

WORLD BANK ACTIVITY IN THE FIELD OF AGRICULTURE

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Abstract: *One of the main fields of activity of the World Bank is agriculture which is linked often by the food system. It the World Bank's opinion healthy, sustainable and inclusive food systems are critical to achieve the world's development goals. In this context, agricultural development becomes one of the most powerful tools to end extreme poverty, boost shared prosperity, and feed a projected 10 billion people by 2050. According to World Bank agriculture is also crucial to economic growth: accounting for 4% GDP and in some least developing countries, it can account for more than 25% of GDP. This are the reasons why in this paper we will try to make a short analysis of the World Bank activity in the Agriculture and Food field in order to emphasize its importance in achieving worldwide development goals.*

Keywords: *agriculture, economic growth, climate smart agriculture, digital agriculture, development*

INTRODUCTION

Given the crucial importance of agricultural activities, particularly in the context of food production, the World Bank Group (WBG) has placed agriculture at the center of its priorities and has promoted increased investment in this sector in developing countries. Agricultural productivity has stagnated in recent years. Problems related to access to land and water resources, underfunding of rural infrastructure and agricultural innovation, lack of access to essential inputs, as well as climate disruption and long-term climate change, negatively affect agricultural productivity, greatly complicating efforts to meet global food demand. This has precipitated a global food crisis, bringing food production back to the forefront of the international development agenda. The WBG has taken an active and decisive role in identifying and implementing solutions to these challenges [2,7].

Agriculture has always played an important role in the development of human society, providing the food needed for survival and well-being. It is a vital industry for the global economy, significantly influencing economic growth, employment and the development of rural communities. Moreover, agriculture has a considerable impact on the environment and quality of life. It is therefore imperative to ensure the sustainability of agricultural practices and the high quality of agricultural products [1,3].

MATERIALS AND METHODS

In this paper we used mostly qualitative methods in order to emphasize the World Bank activity in the agriculture field. In this regard we analyzed the official site, statistics and publications of the World Bank.

Financing for agriculture gives poor farmers the opportunity to increase their incomes and supports the development of the food value chains needed to feed 9 billion people by 2050. World Bank agricultural finance business helps clients provide market-based financial services and finance long-term, green investments, supporting sustainable agriculture and agri-food value chains. The demand for food will grow by 70% by 2050, requiring at least \$80 billion in annual investments to be able to meet this level of the demand. This makes the agricultural sector very important for the world future.

RESEARCH RESULTS

The World Bank's financing of agriculture is a key pillar of its global development strategy, aimed at supporting the agricultural sector in developing countries. The World Bank recognizes the crucial importance of agriculture in ensuring food security, economic growth and poverty reduction. It therefore consistently invests in projects and initiatives that promote sustainable and efficient agricultural practices.

One of the World Bank's main lines of action in this area is the provision of financing for rural infrastructure, including irrigation, roads and storage facilities. These investments are vital to increase agricultural productivity and facilitate farmers' access to local and international markets. The World Bank also supports the development of agri-food value chains, helping farmers add value to their products and get better prices [4,6].

In addition, the World Bank promotes investment in agricultural innovation and technology transfer. This includes funding agricultural research, promoting modern and sustainable farming practices, and facilitating access to new technologies such as precision farming and the use of drones for crop monitoring. These technologies can significantly increase the efficiency and sustainability of agricultural production.

The World Bank also pays particular attention to climate change issues. Through various programs and initiatives, the institution supports the adoption of climate-resilient agricultural practices, such as the use of drought-resistant crops and the implementation of water management systems. These measures are essential to protect agriculture from the adverse effects of climate change and to ensure the long-term sustainability of the agricultural sector [10,11].

In addition to direct support to farmers and agricultural infrastructure, the World Bank works with developing country governments to create a policy and legislative environment conducive to agricultural development. This includes reforms in land tenure rights, improving the regulatory framework and promoting agricultural policies that encourage private investment and innovation.

Table 1.

IBRD commitments by sector on the period 2019–2023

SECTOR	FY19	FY20	FY21	FY22	FY23
Agriculture, Fishing, and Forestry	1,025	1,767	1,260	3,611	3,669
Education	1,875	1,135	2,017	1,090	1,529
Energy and Extractives	2,847	2,053	2,379	3,069	6,913
Financial Sector	2,299	3,702	3,828	1,877	4,212
Health	1,674	3,980	2,606	6,252	3,128
Industry, Trade, and Services	2,361	2,208	3,030	1,916	2,301
Information and Communications Technologies	611	886	773	509	630
Public Administration	5,327	4,301	5,666	6,484	9,314
Social Protection	2,115	4,786	4,800	3,446	3,270
Transportation	1,485	1,323	2,273	3,036	1,249
Water, Sanitation, and Waste Management	1,571	1,834	1,891	1,782	2,359
Total	23,191	27,976	30,523	33,072	38,572

