



**Is there light at the end of the tunnel
for African agriculture?**



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Is there light at the end of the tunnel for African agriculture?

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Waking up to the reality of agriculture's importance

Agriculture is now an important component of the global development agenda as national and international interest in agriculture and food security gathered momentum during 2008 – 2009. This was spurred largely by the food, fuel and financial crises, the global economic recession and climate change. The recent famine experienced in the Horn of Africa in which tens of thousands of people were believed to have died in 2011¹ has not only underscored the need to focus on food production, but also prompted a policy shift in favor of increased investment in agriculture, according to *The Economist* (September 5th 2011). It is not a surprise therefore, that the United Nations' **Food and Agriculture Organization (FAO)** has devoted its annual flagship publication *The State of Food and Agriculture 2012* to the theme *Investing in Agriculture for a Better Future*².

1 http://en.wikipedia.org/wiki/2011_Horn_of_Africa_famine

2 www.fao.org/publications/sofa/en/

Africa's achievement of MDG 1 – to halve poverty by 2015 will largely be tied to the direct impact that agriculture has on national economies as well as how the agricultural sector stimulates growth in other sectors. As the African population continues to grow and urbanise and incomes continue to rise, African agriculture and its related value chains must grow even faster – to be able to meet the required food, fibre and industrial needs. Agriculture must chart and shape Africa's path to sustainable economic growth and development. Agriculture must provide light at the end of the tunnel for Africa's socio-economic development. But this will require increased commitment and investment – in agriculture and its related value chains, to keep the candle at the end of the tunnel burning.

There is some light at the end of the tunnel

Recent food and agriculture statistics provide some evidence of light at the end of the tunnel for Africa's agriculture. Overall,



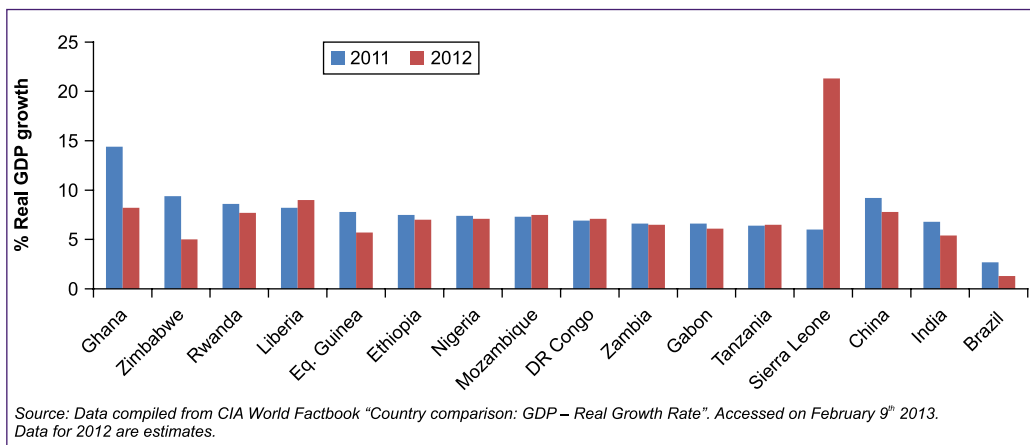


Figure 1. GDP real growth rate (%) in fastest growing African countries in 2011 and estimates for 2012.

African economies are beginning to show signs of progress. From a very fast growing Information, Communication and Technology (ICT) sector, through a rising tourism sector to a high-growth agricultural sector, Africa is becoming the next and best investment destination in the world. In a recent article published in the January/February edition of *Selamta Magazine*, Amanuel Mingistu and Samuel Imende show how growth of the ICT sector is fueling growth in African economies and contributing to socio-economic development. For example, in Kenya, nearly 70% of adults are transferring money to each other via their mobile phones – the highest percentage for any country on earth. More than US\$320 million is transferred via Kenyan mobile phones each month and there is no doubt that a large part of this money goes to support development activities in rural areas.

Real GDP growth is not only higher than in other regions, but is rising. In 2011, GDP grew by 5.3% and in 2012 it grew by 5.5%; well above the 3.8% recorded in 2009³ and the 5.0% average recorded between

2000 and 2008⁴. Africa is now among the fastest growing developing regions of the world. Thirteen African countries now rival fast growing developing countries such as China, India and Brazil with GDP real growth rates above 6% according to the CIA World Factbook (Figure 1). The high growth is due to two factors according to the World Bank's *Africa's Pulse*: strong domestic demand and a recovery in exports, particularly of oil, minerals, metals and industrial agricultural raw material such as cotton. Growth in food production has also contributed to the overall high GDP growth.

Agriculture growth is now surpassing population growth and growth in other sectors in several African countries according to UN-FAO statistics. Production of key crops such as cereals, pulses, roots and tubers that are widely consumed in Africa is rising faster than in other regions of the world. This high growth is of immense significance to the continent considering the food security and poverty reduction implications.

3 This does not include South Africa, Africa's largest economy.

4 World Bank, 2011. *Africa's Pulse: An analysis of issues shaping Africa's economic future*. Volume 3.P. 3.

Africa accounts for close to one third of world production of roots and tubers, about one fifth of pulses and 7% of world cereal production⁵. Between 1990 and 2010, production of roots and tubers grew by an average of 3.9%; well above 1.7% in Asia, 0.8% in South America and the world average of 1.4%. Annual growth in production of pulses also averaged 3.9% with total production more than doubling from 7 million to 15 million metric tons. Cereal production grew by an average of 3.3% per annum, second only to South America (Table 1). Total cereal production rose from 93 million metric tons in 1990 to 165 million metric tons in 2010.

If growth trends of this magnitude continue unabated, the payoff to Africa moving closer to achieving food security and poverty reduction will be realised sooner than later. But this is easier said than done when one considers that most of the increase in food production has come from expansion in acreage rather than from increases in yields.

But slow growth in yields is preventing agriculture from getting back on track.

Crop productivity growth rates recorded in the last two decades are largely inferior to the 6% growth target called for in the **Comprehensive Africa Agriculture Development Program (CAADP)** of the **New Partnership for Africa's Development (NEPAD)**. Africa is still grappling with low crop yields compared to the other regions of the world. Most of the increase in agricultural output has come from putting more land to use than from increasing yields. A recent analysis of patterns of change in rice production in Africa

Table 1. Average annual growth rates (%) of cereals, pulses, roots & tubers production in Africa and other regions, 1990–2010.

