whether his constituents or mine, are much more positive about aid and development when they can see concrete outcomes, such as a clinic, helping female agriculturists, or malaria nets. When they see international aid being spent on consultants, budgetary support or other such intangible things, they worry that the money might be being diverted.

Mr Swayne: I entirely agree with the hon. Lady. That is why we are so concerned to see tangible results from our expenditure. We believe that we are one of the most transparent aid organisations in the world. We have the development tracker and our website provides the results of all the projects that we have invested in. That has to be our main effort for exactly the reason that she has set out. She said that there was a concern that multilaterals might be less stringent at tracing funds and making clear where money is going. I share her concern.

We are currently working through the multilateral aid review, in which we closely examine the fit with all our international partners to ensure that their view of the development agenda fits with ours; that they share our focus on women and girls, on climate change and on economic development; and, equally, that they meet the standards we require on transparency. I hope that we continue with a consensual approach to international development. I am confident that we share the same aims, even if we might differ on some essentials. Nevertheless, I thank her for supporting this order.

We published our agricultural strategy at the beginning of this month, and it identifies three different types of economic situation among small farmers. A group at the top already have access to capital markets and to markets in which they can sell their products, and they are doing reasonably well. At the bottom, a number of people will need to get out of agriculture in the medium term and move to the towns—such progress in urbanisation will continue—to find a better job that can sustain their income. Our job as donors is to help them through that process, to provide support to ensure that they secure a livelihood and to protect them during that process, which is why we are working with the International Labour Organisation in south Asia through the work in freedom programme to protect people, particularly women, from being trafficked as they move from agriculture and rural villages into the industrial townscape.

In the middle, a much greater number of smallholders could, with a small amount of technical support, a little bit of capital or infrastructural development such as the provision of a road to help them get to markets, become much more productive and effective. The International Fund for Agricultural Development is critical in addressing that bulge in the middle and making farmers much more productive.

On the hon. Lady's concerns about the transparency of the order, the International Fund for Agricultural Development maintains a stringent, independent assessment organisation to hold it to account, rather in the way that we are held to account by the Independent Commission for Aid Impact. The International Fund for Agricultural Development shares our zero tolerance of corruption.

Question put and agreed to.

11.48 am

Committee rose.