Source: World Bank, Annual Report 2023, p. 98

The World Bank has provided significant financing for agriculture in countries around the world, with a particular focus on developing regions that depend heavily on agriculture for economic growth and food security [5]. Key recipient countries include India, Brazil, Nigeria, Kenya and Vietnam, each of which receives support to address unique challenges in the agricultural sector:

✓ in India, the World Bank has financed numerous projects to improve rural infrastructure and irrigation systems, which are essential for increasing agricultural productivity. A notable example is the National Irrigation Improvement Project, which aims to modernize irrigation systems to ensure efficient use of water resources and increase farmers' resilience to climate change.

✓ in Brazil, World Bank support has focused on promoting sustainable agriculture and reducing deforestation in the Amazon region. Projects funded include initiatives to rehabilitate degraded land and promote ecological farming practices, which help maintain biodiversity and reduce greenhouse gas emissions.

✓ in Nigeria, the World Bank has invested in projects aimed at diversifying agriculture and improving farmers' access to markets and modern technologies. The Fadama project, for example, has been crucial in supporting small farmers by providing agricultural inputs, storage facilities and training, thus contributing to rural income growth and poverty reduction.

✓ in Kenya, World Bank funding has been targeted at improving water resource management and increasing productivity in the horticulture sector. Projects have included building irrigation infrastructure, promoting drought-resistant crops and developing value chains for products such as fruit and vegetables, which are crucial for the country's exports.

✓ in Vietnam, the World Bank has supported agricultural modernization through projects focusing on rural infrastructure, water resource management and climate change adaptation. Projects have included investments in irrigation infrastructure and the promotion of innovative agricultural technologies, such as precision farming, which help optimize resource use and increase the sustainability of agricultural production.

If we refer to the main areas of the Agriculture sectors financed by the World Bank, this are [8,9]:

- ✓ Agricultural Extension, Research, and Other Support Activities
- ✓ Crops
- ✓ Fisheries
- ✓ Forestry
- ✓ Irrigation and Drainage
- ✓ Livestock
- ✓ Other Agriculture, Fishing and Forestry
- ✓ Public Administration - Agriculture, Fishing & Forestry

As we can see in the figure 1 the most part of the World Bank financing on Agriculture is distributed on irrigation and drainage (1043 projects), Central Governments/Central Agencies (997 projects), Agricultural extension, research and other support activities (887 projects) and Public Administration – Agriculture, Fishing and Forestry (728 projects).

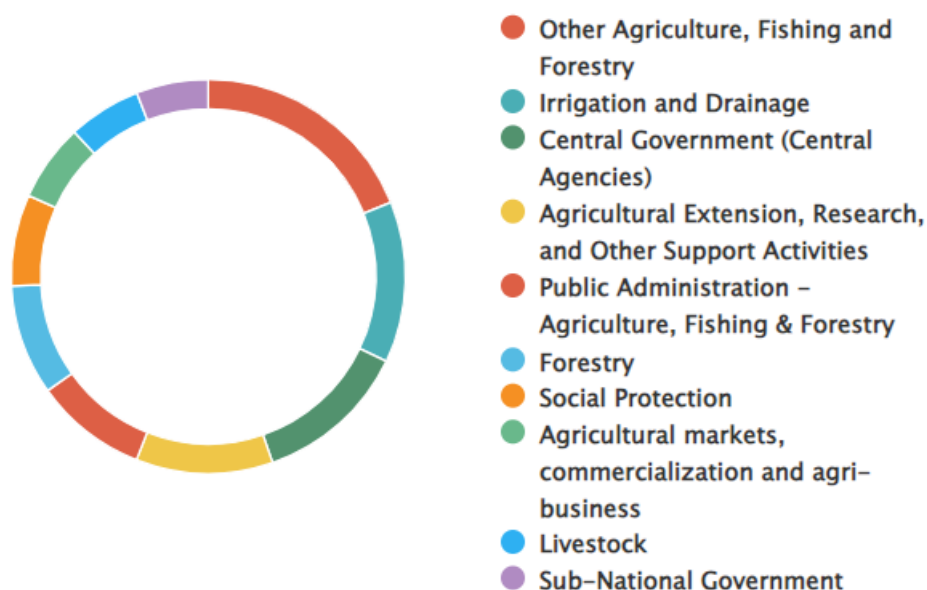


Figure 1. The distribution of the World Bank financing on Agriculture by sector

Source: World Bank, *Agriculture and food*, available at:
<https://www.worldbank.org/en/topic/agriculture/overview#1>

Regarding the distribution of the World Bank financing on Agriculture by theme, we can see in figure that the most part of the funds goes on: Rural services and infrastructure (1067 projects), Environmental policies and institutions (609 projects), Rural policies and institutions (608 projects), other rural development (564 projects), participations and civic engagement (540 projects), biodiversity (535 projects), water and resource management (529 projects) and land administration and management (495 projects).