Region	Cereals	Pulses	Roots & tubers
Africa	3.3	3.9	3.9
Asia	1.8	1.1	1.7
Europe	-0.2	-4.1	-1.6
N. America	1.9	7.9	0.6
S. America	4.5	2.5	0.8
World average	1.3	0.8	1.4

Source: Average annual growth rates are computed from FAO statistics.

Table 2. Yields of cereals, pulses and roots & tubers in Africa and other regions (tons/ha).

Region	Cereals	Pulses	Roots & tubers
Africa	1.45	0.61	9.16
Asia	3.54	0.80	17.59
Europe	3.62	2.00	18.26
N. America	6.00	1.88	39.88
S. America	3.67	0.92	13.71
World	3.44	0.86	13.74

conducted by the **Forum for Agricultural Research in Africa (FARA)** reveals that 68% of the increase in output is due to changes in area cultivated (acreage effect) while the change due to yield increase (productivity effect) is 18% and the remaining 14% attributed to the interaction effect⁶.

The five-year average yields of cereals in Africa is estimated at 1.45 tons/ha; two times below yields reported in Asia, Europe and South America and four times lower

5 FAOSTAT, FAO Statistics Division 2013 (downloaded on 04 February, 2013).

6 Forum for Agricultural Research in Africa (FARA), 2009. Patterns of change in rice production in Africa: Implications for rice policy development. Accra, Ghana.



than yields reported in North America. The average yield for pulses is 0.61 tons/ha compared to about 2.0 tons/ha in Europe and North America. African farmers produce less than 10 tons/ha of roots and tubers. Again, this is far lower than 18 tons/ha produced by Asian and European farmers and 40 tons/ha produced by farmers in North America (Table 2).

What is interesting in Africa is not so much the fact that yields are low, but that yields have not risen as much as expected. In the past two decades, growth in agricultural yields has stalled as illustrated in Figures 2a, 2b and 2c. Annual growth in yields of cereals, pulses, roots and tubers has remained marginal in the last two decades. Average yields of cereals have grown by 1.61% only. Yields of pulses and roots and tubers have grown by 1.14% and 1.07% respectively, well below average population

growth. Unless Africa more than doubles crop yields, it is unlikely that the light we are currently seeing at the end of the tunnel will be sustained. The effect of not sustaining such light will be Africa's inability to address its hunger, food and nutrition security challenges.

Fortunately however, African leaders are aware that Africa's destiny lies in its own hands and that to guarantee a prosperous future for the next generations, Africa has to *change the way it does business* in the agricultural sector. They also know that Africa's food security and poverty reduction goals will be achieved only through their own commitment to a *blueprint* that brings agriculture back on track and keeps the light burning at the end of the tunnel.

Africa's blueprint to get agriculture back on track

When NEPAD was launched in 2001, African leaders agreed to break away from the shackles of underdevelopment and exclusion from the global economy. They also agreed to embrace a new *vision* of an Africa-led and country-owned growth and sustainable development agenda that contributes to food security and poverty eradication. In 2003, African leaders endorsed the CAADP⁷ as a continental framework to restore agricultural growth and place agriculture back on track.

CAADP translates the NEPAD *vision* into an operational framework to guide agriculture-led development and aims to raise agricultural productivity by at least 6% per annum. Underpinning this growth target is the agreement by African leaders

