

FOCUS ISSUE 5: AGRICULTURE

WHAT COMMITMENTS AND TARGETS HAVE BEEN AGREED?

Africa:

- The NEPAD founding statement of 2001 identified agriculture as a sectoral priority. Key declarations include the 2003 CAADP Framework calling for 6% agricultural growth rates; the 2003 Maputo Declaration calling for 10% of public expenditure to be spent on agriculture and rural development within 5 years; the 2004 Sirte Declaration on 'The Challenges of Implementing Integrated and Sustainable Development on Agriculture and Water in Africa'; and the 2006 Abuja Declarations on Fertilisers (June) and Food Security (December);

International Community:

- Most major multilateral and bilateral agencies have pledged support for African agriculture, through support to the CAADP, including in successive G8 Summits from Kananaskis in 2002 onwards. The EU/AU Co-operation Strategy on Agriculture Development will be based on African priorities as reflected in CAADP;
- WTO members committed themselves in the 2001 Doha Ministerial Declaration to comprehensive negotiations on agriculture aimed at substantial improvements in market access, and reductions of all forms of export subsidies and trade distorting domestic support. WTO members further agreed, in the Hong Kong Ministerial Declaration in 2005, to eliminate all forms of export subsidies for cotton by 2006, and to reduce trade-distorting subsidies for cotton production;
- The World Food Summit in 2002 adopted a declaration calling on the international community to cut the number of hungry people to about 400 million by 2015.

WHAT HAS BEEN DONE TO DELIVER ON THESE COMMITMENTS?

Africa:

- Progress is being made in implementing the CAADP framework, with the preparation of Country Round-Tables (CRTs) and the completion of Regional Compacts through the RECs. Five countries have exceeded the Maputo target of 10% of the national budget for agriculture. Latest figures (2004) show that most countries are still far from meeting this commitment, with spending at significantly lower levels (average 4% in 2004) than the transforming countries (mostly in Asia) during their agricultural growth spurt in the 1980s (average 10%). The contribution of agriculture to GDP in Africa remains much higher than the share of government budgets allocated to the sector. Overall, figures for public spending illustrate a decline in areas where public investment is widely seen as essential, such as economic infrastructure and agricultural research – though there are significant country variations.

International Community:

- Most major development partners are showing commitment to CAADP and aligning their efforts through the Partnership Platform which was established in 2006. However, the share of agriculture in total ODA to Africa has been declining from 6.8% in 2001 to 3.6% in 2005. Progress on both market access and agricultural subsidies continues to depend on progress at a multilateral level on the Doha Development Round as a whole. In the absence of this, African exports continue to face barriers that restrict their access to world markets, and the distortion in world market prices resulting from continuing subsidies. Preference programmes that give Africa special access have helped to increase the value of African exports, but many of these programmes continue to impose limitations in terms of countries and products covered.

WHAT HAVE THE RESULTS BEEN?

- Growth: there has been a marked overall increase in agricultural sector growth, doubling from 2.7% in 2002 to 5.3% in 2004, as a result both of rising productivity and price trends. The number of countries that have achieved the CAADP growth target of 6% has doubled, increasing from 5 to 11 since 2003, with at least nine countries exceeding this target;
- Productivity and investment: despite improvements in productivity, cereal yields and per capita food production are much lower in Africa than elsewhere, and the gap with the rest of the world is not yet narrowing. The yield per hectare for food crops is less than half the level in developing countries as a whole, and about 20% of the level in developed economies. Fertiliser use is extremely low by international standards and, according to ECA figures, needs to treble to 23kg/ha in order to achieve MDG 1 of halving the number of malnourished people. Over the period 1990-2003, the amount of irrigated land in Africa has increased slowly from 11 million to 13.4 hectares, with approximately half of the total accounted for by North Africa. However, less than 10 % of Africa's potential irrigable land is irrigated, compared to 26 % for India and 44 % for China;
- Food security: According to the 2006 FAO Report, the share of undernourished people in sub-Saharan Africa stands at 32%. Due to population increase, the number of undernourished people is increasing. According to the ECA, 14 SSA countries have managed to reduce the number of people living with hunger by at least 25 %. However, the majority of countries remain off-track towards achieving MDG 1. Climate change now poses a major new threat to agricultural production and therefore food security, both in the arid and semi-arid areas which are becoming drier, and in other regions where flooding is destroying production;
- Trade: Africa's trade performance and Africa's share in world agricultural markets have improved recently. According to FAO data, Africa's commodity exports have been increasing in volume at an average of 13 % since 2001. In terms of share, Africa's commodity exports increased from 4.8 % to 5.4 % during the same period. However despite this progress, Africa's share of global trade still remains low in comparison to other regions. While market access is an important issue, there are equally important supply-side constraints associated with factors such as weak infrastructure. More encouragingly however, intra-African trade in agricultural products doubled between 1996 – 2000 and 2001 – 2004, and was about twice the level of trade in non-agricultural products;
- Diversification: staple crops dominate current production and will continue to do so in the near future. However, with increased private sector participation, several countries have successfully diversified into new areas such as cut-flowers and fruit and vegetables (though these are vulnerable to product standards in export markets).

WHAT ARE THE KEY PRIORITIES?

Action by Africa:

- Higher levels of public investment in particular in irrigation, and promoting increased fertiliser use, and in areas such as rural infrastructure and agricultural services which are also critical to tackling supply-side constraints;
- Further action to promote the involvement of the private sector, and enhance the incentives for both small scale producers and medium/large scale entrepreneurs and agri-businesses to undertake investments, expand and diversify;
- Continued efforts to promote the expansion of intra-regional trade.

Response by the international community:

- Increased attention to and funding for both the agricultural sector, and related priorities such as rural infrastructure;
- Intensified efforts to reach agreement both on market access, and the reduction of subsidies;
- Urgent action on climate change, both to reduce future emission levels, and also to provide increased support for adaptation to the immediate effects of climate change in particular on agricultural production and food security.

