

Friday June 12, 2015

### Prospects for Food Security

Our generation faces the great challenge to become the first zero-hunger generation, as per the G20's targets. In order to achieve it, the current Green Revolution, opposed to the former one, seeks to promote nutrition based upon diversified crops rather than increase in rice or wheat production, to make food more accessible rather than boost output, and to encourage global trade rather than foster self-sufficiency. In order to mitigate the impact of next food crisis, it is essential to create safety nets for countries to successfully hedge operations, thereby curtailing the need for emergency assistance. Therefore, better information and training programs on financial instruments are critical. These actions are especially relevant since the adverse effects of local markets' volatility are especially damaging for the poor, whose income is largely spent on food.

### Quote of the Day

**"Small is not beautiful at all costs. Smallholders should be supported to either move up or move out"**

**Shenggen Fan in Session 9**



### Innovation and Research for Better Agricultural Development

The second day of the Conference began with a plenary session on the role of innovations and research in agricultural development. The panelists presented three sides of the debate: (i) the innovators – represented by Linda Omwenga (mFarms, Kenya) and Aboubacar Sidy Sonko (m-Louma, Sen42egal), (ii) the researchers – represented by Joachim von Braun (ZEF, Germany), Marion Guillou (IAVFF, France) and Harold Roy-Macauley (CGIAR/Africa Rice Center), and (iii) the donors – represented by James Oehmke (USAID).

Linda Omwenga and Aboubacar Sidy Sonko made engrossing presentations on how innovation entrepreneurs are using ICTs to overcome market failures and information asymmetry that plague traditional rural economies. Both [mFarm](#) and [mLouma](#) are ICT platforms connect buyers and sellers by bypassing the several layers of intermediaries which typically characterize rural agricultural transactions at the grassroots level. Interestingly, both emphasized the need for holistic thinking, by recognizing that middlemen in fact do provide value-added in services such as transportation. The sentiment was echoed by the three representative researchers, who collectively highlighted some of the key emerging trends in agricultural research, including bioeconomy, big data and the relationship between agronomy and ecology. The speakers also pointed out some important policy considerations, including the need for partnerships and participatory research. It was clear from James Oehmke's presentation that donor governments too are increasingly aligning with the research community. For example issues like food security, resilience and natural resource management are arguably as important to governments as they are intellectually challenging from a research perspective.



#### In Session

#### Controversy 2:

Small-holder farming  
vs. Commercial  
Farming. Which  
Model for Food  
Security?

## Highlights on Moroccan Economy

Session 11 offered thoughtful highlights on Moroccan economy, through relevant results on structural transformation and on the impacts of FDIs and trade policies on firm's performance. The first speaker showed that, in the region of Souss-Massa-Drâa, FDIs in the fruit and vegetable sector has positive overall effects on labor force growth. Then, evidence was provided that non-tariff measures (NTM) harmonization towards UE standards strengthens firm's export performance through competitiveness and credibility enhancement. Finally, quite strikingly, the structural transformation of the agricultural sector doesn't follow the theoretical pattern: agriculture share in GDP decreases not for the benefit of industry but for services. Afterwards the discussant Pierre Jacquet gave some perspectives to those studies proposing open questions to the panelists and audience. Does historical definition of structural transformation is still relevant to define economic and development objectives? Beyond deterministic results, how can firms concretely take advantage of opportunities such as foreign investment and NTM harmonization and how do they adapt to these changes? Instead of studying standards harmonization, should not we study the standards themselves? The session ended on constructive reactions and discussions within the assembly.

## Facts and Figures

**“In Morocco, agriculture accounts for 1/6 of GDP and 40% of employment.”**

*Elhadj Ezzahid  
Session 11*

## Photo-Gallery: A View from the Second Day of GDN's 16th Annual Global Development Conference



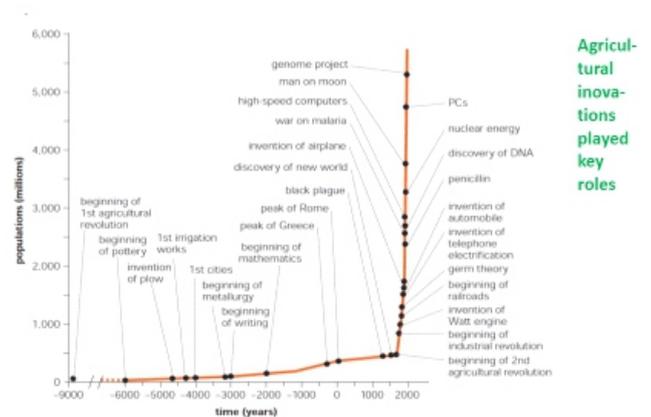
## Microcredits and Micro-insurance Shocking Low Take-up

Impact evaluations of Randomized Control Trials (RCT) show surprisingly low take-up rates in rural microcredits, generally well below 25 percent. These outcomes are hard to explain bearing in mind that access to credit is consistently reported as one of the main barriers to business in rural areas. Likewise, low take up rates in micro-insurance contrast with the high risks faced by agriculture, and new weather-indexed approaches have not shown better uptake.

The explanation to these paradoxes is far from obvious. Loans might not be adapted to people's needs, as repayments may not account for the seasonality of rural income. Other causes may concern rigid collaterals and social norms regarding repayments, lack of understanding, or also alternative self-hedging by, for instance, varying crops after a shock. RCTs in Morocco suggest microcredits trigger improvements in well-being, while experiments in Kenya highlight the need for improved information to farmers.

## Graph of the Day

### Technological Innovation Events and Growth of World Population (since 11000 years)



**Agricultural innovations played key roles**

*Joachim von Braun in Plenary 3*