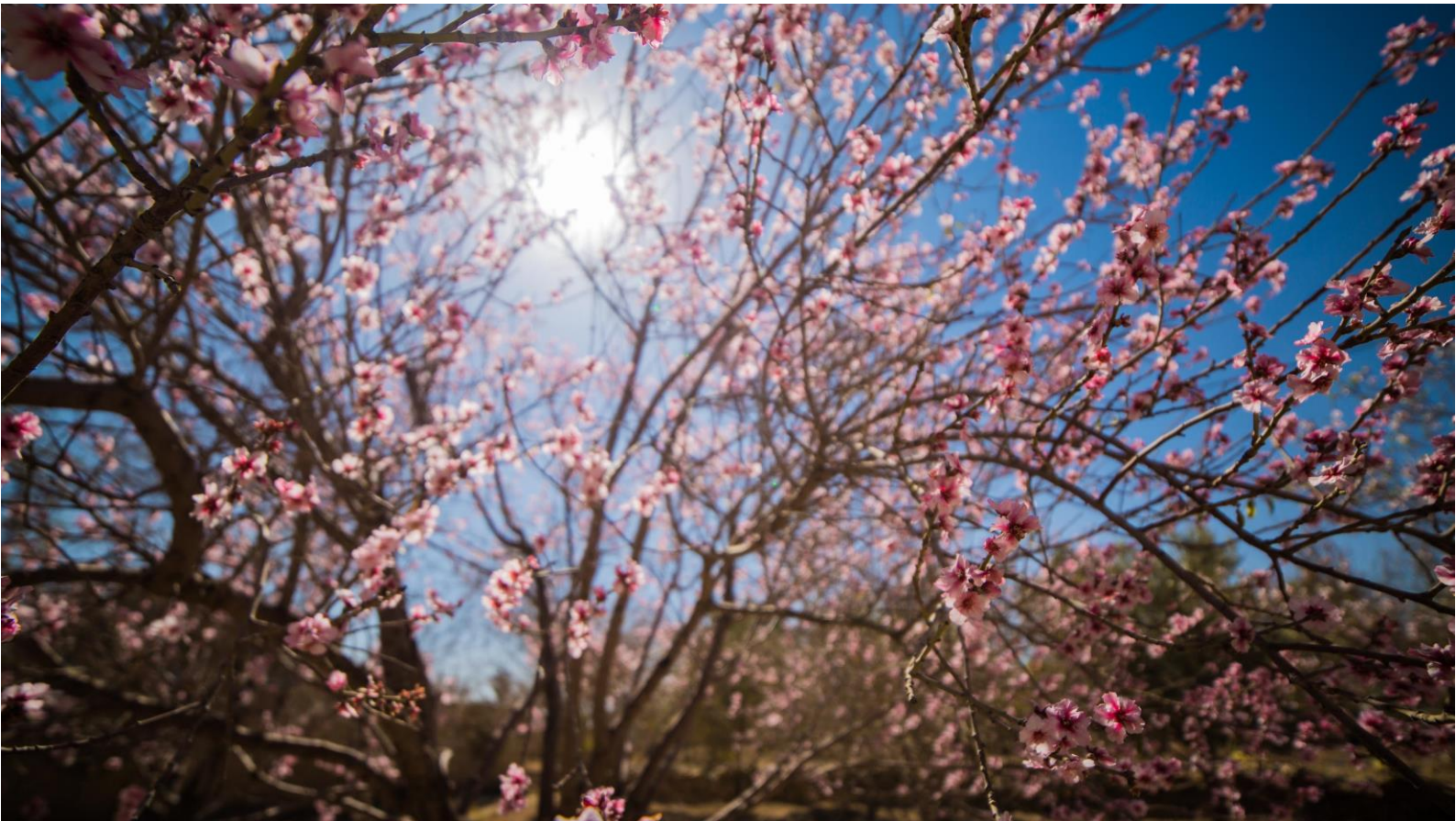




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Development flows to agriculture 2002–2019