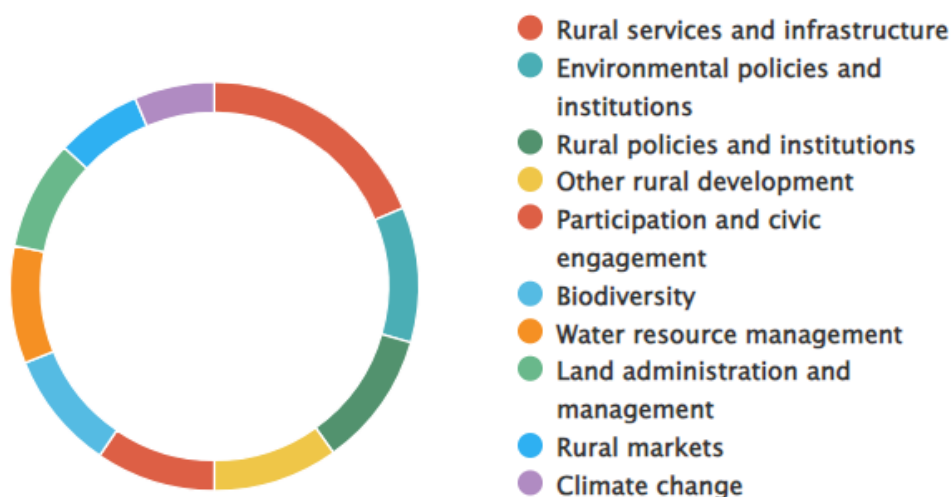


Figure 2. The distribution of the World Bank financing on Agriculture by theme

Source: World Bank, *Agriculture and food*, available at:
<https://www.worldbank.org/en/topic/agriculture/overview#1>

If we refer to Romania, World Bank financing in the field of agriculture has played a key role in the modernization and development of this crucial sector for the country's

economy. Romania, with considerable agricultural potential due to its vast natural resources and fertile land, has benefited from World Bank support to address structural challenges and improve the competitiveness of its agriculture on the international market. World Bank financing has had a significant impact on Romanian agriculture, helping to increase the sector's productivity and competitiveness. Investments in infrastructure and technology have enabled farmers to adopt modern farming practices, reduce production costs and improve product quality. Support for the development of value chains has also contributed to the creation of new jobs in rural areas and increased incomes for farmers and entrepreneurs in the sector [12].

The main projects and initiatives of World Bank in Romania are:

- ✓ National Rural Development Program (NRDP)

One of the major projects supported by the World Bank was the National Rural Development Program, which aimed to improve rural infrastructure, diversify the rural economy and improve the quality of life in rural areas. Through this program, funds were used to upgrade rural roads, build irrigation systems and promote non-agricultural activities such as rural tourism and traditional crafts.

- ✓ Irrigation Rehabilitation Project

The World Bank also supported the Irrigation Systems Rehabilitation Project, which aimed to rehabilitate and modernize irrigation infrastructure in Romania's main agricultural regions. This project has contributed to increasing water use efficiency, reducing losses and improving crop yields, thus giving farmers a competitive advantage and reducing vulnerability to drought and climate change.

- ✓ Developing Agricultural Value Chains

To increase value added in the agricultural sector, the World Bank has financed projects that have supported the development of agricultural value chains. These initiatives have included investments in agricultural processing facilities, collection and storage centers, and the logistics infrastructure needed to facilitate access to international markets for Romanian products. Training programs for farmers and agricultural entrepreneurs have also been offered to improve technical and management skills [13-15].

CONCLUSIONS

World Bank financing for agriculture is a key component of global sustainable development efforts. Through a combination of investment in infrastructure, innovation, climate resilience and policy reform, the World Bank is making a significant contribution to transforming the agricultural sector into an engine of economic growth and prosperity for rural communities around the world.

World Bank financing for agriculture in the countries in which activates has had a significant impact on rural development, economic growth and food security. By supporting infrastructure, promoting innovation and adapting to climate change, the World Bank continues to play a crucial role in transforming agriculture and improving the lives of farmers around the world.

Regarding Romania, World Bank financing in the agricultural sector has been essential for the transformation and modernization of the sector. Through its support for rural infrastructure, irrigation systems and value chain development, the World Bank has contributed to strengthening Romanian agriculture, making it more resilient and competitive in the global market. These efforts have had a lasting impact on Romania's economic and social development, improving living standards in rural communities and providing a solid foundation for the future of Romanian agriculture.

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