7 This was adopted by African Heads of State and Government during the AU Summit in Maputo, Mozambique in July, 2003.

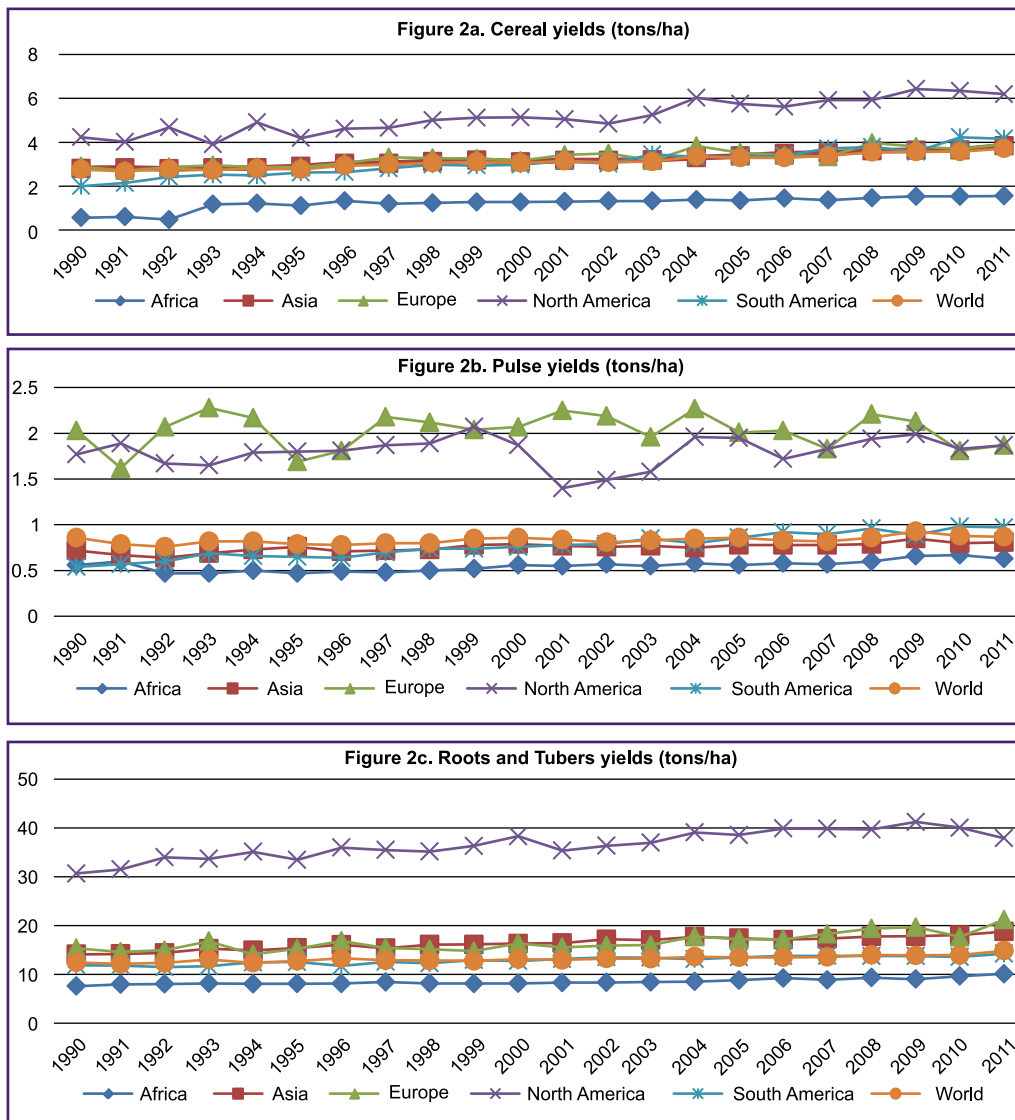


Figure 2. Annual growth in yields of cereals, pulses, roots and tubers, 1990–2011.

to allocate a minimum 10% of national budgets to the agricultural sector. Closely associated with this is the need to build partnerships and strategic alliances and to engage with the full range of stakeholders including public and private sector actors, farmers and their organisations, civil society and development partners in order to agree

on priorities for growth and to mobilise the resources needed to support them.

Initially perceived as a continent level programme, CAADP is not a ‘programme’ as such. Rather, and as clarified by NEPAD⁸, it is

8 New Partnership for Africa's Development (NEPAD), 2010. Accelerating CAADP Country Implementation: A Guide for Implementers. Midrand, South Africa.

a pan-African framework – a set of principles and broadly defined strategies to stimulate, facilitate and guide countries to undertake institutional and policy reforms and high levels of investments required to achieve agricultural productivity growth targets.

CAADP provides a *blueprint* that defines a *new way of doing business in agriculture*, a way to champion reform in agriculture, and a way to stimulate growth in other sectors and the entire economy. It also represents a new way of achieving impact by enabling increased and better aligned investment in **Agricultural Research and Development (ARD)** and offers innovative ways of decision-making and resource allocation underpinned by sound analytical work. It calls for an evidence-based planning process with knowledge use, partnership building and stakeholder consultation as key principles.

CAADP guides investments in four mutually reinforcing areas (also known as ‘pillars’) namely, sustainable land and water management (Pillar 1); infrastructure and trade-related market access (Pillar 2); hunger, food and nutrition security (Pillar 3); and agricultural research, technology dissemination and adoption (Pillar 4). Its scope is continent-wide but in reality, it is the result of integrated national and regional efforts in all the four Pillar areas to promote agricultural sector growth and socio-economic development. What makes CAADP an unique *blueprint* for Africa is its value addition to countries from internalising its values, principles and targets.

CAADP is unique because of its country-owned and country-led process. The country implementation process, also

known as the *roundtable* process, is an iterative learning process involving rigorous analysis and reform, design, implementation and evaluation of agricultural investment programs. Integrating the values and principles of CAADP into national systems of development planning, it is believed, improves the quality and effectiveness of existing agricultural development strategies and programmes and so enables them to achieve their targets.

More than just a *Gentlemen’s Agreement* – The CAADP Compact

As a strategic framework, CAADP plants itself at the country and regional levels through a process of *roundtables* and *compacts*. Engaging the country *roundtable* process involves (i) stock-taking and analysis of growth options to align national efforts; (ii) building partnerships and alliances to accelerate progress; and (iii) tracking budget and expenditures to the sector. This process culminates in a *CAADP Compact*, a document that guides country policy and investment responses to meet the 6% growth target and 10% budget allocation to agriculture. As a product of the *roundtable* process, the *Compact* is endorsed by government and signed during a special public *roundtable* meeting by key stakeholders and players in the country.

The *Compact* puts a seal on the commitment of all parties to support and work towards increasing investments in the agricultural sector in line with the 10% budget allocation and 6% growth target. However, it is not a legally binding instrument. It is more than just a *gentlemen’s agreement* and demonstrates commitment to a shared vision built

around a set of agreed priorities, budgetary and investment commitments as well as commitments to align and scale-up long-term development assistance to collectively address the agriculture development goals of a country.

The *Compact* symbolises a form of collective action among all stakeholders that has never before been experienced in the history of Africa's agricultural development. The *Compact* falls short of outlining actual investment programmes but contains sufficient details of evidence-based priority investment areas to allow specific financing commitment and easy conversion into actual investment programmes⁹.

From CAADP Compacts to Country Investment Plans and Business Meetings

With the technical support of the **African Union Commission (AUC)**, **NEPAD Planning and Coordinating Agency (NPCA)**, **Regional Economic Communities (RECs)**, CAADP Lead Pillar Institutions¹⁰, development partners and other technical service providers, several African countries have developed and signed CAADP *Compacts* which provide the basis for the formulation of detailed country **Agriculture and Food Security Investment Plans (AFSIPs)**.

The AFSIP puts the CAADP *Compact* into effect by embracing the CAADP principles and values. The AFSIP is not a parallel

plan to the government's agricultural strategy and programmes. It is integral and systemic within the national agricultural development planning and implementation process. It draws from the broader goals and targets stipulated in the *Compact*; translates the sector challenges and opportunities into sector objectives and strategies; and identifies key investment areas (e.g. crop intensification, irrigation, research, extension, etc) for achieving sector goals, objectives and targets. It also helps to build functional systems and capacities to effectively and efficiently deliver on the government's growth and development targets¹¹.

The innovative aspects of the country AFSIP is its alignment with the CAADP vision, principles and strategy elements; its coherence and consistency with long-term growth and poverty reduction objectives and targets; its ability to demonstrate linkages with existing technical best practices; its alignment with compact commitments; and its proof of operational realism of the investment programmes articulated in the AFSIP.



9 NEPAD, 2010. Guide for CAADP Country Implementation.

10 Until they were dissolved in mid-2012, each CAADP Pillar was led by a Lead Institution responsible for its implementation. The Lead Institutions were: Pillar 1 – University of Zambia and CILSS; Pillar 2 – Conference of Ministers of Agriculture for West and Central Africa (CMA); Pillar 3 – University of Kwazulu Natal (and later University of Pretoria); and Pillar IV – Forum for Agricultural Research in Africa (FARA).

