Knowledge Compendium on Domestication of the Malabo Declaration

on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods

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CAADP

FOREWORD

Agriculture has the potential to radically transform the African economy by contributing to a prosperous, inclusive and uplifting future for its people. To this end, African Heads of State and Government in 2014 adopted the *Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods*. Among others, this served to re-affirm the commitments of the *Comprehensive Africa Agriculture Development Programme* (CAADP). The Malabo Declaration repositioned agriculture as a priority on the continental development agenda. To achieve the ambitious goals and targets formulated in the Malabo Declaration, African Union Member States have endeavour to develop and implement National Agriculture Investment Plans (NAIPs) at country level which take into account the processes and topics outlined in the vision.

This *Knowledge Compendium* covers these processes and topics in 22 individual Knowledge Notes. Their introductory character shall enable a wide group of stakeholders involved or interested in the continental and national CAADP processes to get a first, yet substantial, overview of the topics considered key for achieving the Malabo goals and targets. The Knowledge Notes provide guidance on how to adequately take these topics into account when developing national policies and frameworks for agricultural transformation. They complement and break down the existing body of technical guidelines and information around the Malabo Declaration and its operationalization. As such, the *Knowledge Compendium* does not claim to be exhaustive. Rather, it intends to be a living document which is updated and added to regularly.

The African Union Commission Department of Rural Economy and Agriculture (AUC-DREA) and the African Union Development Agency (AUDA-NEPAD) invite you, in your respective constituencies, to take ownership of this *Knowledge Compendium* as a guiding tool to reinvigorate dialogue on the successes, challenges and opportunities of agricultural transformation in Africa.

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Commitments of the Malabo Declaration

on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods

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The CAADP Country Process

Background and Context

While the Malabo Declaration is broader in its reach than its predecessor, the Maputo Declaration (2003), it still views the CAADP as the main vehicle for implementing the commitments underpinning the vision that it encapsulates. Embracing the Declaration is achieved through the CAADP Country Process, otherwise known as the Malabo Domestication process. This is an iterative and inclusive process of learning comprising four components – see Figure 1 below – which have been adjusted in line with the transition from the Maputo to the Malabo Declaration.

The CAADP Country Process is linked to the Malabo Declaration through Commitment 1: recommitment to the principles and values of the CAADP Process. Key principles and values that define the CAADP process include: (a) the pursuit of agriculture-led growth as a main strategy for achieving targets for food and nutrition security as well as shared prosperity, (b) the exploitation of regional complementarities and cooperation to boost growth, (c) the application of principles of evidence-based planning, policy efficiency, dialogue, review and accountability, (d) the use of partnerships and alliances including farmers, agribusiness and civil society, and (e) supporting implementation at country level as well as regional coordination and harmonisation.

The CAADP Country Process is anchored in CAADP Results Framework under Level Three: strengthening systemic capacity to deliver results. Key result areas to be tracked include effective and inclusive policy and implementation processes, effective and accountable institutions, strengthened capacity for evidence-based planning, implementation and review, improved multi-sectoral coordination, partnerships and accountability in agriculture-related sectors and increased capacity to generate, analyse and use data, information, knowledge and innovation. The Country Process is also connected to Malabo Commitment 7: mutual accountability to actions and results, under which African leaders vowed to conduct a Biennial Review of country performance in agriculture *(see Knowledge Note: Biennial Review).*

KEY MESSAGES

- **The CAADP Country Process is critical and must be embraced by countries in order to lay the ground for the Malabo Declaration and the delivery of the associated targets through the NAIPs.**
- **The participative nature of the CAADP Country Process, including reliance on evidence and mutual learning and accountability, makes the NAIPs nationally owned by all stakeholders.**
- **The CAADP Country Process, anchored in the NAIPs, which are closely aligned with national planning frameworks, calls for strong inter-ministerial coordination mechanisms, including the central role of the Ministry of Finance and Planning to move the country forward toward achieving the Malabo Declaration targets.**
- **National policy frameworks, strategies and plans should mainstream women and young people as special target groups with special needs.**
- **Strong and visionary leadership has proven an asset in making the Country Process effective and efficient in delivering the expected outputs in a timely manner.**

Adopting the CAADP Country Process as part of a revised NAIP and Malabo Domestication leads to improvements in the quality of national agricultural strategies and it results in plans that have wider acceptability and potential to deliver on the CAADP Malabo Commitments.

