

Agriculture-Policy-Making Infrastructure and Implications for Africa's Transformation

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AFRICA'S ECONOMIC INTEGRATION

Outline

- Introduction
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- Global and African Initiatives
- Critique of the Global Architecture
- Conclusion

Introduction

- Policy debates on viable strategies to establish sustainable smallholder agricultural conditions and means of achieving food security are long overdue
- The emerging discourse on resolving the food crisis and ensuring sustainable agricultural production remains weakly framed
- Most of the responses even past the food crisis of 2007/8 still emanate from Western based think-tanks
- An African narrative on viable options remains muted/ignored
- What is the African narrative on Agriculture transformation?
- What it will take to ensure positive growth in Africa's agriculture?

Context

- SAPs negatively affected the growth of agriculture as a sector
- Food crisis of 2007-8 negatively affected the prospects of meeting the MDGs.
- G8 processes, AGRA and AUC/NEPAD have not adequately defined a more inclusive path towards transformation
- NEPAD-thrust- Africa is ready to do business
- Interventions do not question the manner in which Africa (in particular Agriculture) is integrated within the global commodity chains & the limited forms of horizontal regional integration especially in Agricultural Markets

Context: Two Pronged Agrarian Colonialism

- Two recent global concerns;
 - the need for renewable energy
 - increased food security on the basis of own production
- These have led to increased fragility of land rights
- Claims that Africa has too much of nobody's land' and that smallholders agriculture (crop husbandry or pastoralism) are not visible in terms of their contribution to national economies
- Sentiments similar to those used during the first round of the scramble for Africa
- It is estimated that a total of 45 million hectares had been purchased by 2009 (WB).
- Trade in land in Africa has grown from US\$17billion in 2005 to US\$90billion by 2011
- Unlike the earlier scramble for Africa that was driven by individual (and mostly European) countries current players include:
 - investment funds,
 - oil producing countries such as Saudi Arabia and Qatar,
 - private sector corporations,
 - newly developed economies such as China and India

Context: Two Pronged Agrarian Colonialism

- Domination of global agriculture value chains by the West and Western multi-nationals
- Agriculture dominated by MNCs such as Monsanto, Cargill, and Archer Daniels Midland
- USA and the EU produced roughly 17% of the world's agro-exports.
- Canada, Australia and New Zealand together accounted for 15% and the major South American exporters (Brazil, Argentina, Chile and Uruguay) 13%
- Approximately 62% of the world's agro-exports in 2011 came from 4% of the world's agricultural population.
- The large scale nature of production in these regions has contributed towards a 60% decline in prices of the big three cereals, maize, rice and wheat.

Furthermore...Domination of 'exports & comparative advantage' thinking

- Legacy of African agriculture- producing for the colonial 'motherlands' continues
- Since liberalisation in the 1980s, agricultural land use patterns have changed to service world commodity markets
- Approximately 40% of the world's total agricultural production is now traded across national borders.
- The rapid growth in international agricultural trade coupled with low world prices for primary exports and increasing competition in agriculture around the world have made it difficult for agriculture in most of Africa to compete
- Exacerbated by the hefty subsidies that OECD based farmers receive from their governments.

Context: Challenges Confronting Smallholder Ag.

Africa in its entirety, has not yet started its agricultural revolution.

- Inadequate models of development (SAPs, CAADP etc)
- Uneven commodity markets dominated by MNCs
- Inadequate Policy Formulation capacities- recovering from 25 years of underinvestment in the sector
 - prior to this period average investment into agric was around 4%
- Technological and Infrastructure Issues (dominance of the hand-held hoe)
- Limited adaptation of modern Ag. Practices
- Limited participation of African smallholder sector in value chains- still engaged in the export of primary goods
- Coercion into hybrid seeds chains

Global and African Initiatives

- The most current and notable developments in Africa's attempts to improve agriculture can be divided into two sets;
- (i) African led and
- (ii) Non-African led initiatives emerging from the developed countries
 - G8 L'Aquila 2009
 - G8 New Alliance (with new partners)
 - AGRA
 - CAADP

L'Aquila Food Security Initiative (2009)

- G8 member countries in L'Aquila Italy acknowledged that there has been long underinvestment in agriculture and food security
- G8 leaders agreed to invest US\$200 million over three years to encourage the rural development of poor countries under what is commonly referred to as the L'Aquila Food Security Initiative (AFSI).
- They agreed to 'act with the scale and urgency needed to achieve sustainable global food security'
- World Bank was invited to manage the trust fund.
- In turn, WB renamed the fund to the **Global Partnership on Agriculture and Food Security (GPAFS)**.
- The main objective of the Fund is to improve food security and incomes in low income countries through assistance to agriculture.
- The Fund was designed to provide support to country led initiatives.

