



# **AU/NEPAD Comprehensive Africa Agricultural Development Program (CAADP)**

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**Meeting of Networks of Sub-Saharan  
Africa's Farmers Organizations**

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# PRESENTATION OUTLINE

- **Past trends of agriculture and food insecurity in Africa**
- **Overview of CAADP**
- **Implementation Way Forward**



# Hunger Trends in Developing World (1)

## Undernourished Population

	Proportion of Population (%)			% Change in number 1990-2003
	1990-92	2001-03	Change (%)	
<b>East Asia</b>	<b>16</b>	<b>12</b>	<b>- 25</b>	<b>- 20</b>
<b>South-East Asia</b>	<b>18</b>	<b>12</b>	<b>- 33</b>	<b>- 18</b>
<b>South Asia</b>	<b>26</b>	<b>22</b>	<b>- 15</b>	<b>+ 3</b>
<b>Asia and the Pacific</b>	<b>20</b>	<b>16</b>	<b>- 20</b>	<b>- 8</b>
<b>Latin America &amp; Caribbean</b>	<b>13</b>	<b>10</b>	<b>- 23</b>	<b>- 12</b>
<b>Caribbean</b>	<b>27</b>	<b>21</b>	<b>- 22</b>	<b>- 13</b>
<b>North Africa</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>+ 11</b>
<b>Sub-Saharan Africa</b>	<b>35</b>	<b>32</b>	<b>- 9</b>	<b>+ 22</b>



# Hunger Trends and State in Africa (1)

## Population Suffering from Hunger in Africa

Regions	Proportion of Population (%)			% Change in number 1990-2003
	1990-92	2001-03	Change (%)	
<b>Central Africa</b>	<b>36</b>	<b>56</b>	<b>+ 56</b>	<b>+ 106</b>
<b>East Africa</b>	<b>45</b>	<b>39</b>	<b>- 13</b>	<b>+ 16</b>
<b>Southern Africa</b>	<b>48</b>	<b>39</b>	<b>- 19</b>	<b>+ 6</b>
<b>West Africa</b>	<b>21</b>	<b>15</b>	<b>-29</b>	<b>- 2</b>
<b>North Africa</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>+ 11</b>
<b>SSA Total</b>	<b>33</b>	<b>31</b>	<b>- 6</b>	<b>+ 22</b>



# Past SSA Strategies (1)

## ⊕ Industrialization bias: 1960s–early 1970s

- ❑ Import-substitution strategies through State-run industries
- ❑ Public sector control of agricultural input, credit, research and extension, and product processing, trade and marketing
- ❑ Some subsidies on agricultural inputs and credit (mainly for cash/export crops)
- ❑ Overvalued currency exchange rates, and heavy taxation of agriculture
- ❑ Some positive growth from traditional export agriculture, but declining competitiveness and loss of export market shares
- ❑ **Stagnating productivity and low growth in food production**



## Past SSA Strategies (2)

- **Stabilization, structural adjustment and poverty reduction strategies 1980s–to date:**
  - **Macroeconomic stabilization policies**
    - Cuts in public expenditures, except debt service
    - Restriction on credit + high real interest rates
    - Currency exchange rate devaluation
  - **Structural reforms**
    - Reform/privatization/closing of public enterprises
    - Liberalization of markets, prices, and trade
    - **Elimination or reduction of subsidies**
    - **Disengagement of state from support services**



## Past SSA Strategies (3)

- ✚ **Stabilization, structural adjustment and poverty reduction strategies 1980s–to date**
  - **Some improvement in macroeconomic conditions**
  - **Low investment in basic infrastructure and productive sectors, especially agriculture**
  - **Poor employment record: compression in public-sector activities, low private sector capacity**



# Neglect of Agriculture in SSA (1)

## ❖ Decrease in:

- ❖ **Share of public spending on agriculture from 6.4% in 1980 to 4.5% in 2002**
- ❖ **Public spending on agricultural research from 0.93% of agricultural GDP in 1981 to 0.69% in the 1990s (compared to 2.4% in industrial countries)**
- ❖ **Official development assistance disbursed to agriculture in the late 1990s to only 35% of its level in the late 1980s**
- ❖ **Share of agriculture in the World Bank lending portfolio from 39% in 1978 to 7% in 2000.**





## Neglect of Agriculture in SSA (2)

### **Neglect of agriculture, yet:**

- **70% of the poor in Africa live in rural areas**
- **Livelihoods of 90% of rural people depend directly or indirectly on agriculture**
- **60% of the total labor force is employed in agriculture**
- **Large proportion of urban employment is linked to agriculture (esp. women in informal sector)**
- **Urban poor spend 60% of their budget on food**
- **Strong link between poverty and agricultural income -- Urban poverty feeds on rural poverty**



## Under-capitalization of Agriculture

- **Only 6% of the arable is irrigated, against 40% in Asia**
- **20 kg of fertilizer per hectare of arable land in Africa (8 kg/ha in SSA), i.e. 22% (and 9%) of world average**
- **Tractors per 1000 ha of arable land: 3 times less than in Asia and 8 times less than in Latin America**
- **Road density is 2.5 times less than in Latin America and 6 times less than in Asia**
- **Poor rural access to energy and telecommunications**
- **Institutions of agricultural education, research and extension are poorly staffed, under-equipped and under-funded**