The CAADP key principle is built around rigorous planning exercises which reinforce leadership, budgetary targets and

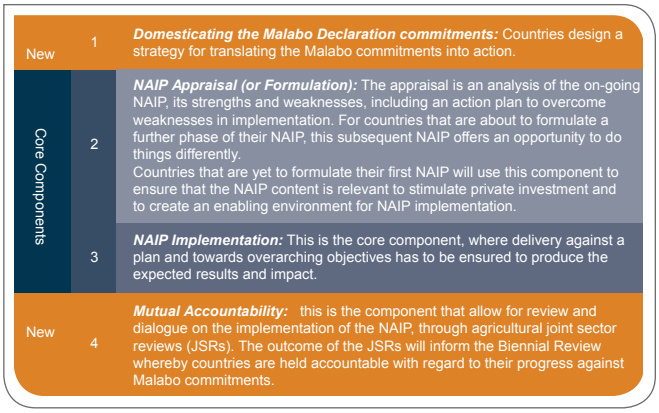

Figure 1: The four main components of the CAADP Country Process.

mutual accountability for activities and results. The CAADP Country Process is a critical ingredient in the achievement of the Malabo Declaration, as well as in agriculture-led transformation at national, regional and continental levels. The inaugural Biennial Review Report on progress of implementation of the Malabo Declaration indicates that the 47 Member States that participated in the assessment are at different stages of domesticating the CAADP-Malabo institutionalisation processes, while the overall average progress in recommitting to the CAADP process was calculated to be at 63 percent. The report highlights that more efforts are needed for Member States to fully domesticate the Malabo Declaration into their NAIPs.

Main Challenges

From the first decade and half of supporting implementation of CAADP have emerged are a number of challenges associated with the Country Process. These include:

- **Weak inter-ministerial coordination:** Poor coordination is evident and compromises systematic planning, budgeting and results follow-up. Although the Malabo Declaration is ambitious, including with its targets whose achievement does not only lie under the responsibility of the Ministry of Agriculture, there has been weak collaboration between ministries within the public sector. Line ministries plan and implement activities in 'silos', despite at times recognising that activities cut across sectors. Attempts to put in place structures such as steering committees for specific project interventions as well as for inter-ministerial coordination, have remained ineffective. There has been sparse representation in certain instances, rendering decision making and active follow up on actions difficult.
- **Weak or no link between the NAIP and the Medium-Term Expenditure Framework (MTEF):** Considering that the NAIP is financed by public expenditure as well as from private investment, public funds for implementation of the NAIP are supposed to be part and parcel of the national budgeting process, just like all other public funds. This means that government funding