11 NEPAD CAADP Post Compact Review: Guidelines. April 2010.

To attract financing from the public and private sectors and development partners, the AFSIP provides detailed costing of the various investment programs with clearly defined financing gaps based on financial and economic analysis. It also provides instruments and institutional and governance arrangements for robust monitoring and evaluation as a basis for impact assessment, learning and mutual accountability. These aspects enable the AFSIP to go through a due diligence process of technical review for quality assurance. The review is led by the AUC, NPCA and RECs with technical support from CAADP Lead Pillar Institutions, development partners and other technical service providers using a set of criteria and benchmarks to ensure that the AFSIP is in compliance with the CAADP principles and values.

The technical review of the AFSIP qualifies it for discussion and endorsement by all relevant stakeholders including potential funding partners during a **Business Meeting (BM)** organised in the country. It is during the BM that clarity is sought on available and required financial resources from public and private sector investors to implement the AFSIP. The BM also provides 'space' for public and private sector actors and development partners to declare their

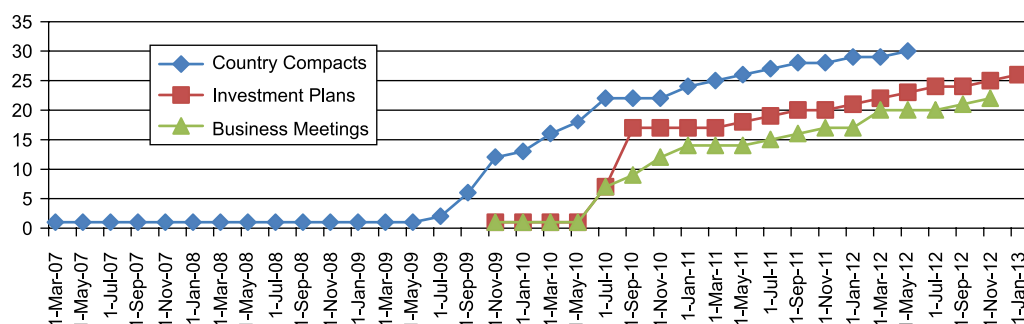
funding commitments and agreement on modalities and timelines to meet the funding needs of the investment plans.

Country endorsement of CAADP is growing

Through increased advocacy and awareness created by several CAADP implementing organisations, many African countries have now endorsed the CAADP framework and are beginning to integrate the principles and values in their development planning processes. As of December 2012, 30 countries have signed CAADP *Compacts*. Rwanda was the first country to sign a *Compact* in March 2007. It took 28 months before the second *Compact* was signed by Togo in July 2009. The *Compact* signing process gained increased momentum with 20 more countries signing *Compacts* between July 2009 and July 2010. Eight additional countries joined the signing exercise between July 2010 and July 2012 (Figure 3).

Of the 30 countries that have signed the Compact, 26 have formulated country AFSIPs. Rwanda was, once again, the first country to formulate its AFSIP which was independently reviewed in December 2009. Shortly after that, 16 countries

Figure 3. Progression of the CAADP country process

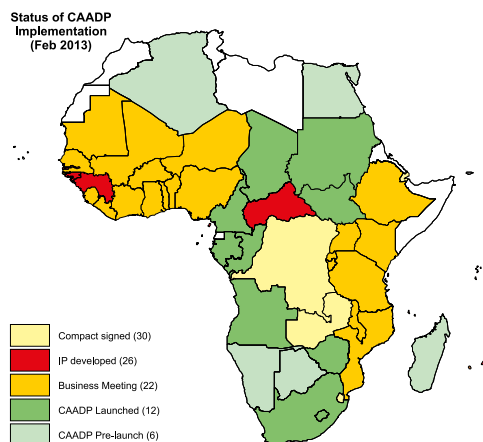


formulated and reviewed their AFSIPs between November 2009 and September 2010. Of the remaining 9 AFSIPs formulated between November 2009 and December 2012, 6 have been independently reviewed. As shown in Figure 3, 22 countries have organised their business meetings and agreed on the financing modalities.

Most of the countries that have endorsed CAADP through country *Compacts* and AFSIPs are located in West and East Africa as can be seen in Figure 4. Many of the North, Central and Southern Africa countries are yet to sign a *Compact*. However, as of January 2013, 12 countries have launched CAADP and are working towards signing a *Compact*, 6 are already engaged in the CAADP process and expected to formally launch CAADP while 6 more are not yet engaged in the CAADP process.

At a regional level, the RECs are also required to sign regional *Compacts*. ECOWAS was the first REC to formulate and sign the ECOWAP as the agricultural policy to guide and steer West African countries around a common regional agenda for

Figure 4. Geographical distribution of countries that have signed compacts, investment plans and business meetings.



agricultural development and regional integration. The ECOWAP demonstrates stakeholder commitment at regional level to key policies, strategies and programmes for transforming agriculture in line with the 10% budget commitment and 6% growth target. COMESA and IGAD are at an advanced stage of their regional *Compacts* while ECCAS, SADC and EAC have all initiated work on their regional *Compacts*.

Judging from the value addition that CAADP puts on the table and the number of countries that have signed the CAADP *Compact* in the last three years, it is obvious that the *Compact* is not just a *gentlemen's agreement*, but a more solid foundation on which countries have built their agriculture and food security investment plans.

Global support for CAADP is also growing

Global efforts to support African agriculture and lift people out of hunger and poverty have intensified since mid-2009 when CAADP picked up momentum with several countries signing *Compacts* and completing their AFSIPs. Through the CAADP framework, the donor community¹² has committed to increasing its support to agriculture while at the same time coordinating its activities in this sector and aligning them with the CAADP priorities. Support to CAADP is by a range of donors and funding channels including multilateral agencies and continental and regional organisations as well as direct aid to governments and their agencies.