## Poor Performance of Agriculture in SSA

### Low agricultural productivity/poor performance

- Land productivity at 42% of that in Asia and 50% of that in Latin America
- Labor productivity at 60% of that in Asia and Latin America
- Sharp fall of share of global agricultural exports from 15% in the mid-1960s to 5% in 2000
- Food imports increasing at 3.2% per year, from US\$ 13 bn in 1990-92 to US\$ 20 bn in 2002-4
- Close to US\$ 2bn of food aid per year
- Yet, nearly 1/3 of population undernourished



# CAADP Overview (1)

- **CAADP: a consensual framework for policies, strategies and multi-stakeholder partnerships for agricultural development – Objective: 6% agricultural growth per year**
- **Endorsed at the highest political level**
- **Defined sub-regional/regional Priority Action Plans for implementation around 4 pillars:**
  - **Land and water resources management**
  - **Rural infrastructure and trade capacities for market access**
  - **Food supply chains and responses to emergency food crises**
  - **Agricultural research, technology dissemination and adoption**



# CAADP Overview (1)

## ● Land and water management

- Sustainable land management framework (TerrAfrica)
- AUC-ECA-AfDB Land Policy Initiative
- Water and irrigation program

## ● Market development

- Follow-up to Abuja Declaration on fertilizers
- Fish program

## ● Food security and nutrition

- Follow up to Abuja Food Security Summit
- Global horticulture initiative
- Home grown school feeding program

## ● Research and technology

- FARA: Framework for Africa Agricultural Productivity (FAAP)



## Way Forward (1)

- **Challenge of mobilizing resources to implement the US\$ 250 bn NEPAD CAADP**
  - **Commitment of allocating at least 10% of total public expenditures to agriculture/rural development**
  - **Creation of African water facility, fertilizer facility and infrastructure consortium at AfDB**
  - **Above all, need to mobilize private-sector resources, convert food import bill into agricultural investment endowment**



## Way Forward (3)

### **Need to address critical issues of:**

- ❑ Inadequate natural resource development/management (especially land and water)**
- ❑ Virtually absent production and poor delivery systems of agricultural inputs, and poor access to agricultural innovation**
- ❑ Poor access to financing (agricultural/rural credit systems) and insurance schemes**
- ❑ Under-developed agro-processing and agribusiness to meet the growing urban demand for processed food**
- ❑ Weak regional integration of commodity chains – fragmented markets not allowing supplies from food-surplus regions to flow to food-deficit ones**



## Way Forward (4)

- **To boost private-sector investment:**
  - **Adopt a comprehensive approach to developing the food and agriculture system, beyond farming**
  - **Broaden and deepen regional integration, beyond RECs and markets**
  - **Develop value chains of selected strategic food and agricultural commodities within a framework of regional integration**
  - **AU/NEPAD Food Security Summit of December 2006 adopted 9 such commodities at continental level and 3 at regional level**





# Way Forward (5)

**Food and Agricultural System Matrix**

PRODUCTION AND EXCHANGE FUNCTIONS	COMMODITIES									
	Rice	Maize	Wheat	Cassava	Cotton	Cocoa	Dairy	Livestock	etc.	
Input Production	<b>C O M M O D I T Y  S U B S E C T O R</b>	<b>AGRICULTURAL INPUT INDUSTRY</b>								
Input Distribution		<i>AGRIBUSINESS (Input Market)</i>								
Farm Production		<b>FARMING SYSTEM</b>								
Output Marketing		<i>AGRIBUSINESS (Output Market)</i>								
Output Processing & Product Storage		<b>AGRO-PROCESSING INDUSTRY</b>								
Transportation		<i>AGRIBUSINESS (Product Market)</i>								
Trade										
Wholesaling										
Retailing										
Consumption										



## Way Forward (6)

- ❖ **Deepen regional integration to develop coordinated value chains of strategic commodities by:**
  - ❖ **Moving market integration beyond national and sub-regional levels to a common African market**
  - ❖ **Creating an appropriate environment for profitable and secure private investment in coordinated regional agricultural input and commodity value chains (e.g. preferential agricultural/agribusiness investment zones)**
  - ❖ **Designing and implementing policies to promote significant private investment through joint regional/trans-national ventures of strategic input and strategic commodity chains**



## Way Forward (7)

- **Promote agricultural innovation through sub-regional/regional agricultural research and education centres of excellence focusing on strategic commodities**
- **Address the double disconnection of African farmers backward from input markets and forward from product markets through:**
  - **Promotion of regional agro-industry/agribusiness development**
  - **Innovative contractual arrangements linking farmers to agro-industry/ agribusiness through networks of rural agro-dealers**



## Way Forward (8)

**Carefully ponder issues of:**

- **Liberalism vs. support and protection for agriculture**
- **Biofuels: issues of food vs. feed and fuel**
- **Climate change: issues of capacity for:**
  - **Observations and data**
  - **Appropriate information services**
  - **Policies for climate-sensitive sectors**
  - **Climate risk management practices**
- **Major ongoing initiatives on climate change**
  - **ClimDev-Africa Program**
  - **African Climate Policy Center (ACPC)**



# CONCLUSION

- 1. Getting agriculture moving is key for broad-based food security, sustained economic growth and poverty reduction in SSA**
  
- 2. This requires:**
  - **consistency and coherence in policy and strategy over time matter (danger of shifting agenda)**
  - **a comprehensive approach to mobilizing public and private investment to develop the whole food and agriculture system (value-chain approach)**
  - **And broadening and deepening regional integration in Africa.**

**THANK YOU!**