

DANIDA'S PRO-CORPORATE AID HARMS SMALLHOLDER FARMERS

Denmark's international development agency, Danida, [claims](#) there is a win-win intersection between development and business goals and supports private sector-led initiatives for agricultural development. This strategy supposedly allows Denmark to meet both the demand for investment and trade in developing countries and the interest of Danish companies in gaining access to new markets. However, there is substantial risk that combining aid with Danish commercial interests will shadow development objectives.

In 2016, the [Danish Agribusiness Fund](#) (DAF) was launched with DKK 700 million (\$105 million) commitment from Danida and other partners. The DAF invests in agricultural projects that include Danish commercial interests and collaborates with two Danish pension funds (Pension Danmark and Pensionskassernes Administration - PKA) that have become [major players in the race for African farmland](#) through their investments in intermediaries such as Silverlands Fund.



→ **Aid-funded mechanisms support the expansion of agribusinesses.** In 1993, Danida began offering grants to support Danish firms and their partners in developing countries under its Private Sector Program, later rebranded Business-to-Business (B2B). Agro-industry and food was by far the most prominent sector of this granting program. However, a 2014 [review](#) of B2B found insufficient impact in terms of employment creation and poverty reduction in targeted countries, resulting in the suspension of the program by the Danish Ministry of Foreign Affairs. In 2016, Danida and other partners launched the DAF to invest in agricultural projects and increase the export of Danish technology and know-how. Although it is too early to assess the impact of the DAF's investments, the fund has come [under criticism](#) for failing to uphold the FAO's voluntary guidelines on land tenure and to meet the criteria of the UN Guiding Principles on Business and Human Rights.

→ **Multilateral funds and entities support large-scale, industrialized agriculture.** Danida participates in several such funds, including the [Africa Enterprise Challenge Fund](#) (\$12 million) and the G8's [New Alliance for Food Security and Nutrition](#) (where Denmark mainly finances global "enabling actions"). These initiatives aim to increase private investments in Africa's agriculture through partnerships with, and financing of, agroindustry and agrochemical companies. Danida has occasionally [partnered](#) with the Alliance for a Green Revolution in Africa, an entity that aims to increase agricultural productivity through encouraging farmers' adoption of patented seeds and synthetic fertilizers.

→ **Danida is a strong proponent of a ranking system to influence countries' agricultural policies.** In 2012, the Danish and US governments led the [Copenhagen Initiative](#) to create a global "Agricultural Transformational Index" (ATI). However, after the launch of the G8's New Alliance, the decision was made to fast-forward the creation of an index focused on agribusiness rather than wait for a more comprehensive tool. This led Denmark to support the World Bank-implemented [Enabling the Business of Agriculture](#) (EBA) project, which encourages governments to reform their agricultural sectors to allow for the increased use of chemical inputs and commercial seeds, foster private titling of land, and create favorable import and export conditions for agribusinesses. During the design phase of the EBA, Danida was [a vocal proponent](#) of making the EBA a ranking system that scores countries according to the business environment in their agricultural sector. Ranking or benchmarking reinforces the indicator's influence by pitting nations against each other.

For more information, read the Oakland Institute's report: [The Unholy Alliance, Five Western Donors Shape a Pro-Corporate Agenda for African Agriculture](#).