Global and regional trends

HIGHLIGHTS

- Development flows committed to the agriculture* sector (DFA) amounted to USD 17 billion in 2019, a decrease of 9.5 percent, or USD 1.8 billion compared with 2018. Agriculture accounted for 5.1 percent of the total development flows commitments in 2019.
- Disbursements of DFA reached USD 12 billion in 2019, however, up 4.2 percent (or USD 0.5 billion) compared with 2018.
- In 2019, Africa received 46.0 percent of the total disbursement to crops and livestock, Asia and the Pacific 29.4 percent, and Latin America and the Caribbean 9.0 percent.
- Leading donors in 2019 were the International Development Association (IDA) of the World Bank, the European Union institutions, the International Bank for Reconstruction and Development (IBRD), the United States of America and Japan.
- The top five recipient countries in 2019 were Kenya, India, China, Nigeria and Ethiopia. They accounted for 20 percent of the total disbursements.
- The Agriculture Orientation Index (AOI) of DFA was 0.54 in 2019, a slight decrease from 0.52 in 2018. This is smaller than 1, indicating that agriculture received a portion of development flows that is smaller than its relative contribution to GDP.

* The agriculture sector includes crops, livestock, forestry, fishing and aquaculture, as per ISIC Rev. 4, A_01-03.

** The DFA includes disbursements, unless otherwise mentioned, made as official development assistance (ODA), other official flows (OOF) and private grants.

*** The values are presented in 2019 constant USD.

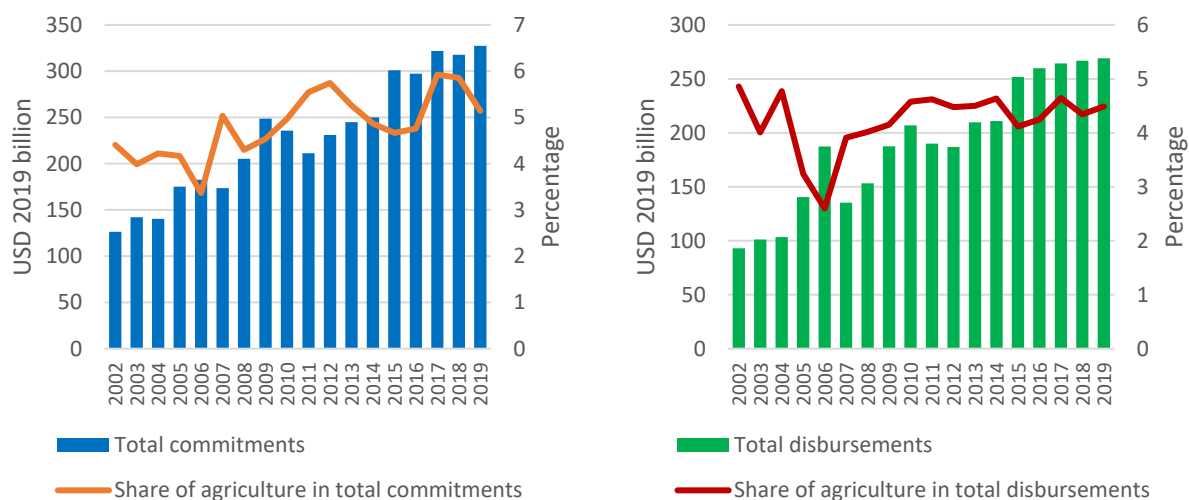
DEVELOPMENT FLOWS TO AGRICULTURE

GLOBAL AND REGIONAL

Donors' commitment went up 159 percent in less than two decades, from USD 126 billion in 2002 to USD 327 billion in 2019; over that period, the share of agriculture increased from 4.4 percent to 5.1 percent. The trend for disbursements is different (notably because all commitments are not actually disbursed): they increased from USD 93 billion in 2002 to USD 269 billion in 2019 (a 189 percent increase), and the share of agriculture went down from 4.9 percent to 4.5 percent.

Total commitments in 2019 increased by USD 10 billion from the USD 318 billion in 2018, even though the share in agriculture decreased from 5.9 percent to 5.1 percent. In 2019, donors disbursed USD 269 billion, or USD 2 billion more than in 2018; the share of agriculture rose from 4.3 percent to 4.5 percent [Figure 1].

