



Multi-stakeholder Dialogue on Implementing Sustainable Development

Realizing agricultural potential in Africa,
what should we do differently?

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Key Challenges of Agriculture in Africa

- ❑ The sector is dominated by poor smallholders, engaged in subsistence agriculture
- ❑ Heterogeneity and diversity of farming systems and the importance of livestock
- ❑ Predominance of customary land tenure
- ❑ Low and stagnant labor productivity and minimal mechanization
- ❑ Key roles of women in agriculture and in ensuring household food security
- ❑ No SSA country is among the world's leading exporters of processed food products



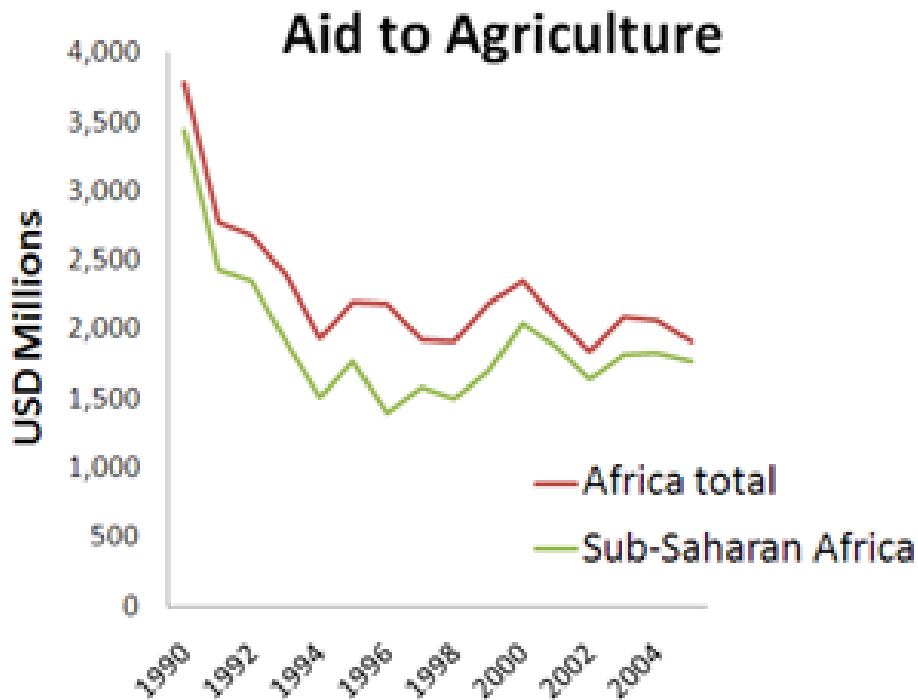
Key Challenges of Agriculture in Africa

- ❑ Limited implementation of policies
- ❑ Poor rural infrastructure especially storage and irrigation
- ❑ Low access to technology
- ❑ Limited access to international market
- ❑ Tariff and non-tariff barriers to intra-regional trade
- ❑ Low access to financial services and to attract investors
- ❑ Impacts of drought/desertification
- ❑ New challenges: climate change and bio-energy



Key Challenges of Agriculture in Africa

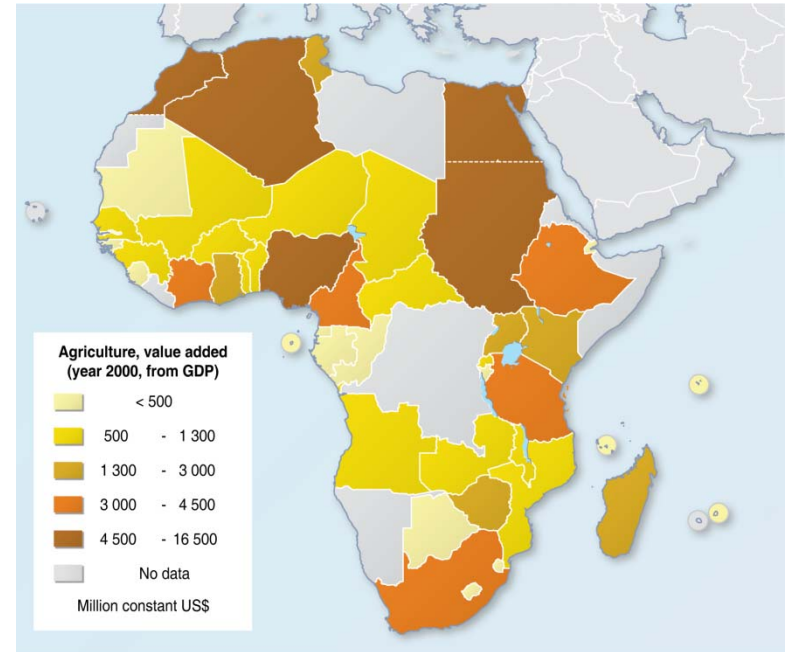
- ❑ The global investment needs for agriculture are significant
- ❑ Aid to agriculture declined in the past 15 years. It decreased in absolute terms from \$ 2.6 billion to \$ 2.0 billion and as a share of ODA (from 11 to 5.4 per cent)