I. Successes, developments, bottlenecks, critical next steps and responsibilities

Key monitoring issue	Successes	Developments between 2006-2007	Bottlenecks	Critical next steps	Responsibilities
Land and water management (CAADP Pillar 1)	<p>US\$ 150 million grant approved by GEF aimed at supporting Sustainable Land Management (SLM) through investment support of SLM practices at country level.</p> <p>At least 10 countries in SSA are adapting the country SLM investment framework and developing SLM programmes</p>	<p>Development of Pillar 1 Framework</p> <p>Completion of draft country SLM support tools (i.e. the country SLM investment framework and an SLM vision document).</p> <p>The Agriculture/Water component started in June 2007 which aims at strengthening the water and irrigation elements in the country SLM investment framework</p>	<p>Unsuitable land tenure instruments</p> <p>Low percentage of arable land in SSA is irrigated.</p>	<p>Continued monitoring of implementation of land reform;</p> <p>Increase rate of growth of irrigated land</p> <p>African peer review and validation of the country SLM investment framework and vision document.</p> <p>Acceleration of country processes to develop investment programmes for Strategic Investment Programme (SIP) support</p> <p>Finalise the Country SLM Investment Framework</p> <p>Support to NEPAD to mainstream and enhance the capacity to support and coordinate regional and country level processes of SLM including related M&E</p>	<p>AU institutions (AUC, NEPAD and the RECs), African States, Pillar Heads (CILSS/UoZ), and Development Partners</p>

Key monitoring issue	Successes	Developments between 2006-2007	Bottlenecks	Critical next steps	Responsibilities
Rural infrastructure and trade-related capacities (CAADP Pillar 2)	<p>First draft of Pillar 2 framework presented to CAADP PP in September 2007 (with active involvement of private sector in design of framework)</p> <p>COMESA Heads of State have adopted the "Maize Without Borders" policy</p> <p>2006 Abuja Declaration on Fertilizers for an African Green Revolution endorsed by Heads of State.</p>	<p>RATES working closely with COMESA and EAC to adopt harmonized maize and dairy standards</p> <p>Implementation of COMESA simplified trade regime (STR)</p>	<p>Slow implementation of regional trade agreements and ratification of protocols;</p> <p>Loss of market share in regional and international export markets</p> <p>Low rural access rates and low investment in rural infrastructure</p> <p>High domestic marketing costs</p> <p>Low capacity of agribusiness community</p> <p>Weak position of Africa in international trade fora;</p> <p>Fragmentation of value chains;</p>	<p>CAADP Pillar 2 framework to be adopted by Heads of State in March 2008;</p> <p>Implementation of early actions of framework from April 2008</p> <p>Begin scaling up support to Intra-African trade in staples.</p> <p>Support for rural infrastructure through such as the ICA.</p>	<p>AU institutions (AUC, NEPAD and the RECs), African States, and Pillar Head (CMAWCA), and Development Partners</p>

Key monitoring issue	Successes	Developments between 2006-2007	Bottlenecks	Critical next steps	Responsibilities
Increasing food supply and reducing hunger (CAADP Pillar 3)	<p>AU/NEPAD Framework for Food Security (FAFS) completed in May 2007</p> <p>Endorsement of the African Ten Year Strategy on Vitamin and Mineral Deficiency (VMD) by Heads of State and Government of the AU in December 2006</p> <p>2006 Abuja Declaration on Food Security endorsed by Heads of State.</p>	<p>WFP and Gates Foundation agreed on set of actions to promote Home Grown School Feeding (HGSF) in African countries.</p> <p>Development of AU/NEPAD Pan-African Nutrition Initiative (2006)</p> <p>The AFDB drafted a framework document for the establishment of the Africa Fertilizer Financing Mechanism. US\$ 35 million already pledged.</p>	<p>Low productivity</p> <p>Low fertilizer use</p> <p>Low irrigation development</p>	<p>Submit FAFS for adoption to AU Agricultural Ministers in March 2008</p> <p>Intensify efforts to implement the HGSF initiative</p> <p>Development of framework to support African 10 year strategy on VMD.</p> <p>Intensify efforts towards the implementation of Abuja commitments on fertilizers;</p> <p>Increase rate of growth of irrigated land.</p> <p>Integration of FAFS into roundtables</p>	<p>AU institutions (AUC, NEPAD and the RECs), African States, Pillar Head (University Kwa Zulu Natal), and Development Partners.</p>

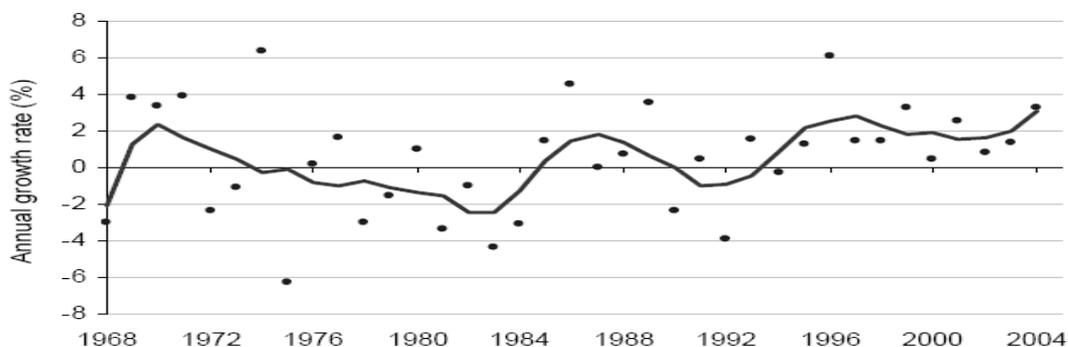
Key monitoring issue	Successes	Developments between 2006-2007	Bottlenecks	Critical next steps	Responsibilities
Agricultural research and technology development (CAADP Pillar 4)	<p>Development and Endorsement of Framework for African Agricultural Productivity (FAAP) by African Heads of State</p> <p>Agreement reached between COMESA and ASARECA to fast track implementation of Pillar 4</p>	<p>Sub-regional research organizations have revised strategies to follow the FAAP guidelines and CAADP objectives</p> <p>FARA has revised its strategy to fit requirements of FAAP and CAADP</p> <p>FARA and its development partners are about to sign a Memorandum of Understanding (MOU) on how to support FARA's objectives and strategic plan. Additionally, a Joint Financing Agreement (JFA) to provide core funding to FARA is planned.</p>	<p>Inadequate total investment in agricultural research and technology dissemination and adoption;</p> <p>Lack of capacity of research institutions;</p> <p>Fragmented external support;</p> <p>Systematic fragmentation among innovation systems elements.</p>	<p>Increase scale of African investment in R and D;</p> <p>Establishment of specialized centers of excellence;</p> <p>Dissemination of agricultural technologies;</p>	<p>AU institutions (AUC, NEPAD and the RECs), African States, Pillar Head (FARA), and Development Partners</p>