Figure 1: Development flows and share of agriculture in total, 2002–2019

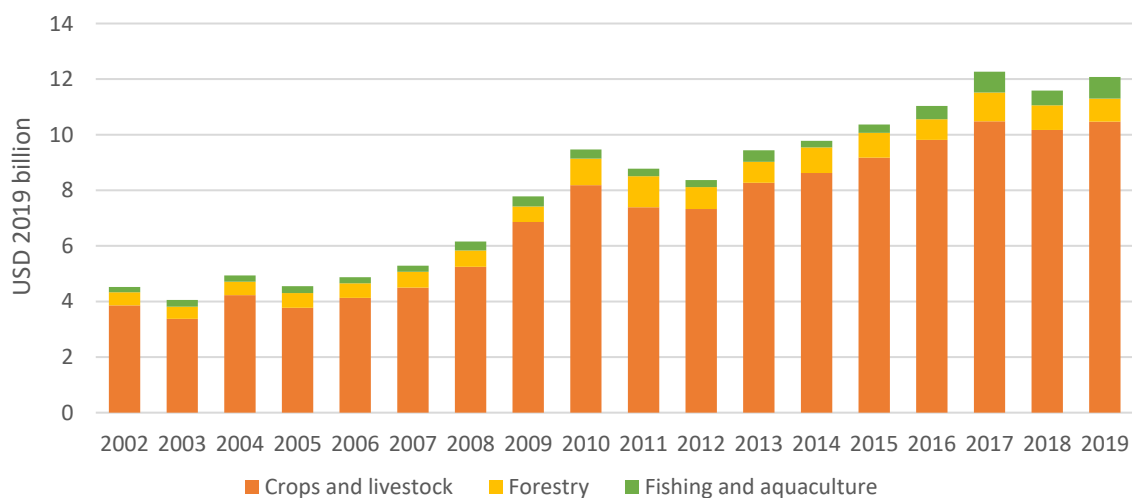


Source: OECD, 2021 and FAO, 2021.

DEVELOPMENT FLOWS TO CROPS AND LIVESTOCK, FORESTRY, AND FISHING AND AQUACULTURE

Donors did not significantly increase their contribution to crops and livestock until the food price crisis outbreak in 2007–08 that threatened food security in developing countries. The distribution to agriculture peaked at USD 8 186 million in 2010, which is more than double the 2002 level of USD 3 859 million, to address the food price crisis by increasing agricultural production. Development flows to forestry almost doubled for 2010–19 compared to 2002–09. Development flows to fishing and aquaculture increased notably after 2015, totalling USD 775 million in 2019, more than four times the 2002 contribution [Figure 2].

Figure 2: Development flows to crops and livestock, forestry, and fishing and aquaculture

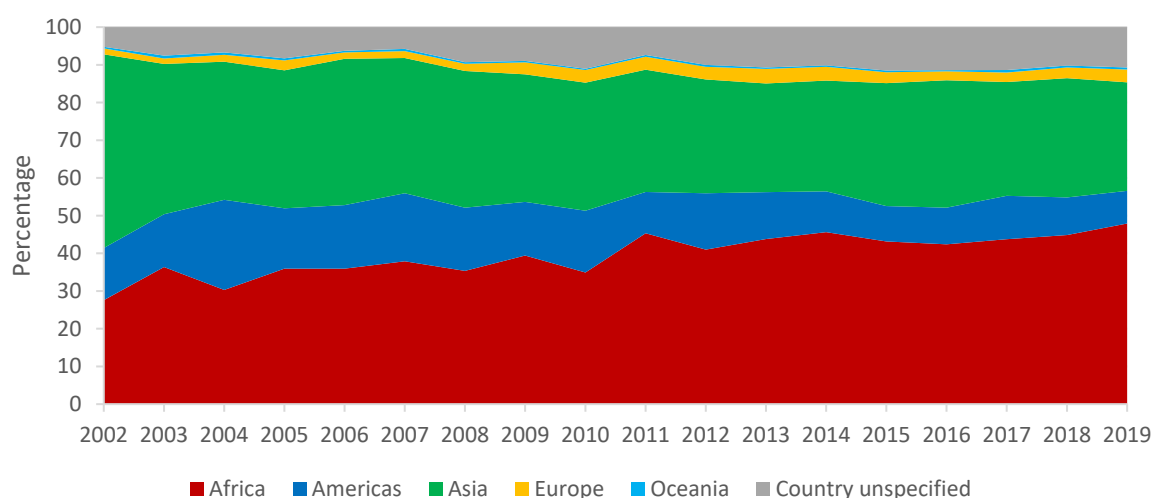


Source: OECD, 2021 and FAO, 2021.