Recent events indicate that foreign aid to African agriculture in the context of CAADP

¹² This includes bilateral and multilateral donors as well as international financial institutions.

is indeed increasing. In July 2009 the donor community re-affirmed commitment to CAADP through the *L'Aquila (Italy) Joint Statement on Global Food Security* issued at the G8 Summit. At the Summit, signatory countries recognised CAADP as an effective vehicle for ensuring that resources are targeted to a country's plans and priorities and agreed on a common goal of mobilising US\$22 billion over three years for agricultural investment¹³.

When President Barack Obama hosted the G20 meeting in Pittsburgh, USA, G20 Leaders called on the World Bank to mobilise resources for a Multi-lateral Trust Fund to scale-up assistance to CAADP and other related initiatives. The US President also acknowledged CAADP as Africa's *blueprint* for agricultural development and announced the doubling of US assistance for agricultural productivity and rural development in Africa. Soon after President Obama's announcement, the US Government's Global Food Security Initiative – **Feed the Future (FTF)** was introduced by USAID's Administrator Rajiv Shah in May 2010 to help achieve CAADP goals through support to country-owned processes and multi-stakeholder partnerships.

Since the inception of FTF, 12 countries¹⁴ in West, East and Southern Africa have received support from FTF to develop implementation plans that address CAADP's food security goals. More support to CAADP is coming from FTF's **Global Agriculture and Food Security Program (GAFSP)** Trust Fund

launched in April 2010 as a multi-lateral financing mechanism.

GAFSP emerged from the 2009 G8 and G20 summits' calls for increased support for country-led agriculture and food security and to promote investments in smallholder farmers. It is housed at the World Bank and helps to foster commitment to agriculture and food security by pooling together multi-lateral resources, improving predictability of aid and promoting governance and transparency. In less than two years, 11 of the 26 countries that have completed their AFSIPs have received funding support from the GAFSP ranging from US\$23 million by Tanzania to US\$52 million by Ethiopia (Figure 5).

Direct support to CAADP is also coming from the European countries through regional cooperation instruments but accurate figures on the amounts from each country are difficult to come by. The EU initiatives through which support is channelised to CAADP include the **Joint Africa-EU Strategy (JAES)** which provides a framework for dialogue and action on a wide range of development issues of which food security is a key theme of the joint strategy's Second Action Plan (2011-2013)¹⁵; and (ii) the EU's **Food Security Policy Framework (FSPF)** which gives greater attention to sustainable agricultural development and food security.

In 2008 a CAADP **Multi-Donor Trust Fund (MDTF)** was established by donors and managed by the World Bank to support capacity-building and activities of African institutions, notably the AUC, NPCA and RECs to promote the adoption and utilisation of CAADP across the continent.

13 http://www.g8italia2009.it/static/G8_Allegato/LAquila_Joint_Statement_on_Global_Food_Security%5B1%5D.0.pdf

14 These include: Ethiopia, Ghana, Kenya, Liberia, Malawi, Mali, Mozambique, Rwanda, Senegal, Tanzania, Uganda and Zambia. Non-African countries that have received GAFSP funding are Bangladesh, Cambodia, Guatemala, Haiti, Honduras, Nicaragua, Nepal and Tajikistan.

15 ECDPM, Policy and Management Insights No. 4, December 2012.

A second MDTF was set up in December 2008 and managed by the World Bank to support the FARA in carrying out its role of aligning African agricultural institutions at the national, regional and continent levels with the Principles of the **Framework for African Agricultural Productivity (FAAP)** for effective research, extension, education and training.

When the World Bank conducted its mid-term review of the CAADP MDTF in mid-2012, a total of US\$50.1 million was pledged by six donors (USAID, Dutch, EC, Irish Aid, French and DfID) and US\$34.5 million (69%) of the pledged amount was honoured¹⁶. Of the US\$47.6 million pledged¹⁷ by three donors (CIDA Canada, DfID and EC) for the FARA MDTF, US\$28.4 million (60%) was honoured¹⁸.

Bilateral support from European countries is also flowing into Africa to support CAADP.

16 World Bank, 2012. The Mid Term Review of the CAADP Multi Donor Trust Fund. Washington, DC, April 2012.

17 This includes a US\$2.1 million pledge to support the establishment of the African Forum for Agricultural Advisory Services (AFAAS) with headquarters in Kampala, Uganda.

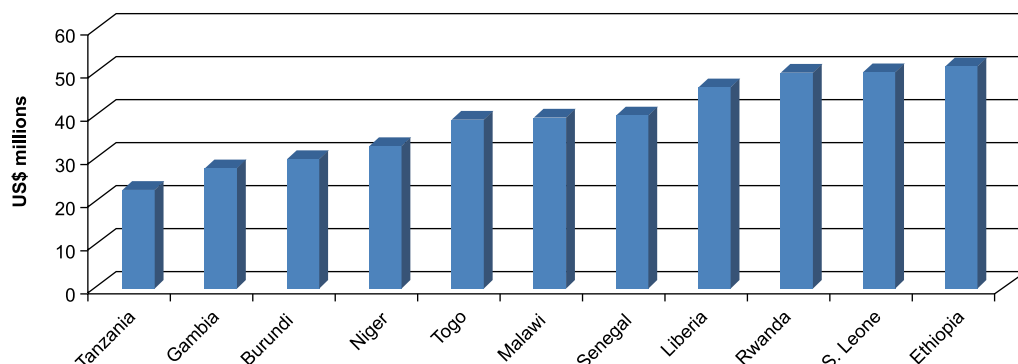
18 FARA, 2012. MDTF Grant No. TF95129: Adjustment of fund allocation to expenditure categories. Accra, Ghana.

An example is the German GIZ¹⁹ programme “Pan-African Reform Processes in the Field of Agri-business Promotion” which supports African countries and selected RECs to pursue coherent, regionally coordinated agri-business policies.

The on-going catalytic initiatives that are being mobilised in support of private sector actions of CAADP include *inter alia*, the *Grow Africa* partnership which is an African-led and country-owned multi-stakeholder platform that seeks to accelerate investments and transformative change in African agriculture. The others are the *African Agriculture Fund*, a private equity fund seeking US\$300 million capitalisation for investments in private sector companies involved in food production and distribution in Africa; *Making Finance Work for Africa*, an initiative designed to promote expansion of agricultural finance in Africa; and *Agricultural Fast Track Facility*, a facility to assist countries with CAADP plans prepare bankable food security projects that support Africa’s agriculture transformation agenda.

