



Joint Standing Committee on Foreign Affairs, Defence and Trade

Foreign Affairs and Aid Sub-Committee

### **Inquiry into**

**The role of development partnerships in agriculture and agribusiness in promoting prosperity, reducing poverty and enhancing stability in the Indo-Pacific region**

### **Submission**

**Oxfam Australia  
November 2015**

## **1. Introduction**

- 1.1 Oxfam welcomes the opportunity to contribute to this inquiry on the role of development partnerships in agriculture and agribusiness in promoting prosperity, reducing poverty and enhancing stability in the Indo-Pacific region.
- 1.2 Our submission is focused on the importance of addressing inequality in development partnerships. Unequal power relations are at the core of inequality and food insecurity. While new agriculture and agribusiness initiatives can improve the day-to-day lives of local communities, poor women and men are worse off when initiatives do not address power inequalities. Unintended impacts include increased food insecurity, dispossession, disadvantage for women and girls and poorer labour conditions.
- 1.3 To achieve positive outcomes, local women and men, particularly the most vulnerable, must be involved in the design, implementation and monitoring of agriculture initiatives.
- 1.4 This submission draws on Oxfam's experience in partnering with rural communities, as a global fair trade retailer, and as a research and advocacy organisation addressing emergent global trends in food insecurity, inequality and agriculture.
- 1.5 The submission makes recommendations on the four issues below which Oxfam believes are critical if agriculture and agribusiness partnerships are to promote prosperity, reduce poverty and enhance stability:
  1. A pro-poor (directly targets poor people, or generally aims at reducing poverty) and inclusive approach;
  2. Learning from Oxfam's experience with mega public-private partnerships (PPPs) in Africa;
  3. Promoting gender equity; and
  4. Ensuring fair value chains and market access.

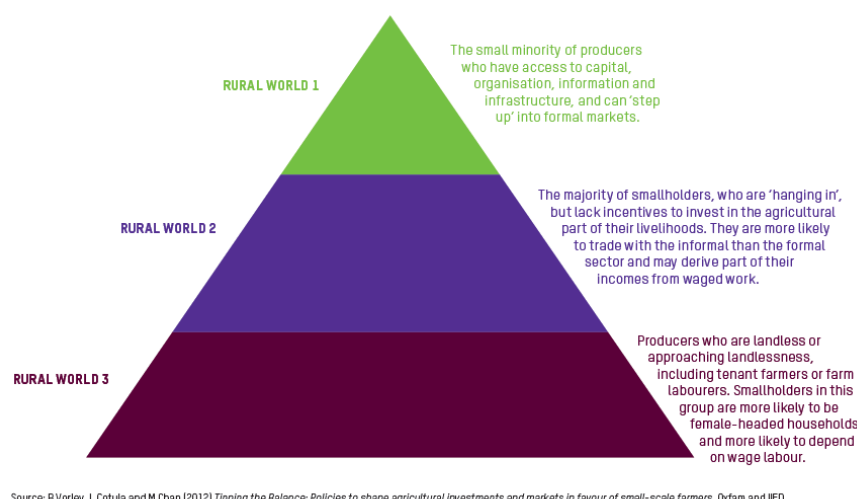
## **2. About Oxfam Australia**

- 2.1. Oxfam Australia is an independent, not-for-profit, secular international development agency whose vision is of a just world without poverty. We have more than 500,000 supporters in Australia who contribute skills, time and financial support to advance our work.
- 2.2. Oxfam Australia is a member of Oxfam International, a global confederation of 17 organisations that together invest over \$1,085 million a year to overcome poverty and injustice in more than 90 countries.
- 2.3. Oxfam:
  - Undertakes long-term development programs;
  - Provides emergency response during disaster and conflict;
  - Conducts research, advocacy and campaigning to advance the rights of poor and vulnerable people, focussing on gender justice for women and girls; and
  - Promotes fair trade by supporting local producers through our 'Fair' food brand.