DEVELOPMENT FLOWS TO CROPS AND LIVESTOCK

Development flows to crops and livestock reached USD 10.5 billion in 2019, up USD 6.6 billion, or 171 percent, compared with 2002. With USD 5.0 billion (USD 3.96 billion for sub-Saharan Africa and USD 1.05 billion for Northern Africa and Africa unspecified), Africa was the largest recipient in 2019, accounting for 47.9 percent of the total, followed by Asia (28.8 percent), the Americas (8.7 percent) and Europe (3.4 percent). The share of Africa gradually increased between 2002 and 2019 from 27.6 percent to 47.9 percent, while the share of Asia decreased significantly from 51.4 percent to 28.8 percent and the share of the Americas decreased from 13.8 percent in 2002 to 8.7 percent in 2019 [Figure 3].

Figure 3: Share of development flows disbursed to crops and livestock by region 2002–2019

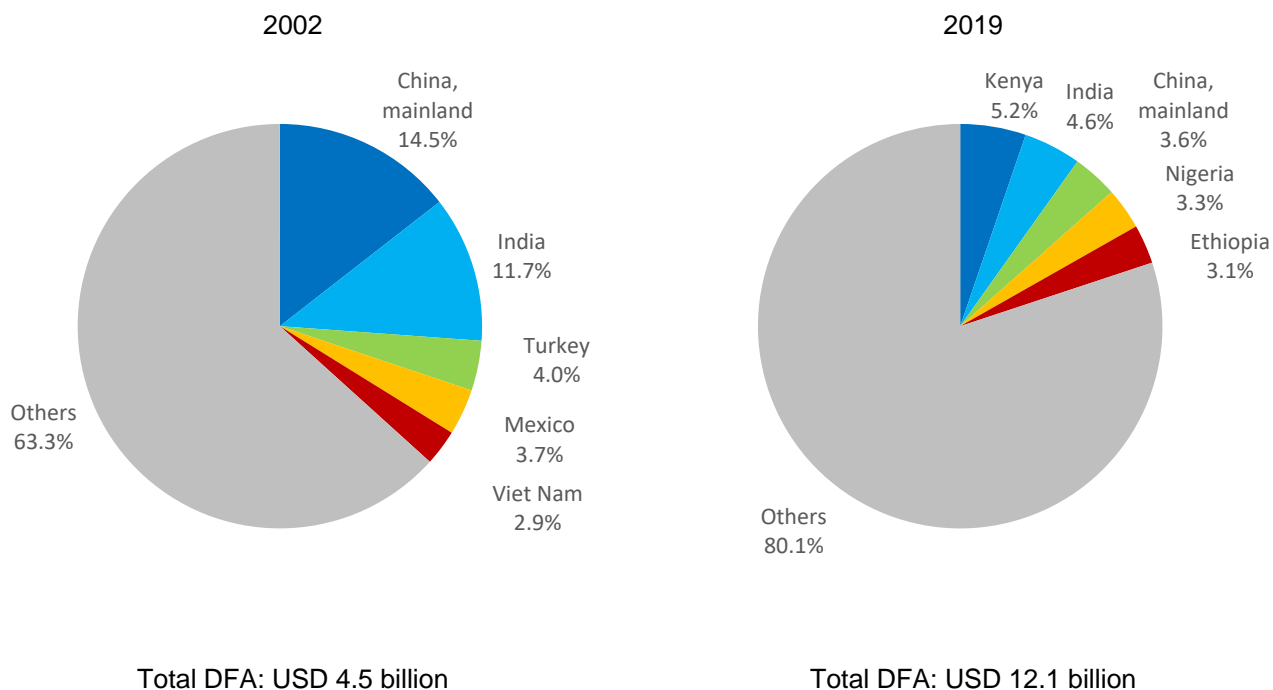


Source: OECD, 2021 and FAO, 2021.

TOP RECIPIENTS OF DFA DISBURSEMENTS

Development flows disbursements on agriculture became more widespread between 2002 and 2019, as the share of the top five recipients decreased from about 37 percent to around 20 percent. China and India have been among the main recipients of DFA disbursements over the 2002–2019 period, ranking in the top eight each year; however, their share in total disbursements decreased from 14.5 percent in 2002 to 3.6 percent in 2019 and 11.7 percent in 2002 to 4.6 percent in 2019, respectively. Kenya became for the first time the top recipient country in 2019, accounting for 5.2 percent of the total disbursements, up from 0.7 percent in 2002 [Figure 4].