19 Gesellschaft für Internationale Zusammenarbeit

Figure 5. Funding support received from the GAFSP



Source: Data compiled from Yifei Liu – Regional Strategic Analysis of Knowledge Support Systems (ReSAKSS). www.resakss.org/2012/05/29/in-support-of-caadp downloaded on February 13th 2013.

Strong partnerships are equally helping to move CAADP forward

The CAADP framework presents an opportunity for partnerships, alliances and networks among key stakeholders including public and private sectors, farmers' organisations, civil society organizations CSOs and development partners at national and international levels. The CAADP **Partnership Platform (PP)** provides 'space' for shared-experience and shared-learning, joint planning and mutual accountability among these key stakeholders. The PP is the principal gathering that reviews CAADP implementation progress and directs regional and continental CAADP support institutions on priorities, key actions and activities to undertake in support of CAADP implementation.

Eight CAADP PP meetings have been organised since the inception of CAADP in 2003; each focusing on a specific thematic area of support to CAADP. The 8th PP meeting was organised in May 2012 under the theme *"Accelerating CAADP implementation for results and impact"*. Achievements in CAADP implementation recorded over the last decade highlight emerging fundamental changes which are laying the foundation for transformation in Africa's agriculture. Sustaining and building on this "foundation" is critical.

Fundamental to sustaining past achievements is the need to demonstrate results and impact in terms of agriculture productivity and consequent contribution to job creation, poverty alleviation and food security. The 9th PP will take place in March 2013 and will provide an opportunity for various stakeholders to review the outcomes of sustaining CAADP momentum with regard to catalysing implementation and enhanced delivery of results.

Country budgets for CAADP are growing slowly but steadily

High level political commitment, ownership and leadership are central to the success of CAADP. One thing that African leaders must be lauded for in trying to speed up economic growth of their economies is their political endorsement of and commitment to the CAADP goals. This commitment is rooted in the 10% budget allocation to agriculture in order to achieve a 6% annual growth. It is now ten years since this commitment was made in 2003. Progress towards the achievement of the target has been slow but steady.

Many African governments have increased their budgets for agriculture even though only a handful of them have reached the 10% target. For Africa as a whole, the average barely surpasses 6% of public sector spending in agriculture according to a recent AUC CAADP Implementation Progress Report. Countries that have attained or surpassed the 10% target during the period 2003 – 2012 include Burkina Faso, Burundi, Ethiopia, Malawi, Mali, Niger, Rwanda and Senegal. Available information also shows that 9 countries are spending between 5% and 10% and 28 countries are spending less than 5% of their total budget in agriculture.

Even though the share of agricultural spending has not reached or surpassed the 10% target for many countries, the AUC believes that the trends are encouraging because in countries where CAADP implementation has advanced, additional resources from development partners and the private sector are targeting growth enhancing policies, strategies and programmes. Resources are increasingly being invested in agriculture where they

are expected to generate substantial returns on the investments. However, these investments also require complementary investments in other sectors such as infrastructure, health, education, research and development.

Agricultural Research and Development is critical for CAADP

Growth in agricultural output in Africa has exceeded population growth in recent years but generally has remained below the recommended 6% annual growth rate. African agriculture has not experienced the technical change it requires to reduce food insecurity and poverty. Meeting Africa's food security and poverty reduction goals requires raising agricultural **Total Factor Productivity (TFP)**. Recent estimates place annual growth in Africa's TFP at 1.3% or 40% of annual growth in agricultural output. To achieve the CAADP target growth rate of 6% per annum or more, TFA needs to grow by 4.4% per annum according to FARA's FAAP.

The fourth pillar of CAADP deals with **Agricultural Research and Development (AR&D)** including extension and education. This pillar aims to enhance agricultural productivity through the development of technologies, policies and institutional innovations; testing the adaptability of new technologies in a participatory and iterative fashion; development of appropriate mechanisms for wide-scale dissemination and adoption of technologies and for implementation of sustainable and supportive policies and institutional options; and empowerment of resource-poor farmers to manage their natural resources sustainably. FARA which leads the implementation of this pillar, recognises

the critical role of AR&D in agricultural productivity and advocates for increased AR&D awareness and for increasing both the volume and quality of investments in AR&D.

Through a series of high-level Ministerial and Parliamentary dialogues organised by FARA on catalysing investments in AR&D, African Governments are beginning to increase investments in AR&D. The international community is also taking a keen interest in supporting AR&D in Africa. For example, when G8 Leaders recently announced the ***New Alliance for Food Security and Nutrition (NAFSN)*** to improve food security in Africa, they also endorsed the establishment of a global platform to facilitate sharing of relevant agricultural data and information from G8 countries with African farmers, researchers and policymakers²⁰. As a contribution to the NAFSN, USDA's Global Food Security strategy focuses on research development, education and extension and builds on partnerships with research institutions in the US and Africa. Under Mexico's G20 Presidency, specific initiatives have also been started to address food security by increasing agricultural productivity through research and development.

Investments in AR&D are rising as well, *albeit slowly*

Growth in agricultural productivity, measured in terms of TFP, is largely predicated on long-term investments in AR&D including agricultural extension and education. Global public spending on AR&D, estimated at US\$32 billion in 2008, is increasing; driven largely by growth in

20 <http://www.data.gov/event/g-8-international-conference-open-data-agriculture-0>

middle income countries such as China, India, Brazil and Argentina. The spectacular breakthrough in the area of food and agriculture experienced in Brazil, China and India have historically come from major investments in AR&D. China's and Brazil's AR&D spending intensity, currently estimated at 1.8 is three times that of Africa²¹. India invests about US\$1.2 billion per annum in agricultural education alone²².

African countries, surprisingly, are not adequately investing in AR&D. According to one study, the intensity of investment (AR&D spending as a share of agricultural GDP) in AR&D²³ in sub-Saharan Africa is estimated at 0.6 only. For every US\$100 of agricultural output, the investment in AR&D is US\$0.61. This is far below NEPAD's national R&D investment target of at least 1% of GDP²⁴.