Key monitoring issue	Successes	Developments between 2006-2007	Bottlenecks	Critical next steps	Responsibilities
Cross cutting issue I – National and regional resources and capacity	<p>First CAADP COMPACT completed in Rwanda;</p> <p>About 12 countries now are preparing for Country Round Tables (CRTs).</p> <p>The ReSAKSS nodes in Southern Africa, East and Central Africa, and West and Central Africa are now operational and have been providing key support to the Round Table process.</p>	<p>Three country compacts to be signed by end of 2007 – Zambia, Uganda, Malawi.</p> <p>All RECs are revising their agricultural strategies in the context of CAADP</p> <p>The COMESA compact is being developed and will be signed by the end of 2007.</p> <p>COMESA and ECOWAS are working with governments for the preparation of Country Roundtables (CRTs).</p>	<p>Lack of monitoring systems to deliver up-to-date information on resources;</p> <p>Slow progress in holding Round Tables.</p> <p>Lack of inter-pillar linkages between the four CAADP pillars.</p>	<p>Accelerate implementation of Maputo Declaration – to increase public expenditure on agriculture to 10%.</p> <p>Strengthen co-operation and coordination among AUC, NEPAD and RECs.</p> <p>Accelerate engagement and completion of regional and country compacts and develop follow-up implementation.</p> <p>Mainstream CAADP companion document on fisheries, forests and livestock in CAADP implementation and strengthen inter-pillar linkages</p>	<p>AU institutions (AUC, NEPAD and the RECs), and African States.</p>

Key monitoring issue	Successes	Developments between 2006-2007	Bottlenecks	Critical next steps	Responsibilities
<p>Cross cutting issues II – Support from development partners and the international community</p>	<p>Increasing number of multilateral and bilateral agencies aligning towards CAADP framework.</p> <p>Increase in lending from individual multilaterals and bilaterals</p> <p>Some improvements in market access through EPAS, AGOA and EBA.</p>	<p>Establishment of the CAADP Partnership Platform (2006)</p> <p>Two Partnership Platform meetings held - Johannesburg (2006), Addis Ababa (2007).</p> <p>The EU developed 'Advancing African Agriculture' – policy framework for an EU response to CAADP in July 2007.</p> <p>World Bank WDR report on 'Agriculture for Development'</p>	<p>Less than 10 development partners aligning with CAADP</p> <p>Continued decline in support for agriculture as percentage of total aid flows.</p> <p>Doha discussions stalled</p>	<p>Increase funding for the agricultural sector;</p> <p>More donor alignment around the CAADP agenda and establish M&E framework</p> <p>Hold next PP meeting in first quarter of 2008</p> <p>Timely completion of EU negotiations on EPAS.</p> <p>Implementation of commitments agreed at Hong Kong 2005 WTO Ministerial</p> <p>Adoption of EU policy framework by European Parliament and member states</p>	<p>Development Partners (Multilateral Institutions, Bilateral institutions and Development Banks).</p>

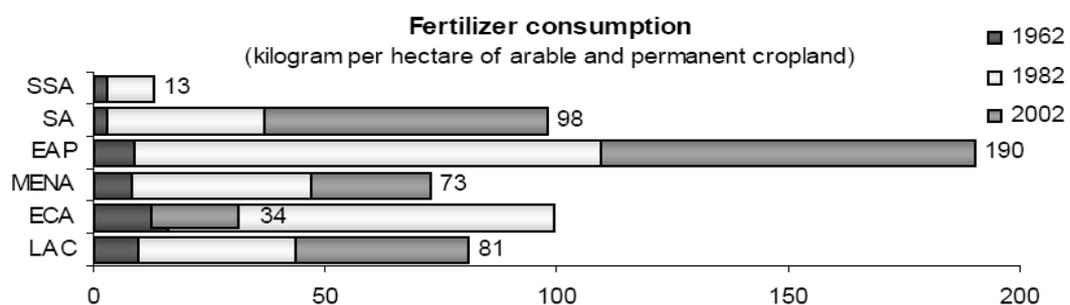
II. Results

Whilst the annual growth rate of agriculture in Africa is increasing.....



Source: World Bank (2007)

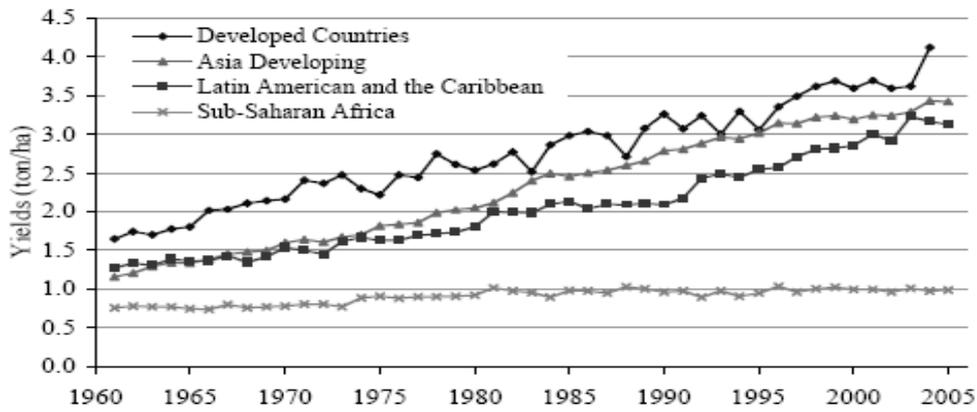
...fertilizer consumption in Africa remains the lowest in the world.....