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- The Fund was designed to provide support to country led initiatives.
- Private philanthropy foundations and corporates such as the Gates Foundation have contributed to the fund.
- The FAO has been invited to provide technical support in the identification of beneficiary countries and also in the preparation of Agriculture and Rural Development strategies.
- The FAO is supporting the preparation of country led investments, strategies and plans in the context of the CAADP.
- The Fund provides both public and private sector financing in the form of grants, loans and equity investments.
- It supports programmes and initiatives that: (i) link farmers to markets, (ii) reduce risk and vulnerability, (iii) improve non-farm rural livelihoods and (iv) provide technical assistance and capacity development.

New Alliance

- At a meeting of G8 leaders and selected African heads of states at Camp David (US) the New Alliance for Food Security and Nutrition was launched in 2012
- Other partners are WB, ADB, UNWFP, IFAD and the FAO.
- The new alliance was introduced as one of 'shared commitment to achieve sustained and inclusive agricultural growth'.
- MNCs such as Yara Int'l, Monsanto and Cargill have signed up to the New Alliance.
- The following countries have signed cooperation agreements, Burkina Faso, Ivory Coast, Ethiopia, Ghana, Malawi, Mozambique, Malawi, Tanzania and Nigeria.
- Its main goals are;
 - (i) to increase responsible domestic and private investments in African agriculture,
 - (ii) take innovations that can enhance agricultural productivity to scale and reduce the risk borne by vulnerable economies.

New Alliance- Commitments

- To fulfil the financial pledges made at L'Aquila in 2009
- To continue to support measures that aim addressing current and future global food security challenges
- Supporting the preparation and financing of bankable agricultural infrastructure projects
- Supporting the Global Agriculture and Food Security Program (GAFSP) with the goal of securing commitments of US\$1.2billion over three years
- Reporting on the progress of G8 development finance institutions in catalysing additional private investment in African agriculture
- Mobilising multi-national companies to invest US\$3billion across the agriculture value chain
- Sharing relevant agriculture data available from G8 countries with African partners and
- Convene an international conference on Open Data for agriculture

Private Philanthropy: Alliance for a Green Revolution in Africa

- AGRA is the single largest investment in agriculture; initially approximately US\$361million was released to realise the goals of the various programmes of AGRA from 2007 to 2009- has since increase to approximate US\$1billion
- The largest contributor has been the Bill and Melinda Gates Foundation (BMGF) which has so far contributed US\$580million.
- AGRA's main objective is to tackle hunger in Africa by 'working to achieve a food secure and prosperous Africa through the promotion of rapid, sustainable growth based on smallholder farmers'.
- **AGRA is focused on production using the same industrial agricultural model used in the earlier Ag. Revolution but with a few variations;**
 - an expanded role for multi-national corporations (MNCs)
 - Accelerated insertion into global agricultural (inputs) commodity chains.

CAADP and Agricultural Development in Africa

- CAADP's seven-part vision for agriculture in Africa includes:
 - food security,
 - improved productivity of agriculture to attain annual growth rate of 6%,
 - particular attention to small-scale farmers and women,
 - dynamic agricultural markets and
 - sustainable use of the natural resource base.

It was envisaged that CAADP would contribute towards the achievement of the first Millennium Development Goal (MDG1) - halving poverty and hunger by 2015.

CAADP-Features

Emphasis on African Ownership

The NEPAD-wide emphasis on African Ownership and leadership backed by financial and political commitments by national governments has raised the credibility of the agenda.

Agriculture-led Growth to Achieve MDG1-Poverty Reduction

The emphasis on the centrality of Agriculture to instil dynamism within African economies has contributed to the increasing prominence of agriculture on the development agenda

A conviction that Africa can do better

The philosophy underlying the entire AU/NEPAD effort (including CAADP) is reflected in the conviction that Africa can do better and differently in a more efficient and organised manner.