- 2.4. In 2013-2014, we responded to 20 emergencies and worked with partners in 30 countries in Asia, the Pacific, Africa, and Indigenous Australia to improve the lives of 6 million people.
- 2.5. A focus on equality is core to Oxfam's work. We recognise the needs and rights of women and girls and support them to claim their rights and influence and achieve change.
- 2.6 Oxfam works with people, communities and organisations to change attitudes, beliefs and behaviours that result in women and girls disproportionately experiencing poverty. One of our core goals in the *Oxfam Australia Strategic Plan 2014 – 2019* is that more women and girls are economically independent, participating in decision making, holding positions of leadership and living free of violence.

### 3. A pro-poor and inclusive approach to agriculture and agribusiness

- 3.1. Analysis shows that agricultural investments and markets are typically skewed away from the interests of the most vulnerable small-scale farmers.<sup>i</sup> Rural societies are diverse and incorporate three very different “rural worlds”, each with very different connections to markets. The poorest group is disproportionately women. This group rely heavily on their labour, are least likely to sell to markets and have limited, if any, secure access to land. However, market focused initiatives typically target the best-off group – comprising only 2-10% of small-scale producers. Development partnerships that recognise the differentiated nature of agriculture and focus on supporting the most vulnerable small-scale producers deliver the greatest social, economic and efficiency outcomes.



- 3.2. There can be a significant gap between policy or project intention and realities on the ground – as shown in the case study on p.4, 'Learning lessons from Grow Africa and mega PPPs in Africa'. Upholding the principles of free, prior and informed consent (FPIC) is one way of bridging this gap. This means involving local communities as key partners in project design and implementation. Within the last two years, a significant number of global agriculture companies have committed to FPIC. Emerging research is showing the importance of appropriate transparency and accountability to realise commitments to FPIC on the ground.<sup>ii</sup>

- 3.3. The inherent risks associated with agriculture are often disproportionately born by small-scale producers. Consistent with recommendations in this submission, Oxfam has previously made recommendations on related issues to development agencies and private companies (see recommendation 3.7 and 3.8). Oxfam recommended a food security monitoring tool for Asian Development Bank (ADB) projects consistent with best practice. This could apply more broadly to private sector partners. We have also made recommendations to the International Finance Corporation (IFC) and Australia's four biggest banks on measures to increase transparency, accountability and land-related commitments to mitigate and address this risk.<sup>iii</sup>
- 3.4. Oxfam notes the Committee's recent discussion on support for land titling and law programs. Recent experience in the Pacific has shown that engagement with such programs is complex. One area Oxfam has identified as underserved, and Australia is well-placed to assist, is support for marginalised rural women and men to actively engage in national land policy discussions and pro-poor services. While engagement on land is context specific, some examples could include support for legal aid initiatives in rural areas, monitoring the gendered outcomes of disputes, and assisting poor people to contribute submissions for land policy discussions.
- 3.5. The Australian Government can support Australian businesses to actively uphold land, water and forest rights. In 2014 and 2015 DFAT partnered with Westpac and ANZ on financial inclusion programs. At this same time both banks were reportedly linked to agriculture companies involved in improper land acquisitions.<sup>iv</sup> DFAT already has assessment processes for NGO partners. A human rights assessment process for new private sector partnerships would see DFAT play a greater role in promoting responsible business practices.

## Recommendations

- 3.6. To achieve positive outcomes, local women and men need to be central in the design, implementation and monitoring of agriculture initiatives. The Australian Government must ensure development partnerships in the food and agriculture sector uphold the principle of free, prior and informed consent for local communities and avoid agriculture and agribusiness initiatives that involve the reallocation of land, water and forests away from local community use or control.
- 3.7. The Australian Government to ensure all partnerships in the food and agriculture sector are designed and monitored for food security impacts at a household and individual (gender-disaggregated level). Food security impacts to be assessed against a set of multi-dimensional indicators, reflective of best practice.<sup>v</sup>
- 3.8. The Committee should consider a more complete list of recommendations for a pro-poor and gender equitable approach to agriculture partnerships. These are accessible via Oxfam's recent publications on women small-scale producers as well as agriculture and the private sector.<sup>vi</sup>
- 3.9. Agriculture partnerships to be transparent, accountable and have strong human rights commitments. Local people should be able to find out who is operating in their community and which groups are seeking to profit from these activities.

3.10. The Department of Foreign Affairs and Trade (DFAT) to develop a strong human rights assessment tool for screening private sector partners.