Source: World Bank (2007)

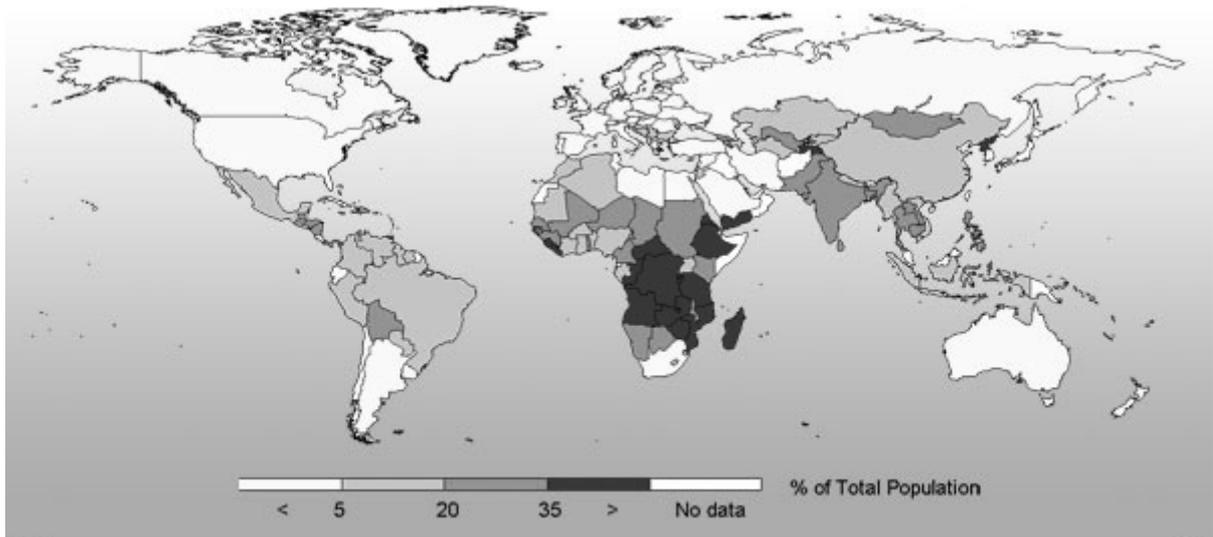
And low investments in R & D and low international transfers of technology have resulted in stagnant cereal yields and overall productivity.....

Cereal yield by region, 1960-2005.



Source: World Bank (2007)

.....with direct consequences on the prevalence of the undernourished population on the continent.



FAO Statistics Division, FAO Statistics Yearbook 2004 Vol.1

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The percentage of national budget allocation to agriculture remains low.....

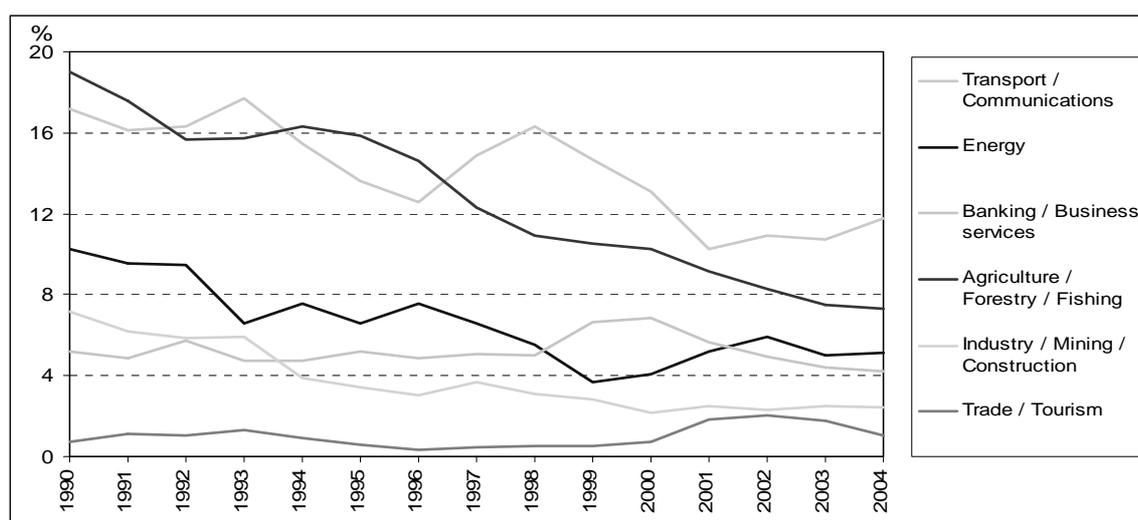
Percentage budget allocation to agriculture (2002-2004)

Country	YEAR		
	2002	2003	2004
Benin	3.6	6.1	4.4
Burundi	1.2	2.1	1.5
Cameroon	2.4	2.8	3.3
Chad	10.3	6.6	11.9
Ethiopia	9.7	8.4	13.6
Gabon	0.6	0.9	0.8
Gambia		2.2	2.0
Kenya	5.1	5.4	4.5
Mauritius	2.7	3.9	2.9
Mozambique	3.2	5.1	3.7
Niger	15.3	19.3	20.2
Senegal	4.1	4.1	4.9
Sierra Leone	0.9	2.2	2.0
Sudan	1.7	3.1	5.4
Swaziland	5.5	4.5	5.4
Tanzania	3.3	3.7	3.6
Tunisia	10.1	9.4	8.2
Uganda	6.1	3.7	4.1
Zimbabwe	9.4	10	6.2

Source: AU (2007)

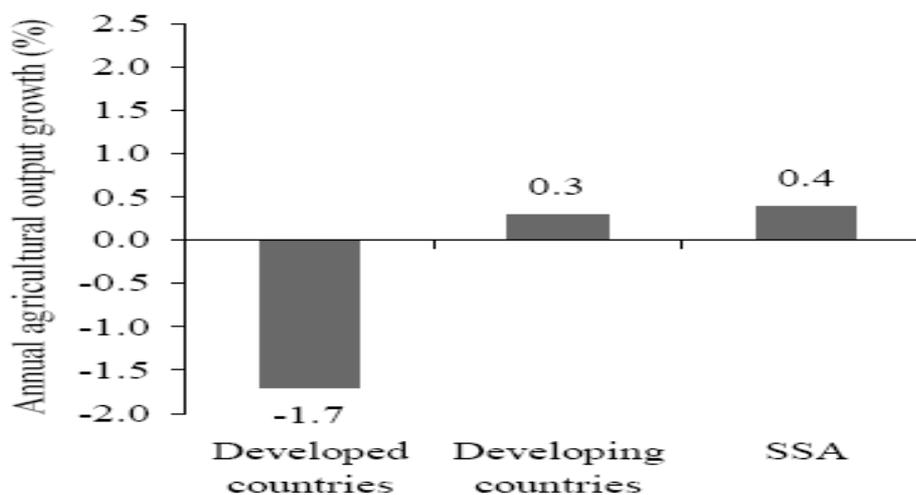
.....and the share of agriculture in total ODA to Africa is declining.....