After a decade of stagnation during the 1990s, AR&D spending in sub-Saharan Africa is now rising. The region spends about US\$1.7 billion per annum on AR&D. More than two thirds of this is accounted for by a handful of countries; the so-called Africa's "Big Eight". These "Big Eight" – Nigeria, South Africa, Kenya, Ghana, Uganda, Tanzania, Ethiopia and Sudan jointly account for 70% of regional public AR&D spending and 64% of all researchers according to IFPRI's **Agricultural Science and Technology Indicators (ASTI)**²⁵.

21 <http://www.universityworldnews.com/article.php?story=2013022717411735>

22 <http://www.egfar.org/newsletter/confirm/remove/8e34da861b7198t3960>

23 Nienke Beintema and Gert-Jan Stads. African agricultural R&D in the new millennium. ASTI-IFPRI, 2011.

24 NEPAD, Office of Science and Technology. Africa's Science and Technology Consolidated Plan of Action. Pretoria, South Africa.

25 Nienke Beintema and Gert-Jan Stads, 2011. African agricultural R&D in the new millennium: Progress for some, challenges for many. IFPRI, ASTI. Washington, DC.

Measured in inflation-adjusted **Purchasing Power Parity (PPP)**, each of these countries spends over US\$50 million per annum on AR&D. Nigeria represents a good example of a country in which public spending in AR&D is not only high (over US\$400 million per annum), but is increasing. Other countries in which AR&D spending is increasing are Ghana, Sudan, Tanzania and Uganda. Countries such as South Africa (US\$272 million) and Ethiopia (US\$69 million), though having relatively high levels of spending, are experiencing declining levels of AR&D spending. At the other extreme, are many other countries that have such low and declining investment levels²⁶ that are unlikely to have a significant impact on agricultural productivity.

According to a recent study of the **European Initiative for Agricultural Research and Development (EIARD)**, a significant amount of the donor support to CAADP is concentrated on the AR&D component of CAADP. Using 2009 as a reference year, donor funding to AR&D in sub-Saharan Africa is estimated at US\$468 million per annum, with European countries contributing over one third of the amount. Close to two thirds (US\$304 million) of this funding is channeled through the **Consultative Group on International Agricultural Research (CGIAR)**. Direct donor support to CAADP Pillar 4-mandated agencies, FARA and the SROs, is estimated at US\$46 million with a further US\$46 million going to agencies implementing AR&D activities aligned to CAADP Pillar 4. As can be seen in Figure 6, total donor support to CAADP-related AR&D is US\$111 million per annum.

As critical as AR&D spending is to Africa's agricultural development, public spending

26 This includes countries such as Guinea, Eritrea, The Gambia and Gabon with investments of less than US\$4 million.

in AR&D presents a mixed picture. Overall, Africa's AR&D spending is rising, *albeit* slowly. A small number of countries are performing quite well but it is not so for majority of the countries. African countries need to follow the example of some emerging economies where long-term government commitment to AR&D and a supportive policy environment have fueled increased agricultural productivity and contributed to food security, poverty reduction and overall economic growth.

Integrating AR&D in country investment plans: FARA

FARA is the apex organisation for ARD in Africa. It provides a platform for continent level and global networking aimed at improving the responsiveness and effectiveness of national and sub-regional AR&D systems by enhancing their capacities for innovation.

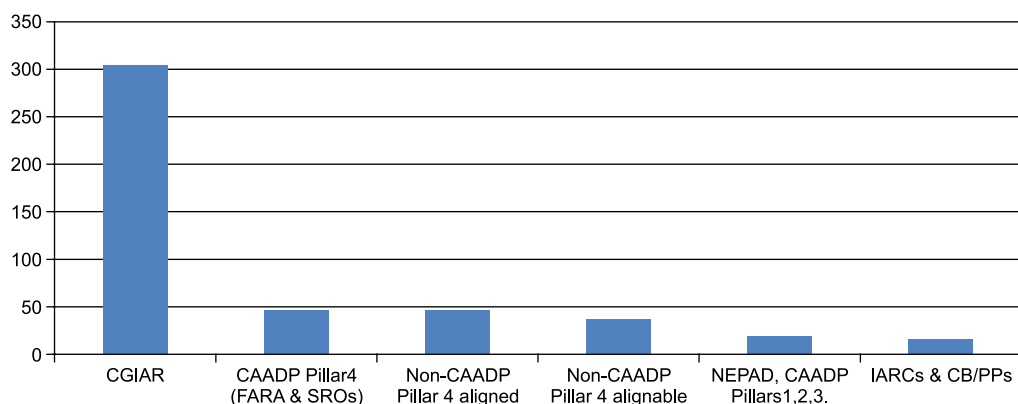
Through the FARA Secretariat and the entire Forum, FARA provides technical support to the AUC on AR&D issues and is designated by the AU's NPCA to lead implementation of Pillar IV of the CAADP

responsible for agricultural research, technology dissemination and adoption.

FARA's long-term objective is to contribute to sustainable improvement of agricultural productivity, competitiveness and markets so as to reduce food insecurity and poverty as well as protect the environment and natural resource base. FARA's results are delivered in three strategic priority areas namely, determining outcomes through foresight, strategic analysis and partnerships; creating capacity by connecting, integrating and educating; and enabling implementation through advocacy and communication. Its functions are performed through programmatic units known as **Networking Support Functions (NSFs)** in accordance with the subsidiarity principle.

FARA's implementation of CAADP Pillar IV is guided by its FAAP endorsed by African Heads of State and Government in 2006. FAAP is a CAADP tool for advocating a common set of principles (FAAP principles) to be used to ensure the effective and efficient contribution of AR&D to increased agricultural productivity and competitiveness. It aims to strengthen

Figure 6. Donor support to SSA AR&D (US\$ million per annum)



Source: Data is compiled from EIARD report on Analysis of donor support to CAADP Pillar 4 – Phase 1. March 2011.

agricultural knowledge systems to deliver profitable and sustainable technologies that are widely adopted by farmers.

Principally, the FAAP advocates farmer empowerment, reforms of agricultural institutions and systems to strengthen their capacities and efficiency, increased and quality investments in agriculture and AR&D in particular, and adoption of common mechanisms and procedures to align and coordinate development assistance with national resources for enhanced effectiveness and efficiency of agricultural investments.