Figure 4: DFA disbursements on agriculture by main recipients, 2002 and 2019

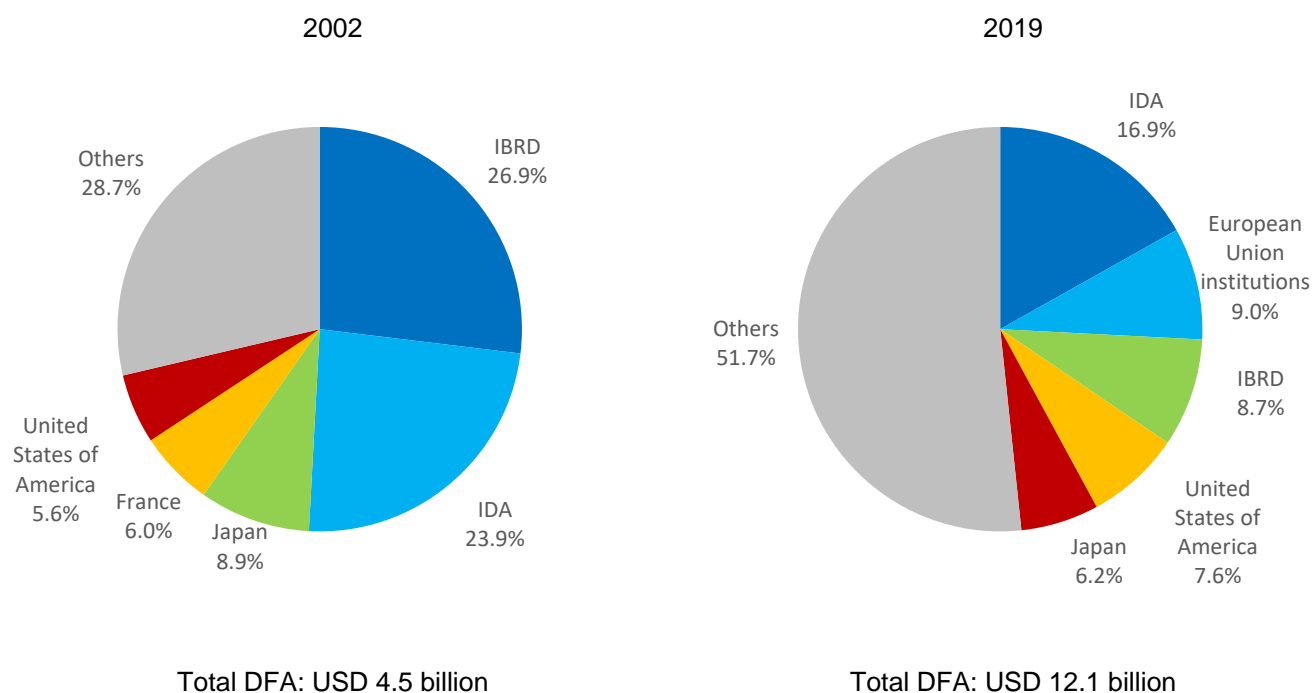


Source: OECD, 2021 and FAO, 2021.

TOP DONORS OF DFA DISBURSEMENTS

As with recipients, DFA disbursements on agriculture became more widespread in terms of donors between 2002 and 2019. The top five donors accounted for around 48 percent of the total DFA disbursements in 2019, down from about 71 percent in 2002. The International Development Association (IDA) is one of the leading donors, ranking among the top five every year since 2002. Japan and the United States of America are also among the leading donor countries throughout the period [Figure 5]. Multilateral donors accounted for 51 percent of DFA disbursements in 2019, countries (bilateral donors) for 42 percent and the private sector 7 percent. Multilateral donors became the main source of DFA disbursements, ahead of countries, in 2017.

Figure 5: DFA disbursements by main donors, 2002 and 2019



IBRD: International Bank for Reconstruction and Development

IDA: International Development Association

Source: OECD, 2021 and FAO, 2021.