Analysis of economic and production sector ODA to Africa since 1990
As a percentage of total ODA, 3-year average commitments



Source: OECD (2007)

The potential benefits from trade liberalization will largely be felt in Africa.....



Source: World Bank (2007)

.....and results suggest that climate change could have a devastating impact on agriculture in Africa.

The impact of climate change on farm productivity (%)

Country	% Change
Burkina Faso	-19.9
Cameroon	-16.8
Egypt	-5.2
Ethiopia	-1.3
Ghana	-13.8
Kenya	-9.8
Niger	-30.5
Senegal	-18.8
South Africa	-3.0
Zambia	-6.0
Zimbabwe	-4.9

Source: World Bank (2007)

Note: This climate change scenario is evaluated at the year 2050 by which time a globally averaged temperature increase of 1.1 degrees Celsius is expected.

ANNEX: Key monitoring issues

1. Land and water management (CAADP Pillar 1)

Indicators	Assessment
<p>1. Number of countries actively addressing land policy issues, such as land registration and land tenure</p>	<p>In order to provide a solid framework to land reforms, AU/NEPAD, ECA and ADB, under the leadership of the AU Commission, agreed in 2006 to launch the Land Policy Initiative. While regional consultations are still ongoing, a two-day Expert Group Meeting (EGM) took place in May 2007. The meeting had the objective of creating a harmonized set of benchmarks and indicators for African land policy reform.</p> <p>The Strategic Investment Programme (SIP) proposal submitted to the Global Environment Facility (GEF) Council has been approved (June 2007), making available US\$150 million investment support for scaling up of SLM practices for the period 2007-2010. However, there is already US\$ 1 billion in leveraged resources available. About 18 African countries are expected to benefit under the 2007-2010 window. The country SLM investment framework and vision documents are completed – key tools in guiding country level operationalisation of the SLM agenda</p> <p>At least 10 countries are undertaking national platforms on the development of SLM investment programmes. In most of these countries, the processes are also being aligned to the country CAADP process. NEPAD is providing support to ensure that the SLM processes are aligned to the country CAADP implementation processes.</p>
<p>2. Amount of irrigated land in Africa</p>	<p>In sub-Saharan Africa only 4% of the area in production is under irrigation, compared with 39% in South Asia and 29% in East Asia The situation is radically different in Middle East and North Africa, where figures suggest that 29% of the total arable land is irrigated.</p> <p>The annual rate of growth and area of irrigated land would need to increase 10-fold to around 7% pa in order to increase the total to 20m hectares by 2015 in line with CAADP aspirations. This is estimated to cost around US\$ 4 billion pa, or cumulatively US\$ 37billion.</p> <p>An Agriculture/Water Investment programme started in June 2007 to strengthen water and irrigation components in CAADP Pillar 1 framework and the development of national investment programmes on scaling up sustainable water management and irrigation practices in Africa.</p> <p>Technology development in Africa should include investment in efficient irrigation systems, particularly because of the recurrence of droughts. Irrigated land productivity is more than double that of rain-fed land.</p>

2. Rural infrastructure and trade-related capacities (CAADP Pillar 2)

Indicators	Assessment
<p>1. "Rural Access Index"- measured as percentage of rural people who live within 2km of an all-season road, as a percentage of the total rural population</p>	<p>In Africa, only 30% of the rural population lives close to an all-season road within 2km distance. Inadequate transport infrastructure and services in rural areas are pushing up marketing costs, undermining local markets and exports. Trader surveys in Benin, Madagascar and Malawi found that transport costs account for 50-60% of total marketing costs.</p> <p>African countries will need to accelerate efforts to improve these access rates, together with support from development partners. Since most of Africa's poor trade performance can be accounted for by poor infrastructure, a significant increase in investment in rural infrastructure would help to increase food production and consumption, increase food security and decrease malnutrition,</p>
<p>2. Annual growth of agricultural export volumes and regional trade and progress in regional integration</p>	<p>Africa's trade performance and share in world agricultural markets have improved recently. According to FAO data, Africa's commodity markets have been increasing in volume at an average of 13% since 2001. In terms of share, commodity markets increased from 4.8% to 5.4% during the same period. However, despite this progress, Africa's share of global trade still remains low in comparison to other regions in the world.</p> <p>African countries regional trade is increasing. Intra-African trade in agricultural products doubled between 1996-2000 and 2000-2004, and was about twice the level of trade in non-agricultural products. However, compared to other developing countries, regional integration it is still relatively low. African regional markets offer excellent prospects for growth. Cross-border trade barriers need to be reduced so that African producers and consumers can benefit from participating in larger markets.</p> <p>Recent data point to some new international markets: horticultural products (flowers, vegetable, and fruits), fish exports (both aquaculture and fisheries), niche markets (fair trade, organic).</p> <p>The Regional Agriculture Trade Expansion Support (RATES) program is a 5-year program funded by USAID. The RATES program is designed to increase value/volume of agricultural trade within the East and Southern Africa region and between the region and the rest of the world. RATES is currently supporting activities in specialty coffee, maize and pulses, cotton/textiles, livestock and dairy sectors. The objective of the RATES "Maize without Borders" programme is to improve the flow and expand the availability of maize in ways that will contribute to regional market stabilization and food security.</p>
<p>3. Average levels of fertilizer use</p>	<p>About 83% of the land suitable for agriculture in Africa has low soil fertility or other limitations, such as no irrigation and variations in growing conditions. However, fertilizer use in Africa lies at an average of 14.6 kg/ha, versus 114.3 for all developing countries, and the figures are even lower for sub-Saharan Africa (approx 8kg/ha). Low volumes, high prices, high transport costs, and undeveloped private input markets are major barriers to fertilizer use in sub-Saharan Africa. On average, sub-Saharan African farmers must sell about twice as much grain as Asian and Latin American farmers to purchase a kilogram of fertilizer, given its high price.</p> <p>Higher soil fertility is essential for increasing crop yields. Improved yields can break the vicious cycle of poverty and food insecurity and enable farmers to experiment with new seeds and invest in their land. This can increase agricultural productivity in the medium and long term.</p> <p>Many sub-Saharan countries do not have sufficient quality or quantity of raw materials to manufacture fertilizer, and few have a domestic market big enough to support an efficient manufacturing facility. Government initiatives have often sought to make fertilizer more affordable at the farm level, commonly through subsidies.</p>

Subsidies are costly in Africa and may also heighten inequalities because they benefit mainly larger farmers. Therefore, it is equally important to address supply-side constraints such as access to credit, transport and weak infrastructure that all contribute to the high cost of fertilizers in Africa.