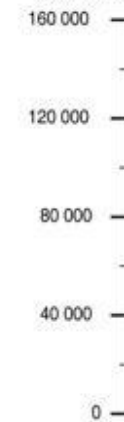
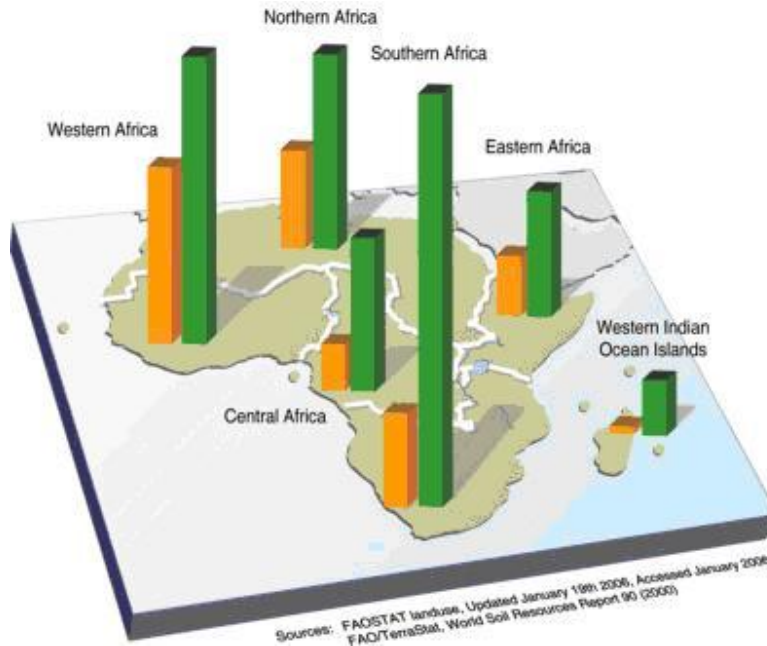


Agricultural Potential in Africa

- Africa is rich in both natural and human resources
- Good agro-climatic conditions
- Abundance of arable lands



Source: World Bank, World Development Indicators, through UNEP DEWA/Geneva Data Portal <http://geodata.grid.unep.ch/> Accessed January 2006



Current area of arable land (2003)

Estimated potential of equivalent rainfed arable land area



Agricultural Potential in Africa

- ❑ Food products can be locally produced
- ❑ Local, regional, and international markets
- ❑ Food diversification and increased demand
 - Urban poor spend 60% of their budget on food staples
- ❑ Business climates are improving gradually





WHAT SHOULD WE DO

Raise Agricultural Productivity

- ❑ Close the yield gap
- ❑ Exploit untapped irrigation potential
- ❑ Close the livestock productivity gap



- ❑ Improve tenure security and land markets



Link Farmers to Markets and Strengthen Value Chains

- ❑ Demand for higher value primary and processed products is rapidly increasing
- ❑ More exacting standards pose challenges to poor farmers competing in these growing markets
- ❑ Market structures can have a significant impact on country competitiveness.