3.11 The Australian Government to support pro-poor engagement in land policy discussions and access for marginalised communities to related services including legal aid and dispute resolution.

## **CASE STUDY**

### **4. Learning lessons from Grow Africa and mega PPPs in Africa**

- 4.1 In April 2015 the World Economic Forum and Association of South-East Asian Nations secretariat launched the “Grow Asia” partnership which facilitates multi-stakeholder collaboration to enable sustainable and inclusive agricultural development in South East Asia. This initiative, co-funded by the governments of Australia and Canada focuses on the development of smallholder farmers and environmental sustainability of agriculture. Significant lessons could be drawn from the experience of similar initiatives in Africa to inform Australia’s engagement with Grow Asia.
- 4.2 An Oxfam report exploring the recent rise of “mega” scale public-private partnerships (PPPs) in African agriculture included GROW Africa, the counterpart to Grow Asia.<sup>1</sup> Oxfam focused on three questions: Who primarily benefits from these initiatives? Who shoulders the burden of risk? Who holds power in decision making.
- 4.3 Oxfam identified the benefits of mega PPPs were skewed towards the more privileged and powerful, while risks fell to the poorest and vulnerable – particularly women. In some cases, mega PPPs created monopolies or monopsonies, or transferred land away from local communities. The report noted that “the mega-PPP model represents an unproven and high-risk model to deliver poverty reduction and food security; with the poorest communities, rather than the project partners, bearing the brunt of risks”. It emphasized the need for a vision of agriculture that is “pro-smallholder, pro-women, and can nurture, rather than undermine local markets and small- and medium-sized enterprise”. Oxfam gave detailed recommendations to improve governance and accountability of PPPs in agriculture.

### **Recommendations**

Based on these findings, the Australian Government and Australian private sector’s involvement in Grow Asia should be contingent on:

- 4.4 Incorporating strong and meaningful farmer participation in decision-making in national-level partnerships.
- 4.5 Defining “inclusive agriculture” as an approach that shares risks and rewards, and includes business models that allow greater value capture by farmers – such as farmer owned enterprises.
- 4.6 Not promoting policies that are detrimental to small-scale producers, agricultural workers or rural communities – and where GROW Asia does engage on policy recommendations these should be inclusive.
- 4.7 Upholding land rights, including through the meaningful application of FPIC.
- 4.8 Ensuring women’s empowerment in all partnerships.

## **5. Supporting gender equity in agriculture and agribusiness**

- 5.1 Australian Government agencies including the Australian Centre for International Agricultural Research (ACIAR) and DFAT are placing a greater emphasis on addressing the gendered impacts of agriculture. The recent Investing in Women Initiative is a welcome step towards promoting gender equality through private sector investment. This initiative should explicitly integrate gendered approaches throughout the design. While inclusive economic development and empowerment is a valuable objective for supporting rural women and girls, it is important to recognise that some women may prioritise different needs. For example, enhancing household nutritional and food security or safeguarding access to resources may be more immediate priorities.
- 5.2 Over the last three years, Oxfam has pressed global food brands to address gender inequity in their supply chains – particularly cocoa.<sup>vii</sup> More broadly, Oxfam has also supported the Gendered Enterprise & Markets Programme Toolkit – which is based on a holistic market analysis. DFAT has also been supporting work recently, exploring more gender equitable value chains. For example a recent DFAT supported workshop discussed several recommendations – including raising private sector awareness of the issue, including women in decision-making, collecting data in a gender-sensitive way and better monitoring gender impacts.<sup>viii</sup>
- 5.3 Women's position in agriculture is informed by a diverse array of life experiences: including education, health care, physical safety and social support. We encourage the committee to think broadly about how to support gender-equitable agriculture and food security. This involves not only reforming agricultural value chains and priorities for agricultural partnerships, but finding ways to support women's empowerment and more equitable relationships that benefit both women and men.

### **Recommendations**

- 5.4 The Australian Government's development approach to maintain a strong focus on food security, recognising this is a highly gendered aspect of agriculture and household food security is often a pivotal part of women's agricultural livelihoods.
- 5.5 The Australian Government to ensure development partners have a strong approach to gender analysis, and the development and monitoring of gender equality across the value chain.