The support to CAADP provided by FARA and its constituent sub-regional organizations (SROs) is guided by a *CAADP Pillar 4 Strategy and Operational Plan*. The strategic plan aims to facilitate the integration of agricultural research, extension, education and training in country AFSIPs, advocate for increased investments in agriculture and AR&D, and strengthen alignment and coordination of donor financial support to AR&D in Africa.

FARA's support to CAADP has been provided through a number of catalytic and facilitative core functions as well as through region-wide initiatives such as the **Integrated Agricultural Research for Development (IAR4D)**, the **Regional Agricultural Information and Learning Systems (RAILS)**, the **Tertiary Education for Agriculture Mechanism (TEAM-Africa)**, the **African Food and Agricultural Policy Platform (AFAPP)** among others.

Through a series of Ministerial and Parliamentary Dialogues focusing on the theme "*Catalysing investments in agriculture*", FARA has created high-level political awareness of the need for increased investments and for continuous

integration of AR&D in country AFSIPs. So far, 26 African countries have integrated the FAAP principles in their CAADP *Compacts* and AFSIPs. Investment plans that incorporate the FAAP principles ensure that AR&D issues are addressed, areas of investment in AR&D are identified and AR&D activities are adequately budgeted for.

FARA is also looking at supporting CAADP from a wider perspective. Through the *Dublin Process*²⁷ on Enhancing CAADP and CGIAR Alignment and Partnerships, FARA is currently leading two of three work streams²⁸ on the development of an ***Agriculture Science Agenda for Africa (ASAA)*** and the organisation of a series of technical regional workshops to support CAADP teams at country and regional levels to develop plans using mapping tools for the implementation of AR&D programs within CAADP, focused on country AFSIPs.

The Science Agenda serves as an organising framework for Africa's agricultural science and technology programmes (research, extension and education) with those of CGIAR and other partners. It identifies where advances in Science and Technology in African agriculture are needed and feasible in areas such as: crop yields; agriculture resilience to and mitigation of climate change; livestock productivity; risk management in farming; labour productivity; water management in farming and innovations addressing gender-equity

27 The Dublin Process is an initiative of CAADP, CGIAR – a global research partnership for a food secure future, and CAADP's Development Partners to deepen alignment and collaboration between Africa's agricultural research, extension and education programs and the programs of the CGIAR Consortium along with other important partners, to facilitate agricultural transformation across the African continent.

28 The third work stream involves the development of mapping and alignment tools for AR&D programmes and investments in each major agro-ecological zone across Africa led by IFPRI.

in farming systems. The agenda will also identify investments (including scientific infrastructure, human capital, institutional capacity, etc.) that will be needed to make scientific advances possible.

Conclusion

It is now ten years since CAADP came into being in 2003. Significant progress has been made and we see CAADP as a symbol of the candle that is burning at the end of the tunnel for African agriculture. We see the burning candle being epitomised by an increasing recognition of the important role of agriculture in socio-economic development; renewed interest in agriculture; endorsement of CAADP at the highest political level possible by African leaders, G8 and G20 leaders, and international development agencies; and the donor community agreeing to align their support to the CAADP as Africa's framework for bringing agriculture back on track. The high levels of commitments to agricultural growth and investment with some countries and development partners honouring a large share of the pledges and commitments made under *l'Aquila* and other Declarations are important signs that African agriculture will get back on track.

It is perhaps too early to attribute the high growth experienced in Africa in recent years to CAADP. But what is clear is that CAADP has become a useful platform for collaboration, partnership building and stakeholder consultation and has given African countries space to determine their own agricultural agenda. More than half of African countries have signed CAADP *Compacts* and developed their investment plans with country-specific priorities in agriculture and have mobilised partnerships

for agricultural investment at all levels including private and public sectors as well as development partners.

A good number of countries have scaled-up investments in agriculture and AR&D in particular, and a handful of them have attained the 10% budget allocation and 6% annual growth targets. There is increased recognition of the critical role of AR&D in raising agricultural total factor productivity and AR&D institutions such as FARA and its constituent SROs have helped to integrate the FAAP principles on research, extension, education and training in CAADP country AFSIPs. Getting Africa's agriculture back on track will require sustained investments in agriculture and AR&D in order to reach the light at the end of the tunnel.





About FARA

FARA is the Forum for Agricultural Research in Africa, the apex organization bringing together and forming coalitions of major stakeholders in agricultural research and development in Africa.

FARA is the technical arm of the African Union Commission (AUC) on rural economy and agricultural development and the lead agency of the AU's New Partnership for Africa's Development (NEPAD) to implement the fourth pillar of the Comprehensive African Agricultural Development Programme (CAADP), involving agricultural research, technology dissemination and uptake.

FARA's vision: reduced poverty in Africa as a result of sustainable broad-based agricultural growth and improved livelihoods, particularly of smallholder and pastoral enterprises.

FARA's mission: creation of broad-based improvements in agricultural productivity, competitiveness and markets by supporting Africa's sub-regional organizations (SROs) in strengthening capacity for agricultural innovation.

FARA's Value Proposition: to provide a strategic platform to foster continental and global networking that reinforces the capacities of Africa's national agricultural research systems and sub-regional organizations.

FARA will make this contribution by achieving its *Specific Objective* of sustainable improvements to broad-based agricultural productivity, competitiveness and markets.

Key to this is the delivery of five *Results*, which respond to the priorities expressed by FARA's clients. These are:

1. Establishment of appropriate institutional and organizational arrangements for regional agricultural research and development.
2. Broad-based stakeholders provided access to the knowledge and technology necessary for innovation.
3. Development of strategic decision-making options for policy, institutions and markets.
4. Development of human and institutional capacity for innovation.
5. Support provided for platforms for agricultural innovation.

FARA will deliver these results by supporting the SROs through these Networking Support Functions (NSFs):

NSF1/3. Advocacy and policy

NSF2. Access to knowledge and technologies

NSF4. Capacity strengthening

NSF5. Partnerships and strategic alliances

FARA's donors are the African Development Bank (AfDB), the Canadian International Development Agency (CIDA), the Centre de Coopération Internationale en Recherche Agronomique pour le Développement (CIRAD), the Danish International Development Agency (DANIDA), the Department for International Development (DFID), the European Commission (EC), the International Development Research Centre (IDRC), the Syngenta Foundation, the United States Department of Agriculture (USDA), the World Bank and the Governments of Italy and the Netherlands.



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