Consistency and Continuity in Regional and National Development Efforts

This is being facilitated by a specific set of shared long term growth and investment targets. The processes surrounding the implementation and programme monitoring are supported by dialogues and peer review tools meant to stimulate and broaden the practice of benchmarking.

Partnerships and Alliances

Even though driven by African governments there is recognition of the need for sustainable partnerships with national government and development partners in order to improve future development outcomes.

CAADP

- The commitments outlined in CAADP have subsequently been reaffirmed with numerous declarations;
 - (i) the Sirte Declaration on the Challenges of Implementing Integrated and Sustainable Development on Agriculture and Water in Africa (AU 2004),
 - (ii) the Abuja Declaration on Food Security (AU 2006b), and (iii) the Abuja Declaration on Fertiliser for the African Green Revolution (AU 2006a).
- In addition to reiterating support for CAADP, these declarations added new directives requiring member country compliance.
- The Sirte Declaration, for example, called for the establishment of a common market ,
- The Declaration on Fertiliser set a target of increasing fertiliser use from an average of 8 kilograms per hectare to 50 kilograms per hectare by 2015.
- The Food Security Declaration designated specific crops as strategic commodities needing special attention

Critique of the Global Architecture on Agriculture

- Nothing really new within the different initiatives being pursued by the G8 and the AU.
- The dominant thinking can be summarised as *‘introduce yield and sales enhancing technologies and systems, provide credit for producers to access these technologies and anticipate increasing returns from sales to cover the increasing cost of inputs’*.
- The New Alliance seeks to make the development of agriculture a benign process that is purely technocratic without appreciating the political contestations involved in securing land and access to improved seeds and pricing of Ag. Commodities
- The initiatives being framed within the confines of the G8 mostly ride upon the new thinking within NEPAD which since its crafting has consistently sent the message that **Africa is ready for business** or integration into global commodity chains without seeking to reform these circuits.

Critique of the Global Architecture on Agriculture

- The New Alliance like the previous L' Aquila agreement prioritises unprecedented access for multinational companies to resources in Africa.
- The problem of African agriculture has been reduced to a lack of investment and inadequate integration into global markets-without questioning the manner in which those markets are organised.
- To access cash under the new alliance African governments have to make far reaching changes to their land, seed and farming policies.
- Mozambique, in its cooperation document commits to systematically ceasing the distribution of free and unimproved seeds.
- These agreements suggests that under the new alliance smallholders will be locked into buying increasingly expensive sees (including GMOs), allow corporate monopolies in seed selling.

Critique of the Global Architecture on Agriculture

- CAADP strategy raises more challenges than prospects for growth.
- Framed within the 'catch-up' mentality where Africa's lack of progress is attributed to late development.
- Although measures have been taken to ensure that CAADP is home-grown, it is overly dependent on donor funds.
- Most of the policy and technical support (especially in the design of the strategy and monitoring of progress) is being sourced from outside the continent.
- Sensitive structural issues such the inequitable relations promoted by the global commodity chains have not been tabled as deserving policy attention.

Critique

- CAADP prefers to address the more technical aspects of agriculture
- Avoids both the political and social relations of production mediated by local government institutions (including chiefs) and agrarian labour relations (in post settler colonies such as Kenya).
- Agricultural recovery cannot be premised solely on the technical aspects of production- at the expense of the social relations of production
- The architects of CAADP uncritically embrace the logic of commodity markets and do not question the logic of FDI
- In fact, they try to find ways of accelerated insertion into these markets, despite the obvious unfairness of the global commodity chains mediated by multi-nationals.

Conclusion

- Agrarian crisis in SSA unfolding in a context where there is no clear alternative development framework for agriculture.
- Attaining the goal of food security amongst smallholders should be a top priority within Africa.
- It should be based on the adoption of a broad range of interrelated policy measures that include:
 - Clarifying the role of the state in agriculture
 - Alternative frameworks- Food Sovereignty movement
 - Addressing land distribution inequalities and carrying out necessary tenure reforms,
 - Addressing the gender gap in agriculture,
 - establishment of partnerships that CAADP and other initiatives do not currently adequately address.

Conclusion

- The new national agricultural policies and related development strategies must
 - (i) redirect production to the national market
 - (ii) broaden domestic demand for industrial goods and services
 - (iii) create dynamic synergies with regional economies by creating complementarities