## **6. Supporting fair value chains and market access**

- 6.1 Agriculture and food processing often use a seasonal and highly gendered workforce. In addition workers are exposed to dangerous machinery and chemicals and are relatively isolated from independent advice making it difficult for workers to resolve or report problems. These factors combine to create a highly vulnerable workforce.
- 6.2 The ability of poor rural people, particularly women, to capture value in the value chain needs to be an essential part of evaluating the efficacy of agricultural investment. This is an important aspect of Oxfam's approach to small and medium enterprise development. One model particularly relevant to a pro-poor and equitable approach to agriculture and agribusiness investments are social enterprises focusing on the poor as primary stakeholders (SEPPs).<sup>ix</sup> Oxfam has recently undertaken research into SEPPs and found them to be powerful vehicles for wealth creation and distribution among the poor. Gandang Kilakan in the Philippines has shown how the SEPPs approach provides a "living wage" through the fair sharing of profits. By straddling the

for-profit and non-profit, and market and non-market spheres of the economy SEPPs act as a hybrid agent of change. They provide a valuable combination of market and non-market services to the people that they serve. SEPPs, however, need to be supported differently from micro, small and medium-sized enterprises. By responding to challenges in both state and market institutions to meet the needs of the poor, they strive for changes to both to be more responsive, ethical and fair.

- 6.3 In response to the discussion on re-tying food aid in the committee's recent report *Partnering for the greater good*, Oxfam reiterates the importance of Australia's decision to untie food aid almost a decade ago. Untied food aid has proven to be more cost efficient and effective in reaching those that need it. Tied aid typically runs counter-cyclical to commodity market prices. This leads to the paradox of food aid being most plentiful when it is least needed – when prices are low and scarce at times of high prices as producers sell to commercial markets. Reintroducing tied food aid would also contradict Australia's long held position on the issue at the World Trade Organization.<sup>x</sup>

## Recommendations

- 6.4 Upholding fair labour rights need to be an essential part of any agriculture and agribusiness partnership. This includes payment of a living wage, scrutiny through independent and transparent monitoring, and reference to the four fundamental principles of labour rights outlined by the International Labour Organization in its Declaration on Fundamental Principles and Rights at Work<sup>xi</sup>.
- 6.5 The ability of poor rural people, particularly women, to capture value in the value chain needs to be an essential part of evaluating the efficacy of agricultural investment to address inequality. The SEPP model of social enterprise, as well as support for small and medium enterprise, should be considered.
- 6.6 Facilitating the removal of barriers, timely quarantine reviews, approvals and technical assistance for producers, including from the Pacific, to access Australian markets, would greatly facilitate small and medium enterprise in the Pacific.
- 6.7 Food aid remain untied.

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<sup>i</sup> Discussion drawn from Bill Vorley, Lorenzo Cotula, Man-Kwun Chan. *Tipping the balance: Policies to shape agricultural investments and markets favour of small-scale farmers*. December 2012. Available at: <http://policy-practice.oxfam.org.uk/publications/tipping-the-balance-policies-to-shape-agricultural-investments-and-markets-in-f-254551>

<sup>ii</sup> For example, this is discussed in Shona Hawkes. *No Excuse: How Australia's big four banks can better respond to land grabs*. Oxfam Australia. August 2015. p. 8-9. Available at: <https://www.oxfam.org.au/wp-content/uploads/2015/09/2015-66-no-excuses-investor-briefing-report.pdf>

<sup>iii</sup> Kate Geary. *The suffering of others: The human cost of the International Finance Corporation's lending through financial intermediaries*. Oxfam issue briefing. Oxfam International. April 2015. Available at: [https://www.oxfam.org/sites/www.oxfam.org/files/file\\_attachments/ib-suffering-of-others-international-finance-corporation-020415-en.pdf](https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/ib-suffering-of-others-international-finance-corporation-020415-en.pdf)

<sup>iv</sup> Shen Narayanasamy. *Banking on Shaky Ground: Australia's big four banks and land grabs*. Oxfam Australia. April 2014. Updated information is also available on Oxfam's website: <https://www.oxfam.org.au/what-we-do/food-and-climate/australian-banks-and-land-grabs/where-does-your-bank-stand/>

<sup>v</sup> For example, as upheld by agricultural organisations such as the Food and Agriculture Organization of the United Nations. Baseline data and data on project completion should be assessed against indicators in the standard categories of i) food availability, ii) access to food; iii) utilisation of food and iv) stability.