On June 2006 NEPAD, the African Union and IFDC held the Africa Fertilizer Summit which aimed at developing an Africa Fertilizer Action Plan that will accelerate the access of millions of poor farmers to fertilizer. The aim is to increase fertilizer use to at least 50kg/ha by 2015 and to establish an 'African Fertilizer Mechanism' to finance fertilizer investments. The AFDB has finalized the draft legal instrument for its establishment. The AFFM - which is expected to be operational in 2008 - has mobilized over US\$ 35 million in pledges.

The Abuja Declaration calls for the AUC and NEPAD to develop a mechanism to monitor and evaluate its implementation and for the AUC to report on progress and implementation of the Summit Resolutions to the AU General Assembly every 6 months. According to the latest NEPAD report (October 2007), overall progress has been mixed at the regional and country levels. The only substantive progress has been made by SADC/COMESA on regional procurement and ECOWAS on harmonisation of trade policy. For example, a committee for Regional Input Procurement has been established under the coordination of COMESA to facilitate the regional joint procurement and distribution of fertilizers which reflects implementation of Resolution 8 of the 2006 Abuja Declaration on Fertilizers for the COMESA/SADC region.

Overall, however, the findings show that attainment of the target of 50 kg/ha (Resolution 1) remains low, capacity for implementation is weak, and the private sector - which is a key stakeholder in fertiliser market development - has not been made a priority. It should be noted, however, that the NEPAD report focuses on progress in implementation of the Abuja Declaration on Fertilizer by the countries and RECs. There are also a number of global initiatives whose visions and strategies for fertilizer market development are very much aligned with those of the Abuja Declaration. Most notable is the Alliance for a Green Revolution in Africa (AGRA).

3. Increasing food supply and reducing hunger (CAADP Pillar 3)

Indicators	Assessment
<p>1. Percentage of population malnourished and numbers of people malnourished</p>	<p>According to the 2006 FAO “State of Food Security in the World Report”, the share of undernourished people in sub-Saharan Africa has declined from 35% in 1990 - 1992 to 32% in 2001-2003. However, since Africa’s total population has constantly increased over the period, the absolute number of undernourished people has risen from 169 million to 206 million. The aggregate numbers, however, conceal considerable variation across the African continent.</p> <p>Particular progress has been made in West Africa, particularly in Benin, Ghana, and Nigeria where both the percentage and the number of malnourished people have consistently declined over the past 20 years. Eastern and Southern Africa have made some progress in reducing the percentage of undernourished people, nevertheless, more than 60% of the undernourished in SSA are in Eastern Africa. North Africa has a much lower proportion of malnourished people than the rest of the continent.</p> <p>Africa is still food insecure. This poses serious problems for the future, since the population is expected to grow and with it the demand for food is destined to rise: demand for food in Africa is expected to reach US\$100 billion by 2015, double its level of 2000. Another important indicator of food insecurity is the proportion of undernourished children in a region, which has also shown an increasing trend in Africa. According to the UN, the percentage of undernourished children increased over the past 30 years, from around 27% in the 1970s to over 33% in the 2000s. This trend is striking, because Africa is the only developing region where the number of malnourished children has been increasing.</p> <p>The December 2006 (Abuja) AU Summit on Food Security in Africa called for some selectivity in pursuing the CAADP commitments, based on recognition that limited resources and institutional capacities require priorities that will lead to quick but sustainable gains in terms of achieving food and nutrition security. At the Summit, African leaders also declared their commitment to mobilize resources for the implementation of food and nutrition security interventions, and to expand markets to promote inter-African trade in staple foods.</p>

4. Agricultural research and technology development (CAADP Pillar 4)

Indicators	Assessment
<p>1. Funding available for agricultural research and development</p>	<p>Public spending in agricultural research and development in Africa is low. According to FARA (2006), the majority of African countries spend between 0.2 and 0.5% of agricultural GDP. However, there is wide variation among countries with some investing at similar levels to developed countries. Generally, the private sector is playing an exceptionally small role in funding agricultural research, accounting for only 2% of total agricultural research spending.</p> <p>According to the CAADP framework, the goal is to double the current annual spending on agricultural research in Africa within 10 years. In essence, this would amount to annual investments of some US\$1.6 billion for the period until 2015. However, latest statistics available show a low level of investment in African agricultural R&D</p> <p>Dramatic increases are needed in agricultural research investments in order for food and nutrition security in Africa to be successful. There is a need to generate knowledge about fertilizer use and to diffuse that knowledge to the farm population. A key area for improvement in research is crop breeding and biotechnology.</p> <p>The Forum for Agricultural Research in Africa (FARA) is taking the lead in implementation of the CAADP Pillar IV. In June 2006 FARA developed a strategic document, the Framework for African Agricultural Productivity (FAAP) which sets out principles and orientations of future agricultural research and innovation at the national, sub-regional and regional level. FAAP was endorsed by African Heads of State in June 2006. FARA has recently revised its strategy to fit the requirements of FAAP and CAADP.</p> <p>Considerable progress has been made towards the implementation of FAAP through programmes at the sub-regional and national level. These include the sub-Saharan Africa Challenge Programme (SSA CP) which forms part of the Integrated Agricultural Research for Development Framework (IAR4D); Dissemination of New Agricultural Technologies in Africa (DONATA); Regional Agricultural Information and Learning Systems (RAILS); and SCARDA (Strengthening Capacity for Agricultural Research and Development in Africa (SCARDA).</p> <p>With regard to new agro technologies, the International Maize and Wheat Improvement Center (CIMMYT) research, which is producing drought-tolerant maize varieties and hybrids, is proving to be very successful in Eastern and Southern Africa. There is also the development of cassava varieties in East Africa that are resistant to the mosaic virus and the New Rice for Africa (NERICA) that is high-yielding upland rice varieties.</p> <p>The Alliance for a Green Revolution in Africa (AGRA) is a broad-based partnership dedicated to improve the productivity, food security, and livelihoods of small-scale farmers across Africa. Founded by the Rockefeller Foundation and the Bill & Melinda Gates Foundation in September 2006, the Alliance is working side-by-side with farmers to improve food production in ways that promote equity and protect the environment. Grants to be awarded in 2007 and 2008 will address seeds and complementary programmatic areas, including soil health, water management, policy support, market development, and training. The first major initiative is the Program for Africa's Seed system (PASS) for a total cost of US\$ 150 million over 5 years from 2006-20011.</p>

