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"Prosperity and Poverty in a Globalised World— Challenges for Agricultural Research"

## Poverty Reduction and Pro-poor Growth: the German Development Cooperation Perspective and the Challenges for Agricultural Research

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## Abstract

In many developing countries, agriculture is still the major employer and main source of both national income and export earnings. Therefore, growth of the agricultural sector promises direct poverty reduction effects. Additional effects of agricultural growth can be observed through lowering and stabilising food prices, and rising employment rates in rural areas, not only in agricultural production, but also in the areas of input-supply and post-harvest processing. For these reasons, the internationally agreed MDGs won't be achieved unless economic growth benefits the poor parts of the population. Rural areas and the needs of farmers and other stakeholders are diverse. To successfully address the needs of the rural poor, policies need to be adapted to these diverse contexts.

The institutional framework is one major bottleneck for agricultural growth and rural development. If the agricultural sector is to gain momentum again, strong institutions with the capacity to develop an appropriate blend of policies, regulatory frameworks and investments are essential. Extension and research services in particular have to be re-developed to deliver client-focused services based on a demand-driven rather than a supply-led approach. This is one major principle for the International Agricultural Research Centres which we support with significant contributions.

A changing global context and new demands for aid effectiveness and donor harmonisation have created challenges for German Development Cooperation, too. These will be highlighted by the following four presentations. The first will give an overview of the emerging new aid architecture, which is characterised by a more targeted use of development aid to heighten efficiency and avoid duplications. Fisheries contribute significantly to income generation and food security, but are threatened by incoherent international policies. Helping to avoid unsustainable practices is a challenge highlighted in the second presentation. The value chain approach and its linkages to agricultural research is subject of the third presentation, whereas the last one focuses on knowledge management and knowledge networks, with the Global Donor Platform for Rural Development being one promising example.

**Keywords:** Global donor platform, Millennium Development Goals (MDG), poverty reduction, Propoor growth

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