<sup>vi</sup> Ruchi Truipathi, Youjin B. Chung, Karl Deering, Nadia Saracini, Robin Willoughby, Olivia Wills, Monique Mikhail, Hilary Warburton, Daphne Jayasinghe, Jenny Rafanomezana & Marina Churm, *What Works for*

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*Women: Proven approaches for empowering women smallholders and achieving food security.* CARE March 2012. A joint publication of: Action Aid International, CARE, Christian Aid, Concern Worldwide, Find your Feet, Oxfam, Practical Action, Save the Children and Self Help Africa. Available at:

[http://www.care.org/sites/default/files/documents/CC-2012-What\\_Works\\_for\\_Women.pdf](http://www.care.org/sites/default/files/documents/CC-2012-What_Works_for_Women.pdf)

Recommendations for supporting women small-scale producers, summarized on p. 17.

Robin Willoughby. *Moral Hazard? 'Mega' public-private partnerships in African agriculture.* Oxfam Briefing Paper 188. September 2014. Available at:

[https://www.oxfam.org/sites/www.oxfam.org/files/file\\_attachments/oxfam\\_moral\\_hazard\\_ppp-agriculture-africa-010914-en\\_0.pdf](https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/oxfam_moral_hazard_ppp-agriculture-africa-010914-en_0.pdf)– Lessons learned and recommendations on agricultural PPPs, summarized on p.3-4.

Oxfam. *Monitoring for better impact: food security indicators* – A tool for monitoring the food security impacts of projects. Available at: [https://www.oxfam.org.au/wp-content/uploads/2014/06/2014-55-monitoring-for-better-impact\\_insert\\_fa\\_web.pdf](https://www.oxfam.org.au/wp-content/uploads/2014/06/2014-55-monitoring-for-better-impact_insert_fa_web.pdf)

See: *Tipping the balance: Policies to shape agricultural investments and markets in favour of small-scale farmers.* – Policy recommendations for supporting poor small-scale producers, summarized p.8-9.

See: *No Excuse: How Australia's big four banks can better respond to land grabs* – Recommendations for the financial sector for a zero tolerance approach to improper land acquisitions, summarized on p. 18-19.

<sup>vii</sup> Sarah Zoen, 2015, 'The truth about women and chocolate – soft promises or solid change?' 6 March.

Available at: <http://policy-practice.oxfam.org.uk/blog/2015/03/cocoa>

<sup>viii</sup> See: DFAT and Food Systems Innovation Initiative. *Masterclass on gender in cocoa value chains with Anna Laven.* 6 October 2015. Brisbane. Information available at:

<http://foodsystemsinnovation.org.au/event/masterclass-gender-cocoa-value-chains-anna-laven>

<sup>ix</sup> For further discussion, see Institute for Social Entrepreneurship in Asia (ISEA) and Oxfam. *Poverty reduction and women economic leadership: Roles, potentials and challenges of social enterprises in developing countries in Asia.* An integrative report of an ISEA-OXFAM research project on social enterprises with the poor as primary stakeholders. July 2015.

<sup>x</sup> This section is draws on Jennifer Clapp. *Hunger in the Balance: The New Politics of International Food Aid.* Cornell University Press. Ithaca.2011. p.61-62. Clapp briefly documents how Australia's current position on untied food aid was reached, this includes a 1996 AusAid report noting that untying food aid was consistent with the procurement policies of the Australian government, which called for the best value for money. Clapp notes that, while there was some lobbying for retaining tied food aid in the 1990s, Australia's current position was arrived at to be consistent with Australia's trade agenda – which expressed concern of how tied food aid potentially distorted grain trade.

<sup>xi</sup> See generally the 1998 International Labour Organization Declaration on Fundamental Principles and Rights at Work. Accessible at: <http://www.ilo.org/declaration/lang--en/index.htm>