- ❑ Improve the local investment climate
 - ❑ Most rural businesses sell locally
- ❑ Improve market information, infrastructure, strengthen producer organizations, and finance

Enhance Agricultural Sustainability Environmental Services

- ❑ Balance potential tradeoffs between economic and environmental objectives:
 - Agriculture based on high input use can easily produce ecological damage
 - Still, where intensification of agriculture based on modern technology was ignored, poverty and hunger have increased
- ❑ Critically assess sustainable agriculture technologies :
 - Identify how robust specific technologies are to agro climatic and other variations
- ❑ Establish markets for payment of environmental services



Challenges and Opportunities of Climate Change for Agriculture

- ❑ Annual loss of 1 to 2 percent annual GDP because of climate variability.
- ❑ Climate change is expected to affect most regions of Africa negatively including through extreme events like floods and droughts:
 - But it will also open new opportunities in some regions where rainfall and other climate parameters may improve.
 - Other opportunities arise from the possibility of carbon trading and offsets





HOW WE WILL DO IT

Increasing Funding in Agriculture

- Maximizing the contribution of agriculture to economic growth and poverty reduction
 - Aid to agriculture is back on the agenda
 - Recent G8 meetings in 2008 and 2009 – Commitment to increasing financing to African Agriculture
- Critical role of Regional Financial Institutions including the Bank
- Governments need to invest more in agriculture and spend more effectively
 - Improve allocation of resources within the agricultural sector
 - Honor commitment to the Maputo Declaration to allocate >10% of national budgets to agricultural and rural development



Strengthening National Capacities

- ❑ Careful participatory planning, appropriate policies, and sound implementation strategies are prerequisites.
- ❑ Building the capacity to respond to the opportunities and risks of biotechnology
- ❑ Capacity building to participate in international negotiations/agreements such as WTO
- ❑ Increasing national capacity to undertake gender analysis, manage natural resources, and respond to agriculture-related conventions and protocols



Investing in Research and Technology

- ❑ Science and technology options that can make a difference.
- ❑ Involve farmers in education, research, and extension.
- ❑ Create and retain a new generation of agricultural scientists
- ❑ Research networking that defines a common research agenda
- ❑ Mobilize sustainable funding for higher education and minimize dependence on donor support
- ❑ The interaction between technology and policy is critical



Enhancing Regional Integration and Cooperation

□ Provision of regional public goods

- Bridging the infrastructure gap, much of which has a regional dimension
- Management of natural resources and **climate** change

□ Innovation and scientific research

- Sub-regional institutions are required
- Significant economies of scale of expensive biotechnology research

□ Better withstanding global shocks

- Regional approaches to rural financial architecture may increase potential deposits and loanable funds and spreads risk



Stimulate Incentives for Conservation

- ❑ Access to improved technologies and new knowledge
- ❑ Improvement of tenure security
- ❑ Local participation in planning, monitoring and enforcement of conservation efforts
- ❑ Family planning and population control
- ❑ Poverty-reducing policies
- ❑ Removal of distorting regulations and improve the functioning of markets



Adapt and Mitigate Effect of Climate Change

□ Adaptation

- Reduce the vulnerability and increase resilience
 - More use of conservation tillage can assure that available water reaches the plants in drought-prone, rainfed areas.
 - Cost effective and well-managed irrigation schemes can bring reliable water supply
 - New approaches to risk management such as weather based index insurance can help farmers cope with uncertainty.



□ Mitigation

- Reduce greenhouse gas emissions from the agricultural sector, especially methane and nitrous oxide
 - Non exceedance of crop N requirements
 - Appropriate timing/conditions for manure application
 - Increase livestock nutrient use efficiency

Aid Effectiveness

- ❑ Donor coordination should be improved
 - Need for harmonization and complementary actions among donors
- ❑ Individual partners have to be selective in their contributions
- ❑ Build purposeful partnerships among African governments, donors, civil society, and private sector, or in other words, the overall “aid architecture”
- ❑ Align to the country system and development programs



Conclusion

- Increasing the productivity of food crops is a top priority for Africa today, given the strong prospect of world food prices
 - This requires sizeable investments in irrigation, storage, transport infrastructure, as well as access to input markets
 - It also requires better functioning markets and stronger linkages to buyers and processors.
- Adjusting to the new trading and regulatory environments governing agriculture poses a major challenge for Africa.
 - This is an area where technical assistance from donors and international agro-food corporations would prove very useful



Conclusion

- Africa's agricultural development and food security efforts require leadership, ambition and appropriate scale of resources
- Bridge the gaps in terms of useful knowledge, technology and funding
- Promotion of private sector in agriculture goes well beyond the sector itself and cuts across several policy domains
- Sustaining achieved benefits at the farm level after the withdrawal of donor support remains a challenge which should already be receiving more consideration during the project design





Thank You
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