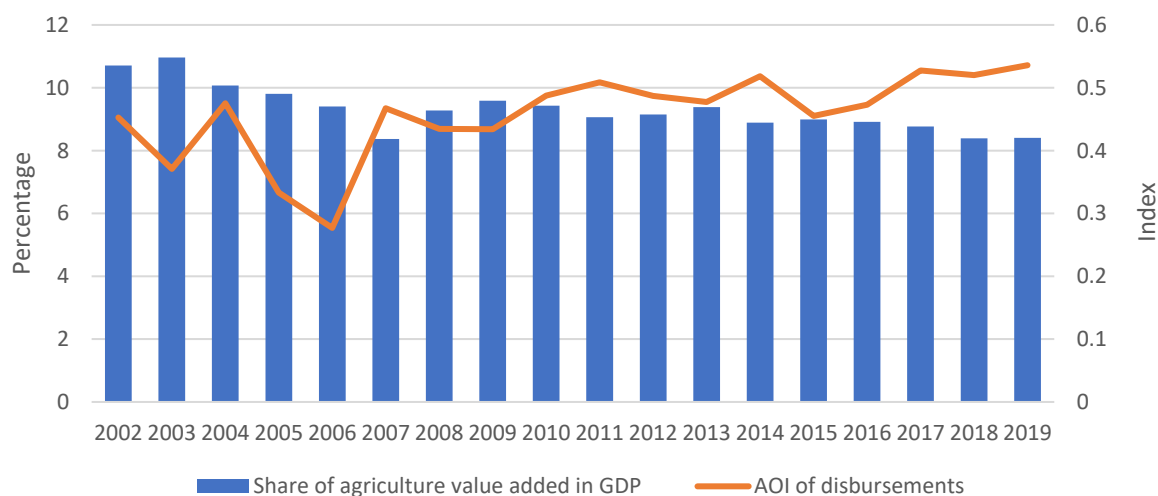
GLOBAL* AGRICULTURE ORIENTATION INDEX** (AOI) FOR DFA

The AOI applied to disbursements went up from 0.45 in 2002 to 0.54 in 2019 as the share of agriculture in GDP decreased from 10.7 percent to 8.4 percent over the same period. This indicates that agriculture consistently received a lower share in development flows compared to its contribution to GDP. The temporary shift of donors' contributions to debt relief efforts under the Heavily Indebted Poor Countries (HIPC) initiative is likely to have contributed to the observed decrease of the AOI from 0.48 in 2004 to 0.28 in 2006 [Figure 6].

*Global AOI for DFA is composed of only recipient countries.

**The AOI for DFA measures the share of flows to the agriculture relative to the sector's contribution to GDP. An AOI of less than 1 indicates less emphasis by the donor to the agriculture sector.

Figure 6: Agriculture Contribution to GDP and Agriculture Orientation Index (AOI)



Source: OECD, 2021, UNSD, 2021 and FAO, 2021.

EXPLANATORY NOTES

- > The development flows to agriculture (DFA) dataset is an important component of agricultural investment financing statistics which also include government expenditures on agriculture (GEA), foreign direct investment in agriculture (FDI) and credit to agriculture (C2A).
- > The DFA dataset is based on the OECD’s Creditor Reporting System (CRS), which provides the most comprehensive coverage of development flows by donor and recipient country. Use of CRS in compiling the DFA dataset capitalizes on the expertise of the OECD and minimizes respondent burden and duplication of work.
- > Recipients are countries or territories eligible to receive official development assistance (ODA) which is updated by OECD Development Assistance Committee (DAC) every three years.
- > The DFA dataset covers flows recorded in both commitment and disbursement databases from 1973 to 2019 and provides analytical indicators. Due to the progressive improvement of donor coverage, the analysis starts in 2002.
- > The contribution of agriculture to GDP is measured as a ratio of the value added of agriculture over total GDP.
- > Global AOI for DFA is composed of only recipient countries. *Global AOI for DFA is composed of only recipient countries.*
- > The share of agriculture in the total development flows is the ratio of total flows to crop, livestock, forestry and fishing sectors (i.e. agriculture, forestry and fishing) over the total development flows.
- > The AOI for DFA measures the share of flows to agriculture relative to the sector’s contribution to the GDP. An AOI greater than 1 indicates a stronger emphasis by the donor on agriculture sector given the contribution of the various sectors of economy, while an AOI lower than 1 indicates a lesser emphasis on agriculture.

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