5. Cross-cutting issue I: National/regional resources and capacity

Indicators	Assessment
1. Proportion of domestic budgets allocated to expenditure on agriculture	<p>The 2004 Maputo Declaration calls for 10% of total public expenditure to be spent on agriculture and rural development. At present, only 6 countries are allocating more than 10% to agriculture. These include Mali, Madagascar, Namibia (based on IMF figures) and Niger, Chad and Ethiopia (based on AU/NEPAD figures). Overall, many African countries are still far from their 10 % commitment. The Regional Strategy Analysis and Knowledge Support Systems are working to better track the level of public expenditure in the agriculture sector across Africa.</p>
2. Number of African countries and sub-regions with clear development strategies for their agricultural sectors, aligned with CAADP principles.	<p>CRTs are being organized in a number of countries which aim to review national policies in view of the 6% sector growth and 10% budget allocation targets.</p> <p>On March 31, 2007, the first CAADP Compact in Africa was executed in Rwanda. Rwanda has identified its priorities, and partnerships are being developed in the following areas: 1) intensification of agriculture; 2) professionalisation of producers; 3) development of priority value chains and 4) institutional capacity building. The conclusion of the following country compacts is underway in Zambia, Uganda and Malawi and Roundtable Compact Meetings will be held in these three countries by the end of 2007.</p> <p>At the regional level, the RECs are playing an increasingly important role in the harmonization and implementation of agricultural policies, and in aligning the CAADP principles. Several RECs have developed regional agricultural policy frameworks. UEMOA, for example, adopted the « Politique Agricole de l'UEMOA » in 2001. IGAD and ECOWAS have adopted a comprehensive regional agricultural policy. COMESA developed its agricultural strategic framework in 2006, and ECCAS/CEEAS has been given the mandate for agricultural policy harmonization and for the development of a common agricultural policy by 2008. These frameworks provide orientations for agricultural policies and serve as guides for agricultural development in line with the CAADP.</p> <p>Currently, ECOWAS and COMESA have taken strong leadership and ownership of the CAADP agenda and are now working with their member states on accelerating CAADP implementation. About a dozen countries in the two regions are preparing for CRT discussions. The process is expected to be completed by the end of 2008.</p>

6. Cross-cutting issue II: Support from development partners

Indicators	Assessment
<p>1: Agreement on improved access to global markets for agricultural exports, and reductions in OECD subsidies</p>	<p>The suspension of the Doha Round of trade negotiations between July 2006 and January 2007, and the slow progress following the resumption of talks, undermines prospects for further reforms through multilateral agreements. The potential benefits from the Doha Round are large. IFPRI has estimated that, taking 32 crop and livestock commodities as a reference, and keeping policies and macroeconomic trends as constant, net benefits from the round accruing to Africa would total US\$5.4 billion in 2025, and the largest gain would occur in sub-Saharan Africa, at US\$4.60 billion.</p> <p>It should be noted, however, that many sub-Saharan African countries already enjoy considerable access to markets in OECD countries through various schemes such as the EU's Everything But Arms Initiative (EBA), and the US's Africa Growth and Opportunity Act (AGOA). To replace the Cotonou Agreement that will lapse at the end of this year, the EU is negotiating with various ACP groupings for improved access in the framework of the EPAs negotiations. However, unlike Cotonou, the EPAs will require that ACP countries eventually liberalise 80-90 %of their domestic markets to European exports. There have been concerns about the need for policy space to enable African economies to adjust the pace at which they open up.</p> <p>In relation to AGOA, though efforts have been made to extend AGOA and make it easier for African countries to take advantage of the benefits, AGOA as a tool is limited in its ability to truly alter African trade with the U.S due to the limited scope and diversity of products. AGOA has thus benefited oil exporters. What AGOA and EPAs vividly reveal is the need to couple trade liberalisation measures with greater trade capacity assistance and facilitation.</p> <p>Progress on reducing domestic subsidies has been slow. The average support to agricultural producers fell from 37% of the gross value of farm receipts in 1986–88 to 30% in 2003–05. Without a more substantive reduction, domestic subsidies will continue to favour larger domestic production, thus depressing world markets prices which, in effect, continue to harm farmers in Africa.</p>
<p>2. Level of funding from multi-lateral and bi-lateral donors</p>	<p>OECD DAC figures show that overall total aid to African agriculture declined as a proportion of total aid from 6.6% in 2001 to 3.6% in 2005. However there is some progress being made from individual bilateral and multilateral agencies and currently discussion is ongoing among development partners about the establishment of a multi-donor CAADP Trust Fund to raise the level of resources and to speed up the implementation process. Current support to African agriculture from a selection of multilateral and bilateral institutions is shown as follows:</p> <ul style="list-style-type: none"> - The African Development Bank (AfDB) currently has over 200 on-going agricultural projects with current support to CAADP amounting to over US\$ 2 billion. AfDB is supporting all four pillars of CAADP. One of the major areas of focus is the promotion of access to rural infrastructure services i.e. water management and irrigation; - The World Bank has seen an increase in overall agriculture lending from FY00 to FY06 from US\$123 million to US\$ 685 million; - EU support for the period 2008 -2013 has shown that there will be an increase in assistance going to agriculture, food security and rural development, compared to 2001-2007, both in absolute and percentage terms; - DFID is providing capacity building support to the RECs and is also supporting research activities. DFID will be providing GBP 20 million a year towards the CGIAR; over GBP 1 million in 2007/2008 to livestock vaccines; and over GBP 30 million over the next 3 years on research activities. DFID has also committed US\$ 20 million to the African Enterprise Challenge Fund which is to support innovative business ventures in Africa's agriculture; - SIDA is providing support for capacity building and institutional strengthening, with predicated disbursements of over 1 million kroner from 2007 to 2009;

