



Tropentag, September 16-18, 2015, Berlin, Germany

“Management of land use systems for enhanced food security:  
conflicts, controversies and resolutions”

## Results-Based Approaches - An Effective Instrument to Increase Food Security?

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### Abstract

Increased and more effective public and private investments in the agricultural sector are needed to address the challenge of ending hunger and achieving food security until 2050. This paper analyses the potential of results-based approaches, an innovative financing instrument that links payments to pre-defined results, to contribute to this challenge.

Results-based approaches play an important role in the development-policy debate and promise several potential advantages over traditional aid modalities, such as a greater focus on results, better accountability systems and improved incentives. Results-based approaches can thereby contribute to improve governance in the partner country and to increase aid effectiveness. They are also discussed as an important tool to accelerate innovation and to leverage additional resources from private investors for agricultural and food security interventions.

While widely applied in health and education, to date only few experiences with results-based approaches in agriculture exist and the suitability of the sector for the instrument is debated. We aim to contribute to this debate by reviewing six pilot interventions representing different types of results-based approaches: results-based aid programmes (contract between governments) and results-based finance programmes (contract between a donor/host-country government and a service provider).

The six cases are compared based on three criteria that have been shown in the literature to be important pre-conditions for results-based approaches. These are (1) measurability and verifiability of results against which payments are made, (2) control of the incentivised actor over achieving agreed results, (3) capacity and financial means of the agent to carry out necessary activities and investments. Moreover, we analyse incentive effects introduced by the programmes and whether the focus on specific measurable results leads to adverse effects.

Our analysis shows that results-based approaches have the potential to foster innovation in agriculture and can play an important role to increase food security in developing countries. However, we also find that the agricultural sector poses additional challenges for implementing results-based approaches. For example, paying for results is more difficult in agriculture than in many other sectors. Desired outcomes such as increased yields or incomes are highly variable and subject to external weather and market conditions. We also find that pre-financing of activities is a particular challenge when smallholders are targeted who often do not have access to credit.

**Keywords:** Agriculture, aid effectiveness, food security, results-based approaches