	<ul style="list-style-type: none"> - GTZ is also supporting CAADP by providing support to the RECs and country processes; - USAIDs support for agriculture in Africa has increased from US\$166 million in 2000 to US\$ 228 million in 2007 – a 16% increase. <p>There are several new actors from the developing world who are providing support to African agriculture. China, for example, has adopted a strategy to support African agriculture and India is providing technical assistance to several countries. EMBRAPA (Empresa Brasileira de Pesquisa Agropecuária), a Brazilian public corporation for agricultural R&D, has recently opened “EMBRAPA Africa” which is aimed at strengthening south-south cooperation as part of an international initiative and to providing technical assistance and training.</p>
<p>3. Number of donors aligning their support to agriculture to the CAADP framework and principles and to national strategies</p>	<p>An increasing number of bilateral and multilateral development partners are aligning with the priorities and targets of the CAADP framework. Some examples are below:</p> <p>The theme of the World Bank’s World Development Report (WDR) 2007 is ‘Agriculture for Development’. The WDR is also concerned with issues of African agriculture and many of the key interventions are in line with the CAADP agenda.</p> <p>The EU ‘Advancing African Agriculture’ was developed in July 2007 as a policy framework for an EU response to CAADP and is based on priorities as reflected in the CAADP. The framework is awaiting adoption by the EU Parliament and member States.</p> <p>The USAID Initiative on ‘End Hunger in Africa’ is a new cooperation strategy in support of CAADP.</p> <p>The EU, USA, UK and World Bank are actively aligning their support to agricultural research in Africa by supporting FARA and the FAAP as a suitable framework under CAADP Pillar 4.</p> <p>The Partnership Platform (CAADP PP) is an important instrument in defining collective commitment in taking CAADP to the country level and acts as the core mechanism to coordinate involvement of all development partners at the continental level. Meetings have been organized and work to increase and co-ordinate donor support is being implemented.</p> <p>The Global Donor Platform for Rural Development (GDPRD) – established in 2005 - is an initiative of development agencies and international financial institutions to improve donor cooperation, collaboration and coordinated dialogue with partner countries. It is expanding its activities in effective knowledge management and competence in aid effectiveness in agriculture and rural development. The GDPRD has recently appointed a Task Leader dedicated to CAADP.</p>

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Note describing CAADP Framework

CAADP should be considered as a *framework* to stimulate African countries and development partners to enhance agricultural development.

It encompasses a set of principles and targets:

- agriculture-led growth as a main strategy for poverty reduction and for the achievement of MDG 1 (eradication of extreme poverty and hunger);
- pursuit of a 6% average annual agricultural sector growth rate at the national level;
- allocation of 10% of national budgets to the agricultural sector;
- exploitation of regional complementarities and cooperation to stimulate growth;
- application of principles of policy efficiency, dialogue, review and accountability;
- usage of partnerships and alliances, including farmers, agri-business and civil society;
- assigning roles to countries (programme implementation), RECs (coordination; regional level implementation) and NEPAD Secretariat (facilitator; mobiliser of resources and expertise).

The following assessment has been organized around the 4 CAADP set of pillars:

Pillar 1: *Land and Water Management*. Pillar 1 concerns the extension of the area under Sustainable Land Management (SLM) and reliable water control systems. It focuses on soil fertility, the moisture holding capacity of soils and an extension of the area under (small-scale) irrigation in order to raise output on a sustainable basis and contribute to the reliability of food supplies. TerraAfrica has been developed, which is a multi-partner initiative aiming to increase the scale, efficiency and effectiveness of investments towards SLM in Africa. The University of Zambia and the Permanent Inter-State Committee on Drought Control (CILS) are the lead institutions for Pillar 1.

Pillar 2: *Rural Infrastructure and Trade-Related Capacities for Market Access*. Pillar 2 focuses on rural infrastructure improvements (roads, storage facilities, markets, packaging and handling systems, input supply networks) in order to raise the competitiveness of African production vis-à-vis imports, as well as in export markets. It also includes (export) quality issues and trade negotiation capacities. The Conference of Ministers of Agriculture of West and Central Africa (CAM/WCA) has been mandated by the AU/NEPAD to serve at a continent-wide level as coordinator of private sector interests support to CAADP Pillar 2.

Pillar 3: *Increasing Food Supply and Reducing Hunger*. The third pillar is concerned with increasing yields and farm productivity levels by facilitating access to improved technology (through improved support services and a supportive environment). It also calls attention to disaster preparedness, including the need to prepare for responses to food emergencies, like the creation of safety nets. The University of Kwa-Zulu Natal is the lead for Pillar 3.

Pillar 4: *Agricultural Research, Technology Dissemination and Adoption*. This pillar aims at an enhanced rate of adoption of new technologies to increase productivity as well as the ability of the research systems to generate and adapt new knowledge and technology. The Forum for Agricultural Research in Africa (FARA) is taking the lead in the implementation of CAADP Pillar 4 and has developed a strategic document - the Framework for African Agricultural Productivity (FAAP) – which sets out the principles and orientations for agricultural research and extension for Africa.

In addition, two cross-cutting issues have been identified:

Cross-cutting issue D): *National Resources and Capacity*. Recognising the importance of increasing public investment in agriculture, this cross cutting issue takes stock of the 2003 target adopted in the Maputo Declaration to allocate 10% or more of national budgets to agriculture/rural development by 2008. The indicators used in this assessment are 1) proportion of domestic budgets allocated to expenditure on

agriculture and 2) the number of African countries with clear development strategies for their agricultural sectors, aligned with CAADP priorities.

Cross-cutting issue II): *Support from Development Partners*. Significant support from development partners is needed for a new push for agricultural development in Africa. The indicators used in this assessment are 1) agreement on improved access to global markets for agricultural exports, and reductions in OECD export subsidies and domestic support, 2) level of funding from multi-lateral and bi-lateral donors and 3) number of donors aligning their support to the CAADP.