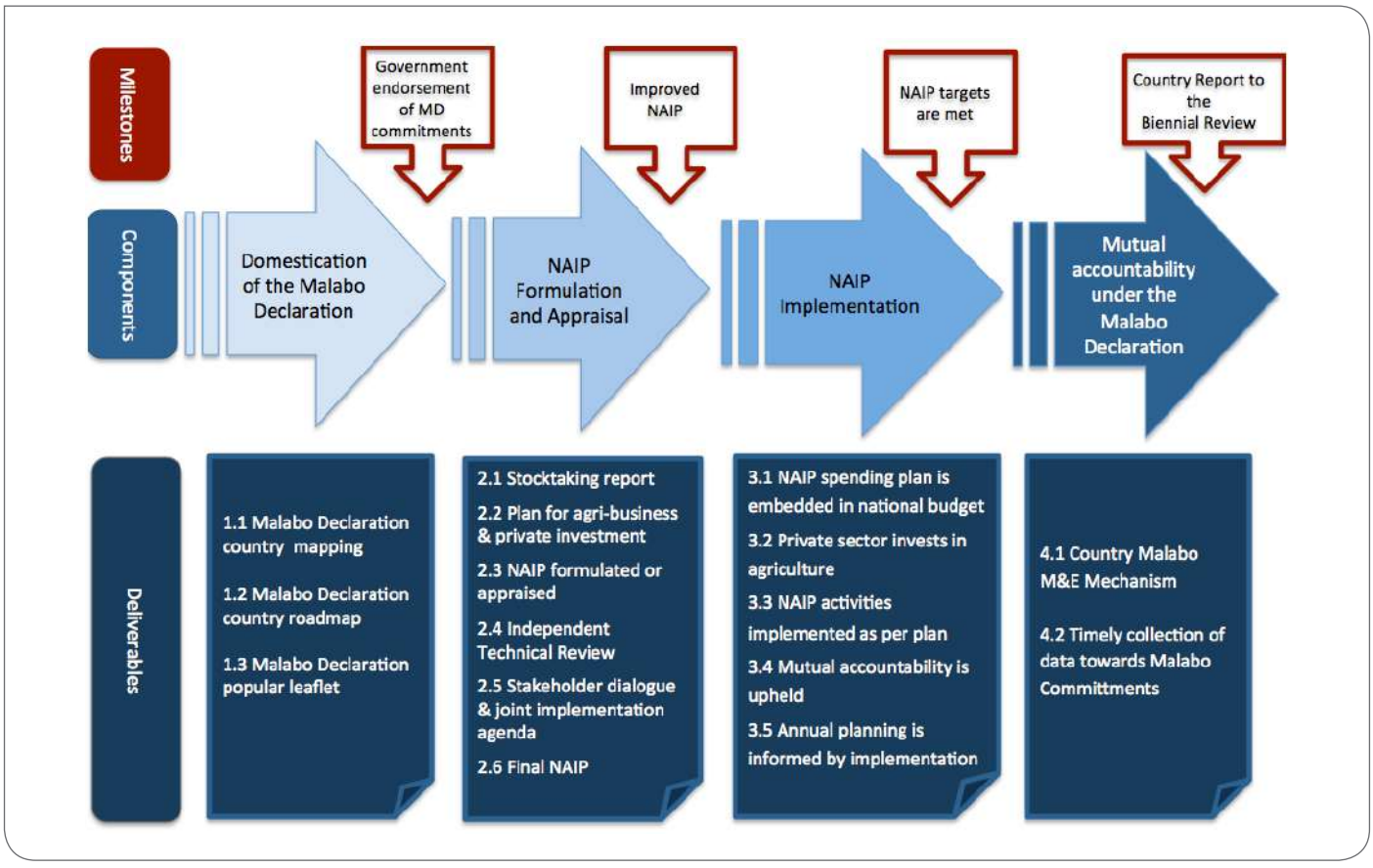

Figure 2: CAADP Malabo Country Process: Milestones, Components and Deliverables.
Source: AUC and NPCA (2016). Country CAADP Implementation Guidelines

to the NAIP should be reflected in the MTEF. In other words, there must be clear references in the MTEF to the NAIP. However, in reality this linkage is not obvious in many countries, and needs to be improved.

- **Poor quality of public expenditures:** In order to create the conditions necessary for the private sector to invest, the quality of public expenditures is critical. The Maputo and Malabo Declarations target a 10% allocation of national public expenditure to the agriculture sector in order to trigger private-sector partner resources to implement the NAIPs. However, the expenditures made to date still fall short of attracting the desired private sector investments because they are concentrated on recurrent items such as salaries, fuel and telecommunication instead of placing focus and attention on expenditures which are more likely to encourage private-sector participation, such as irrigation and post-harvest structures.
- **Financing implementation:** The CAADP country process is expected to inform country priorities for agricultural investments and budgeting commitments by all players. A challenge, however, is that public budgets to the country CAADP compact are weak, resulting in inadequate budget allocations to the drivers of agricultural transformation. In addition to this, donor country budgets remain rigid and relatively inflexible to adaptation to the CAADP country compact, due to fixed donor country programmes as well as variations in timeframes between donor programmes and the CAADP country compact .
- **Weak monitoring and evaluation systems** make it difficult for candid assessment of progress in the implementation of NAIPs, as well as for harnessing useful lessons to feed back into the CAADP process loop. The Biennial Review has clearly identified this as one of the key challenges, recommending that almost all 47 countries that participated in the initial assessment should strengthen their monitoring and evaluation systems.
- **Inadequate participation of non-state actors:** CAADP brings together a number of diverse actors. However, the extent to which these stakeholders – which include civil society groups, farmer organisations and the private sector – are genuinely involved is subject to debate. For instance, participation of the private sector has not been optimal. Experience shows that while it has been easier to 'bring them to the table', it remains a challenge to keep them there. The private sector is interested in making the best of their time in coordination meetings with government, especially if they are focussed on tangible issues tailored to solving the challenges that they face. Similarly, civic participation in the CAADP process is constrained by a number of factors such as weak representation, a lack of legitimacy and accountability, and limited resources and capacity for effective participation.


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- **Reflection of the NAIP programme or sub-programmes in the national budget:** National budgets adopt standard functional classifiers; this makes it difficult to follow resource flows to sector programmes and their associated results.
- **Gender mainstreaming:** Country processes have to ensure proper gender mainstreaming, especially providing for participation and targeting of women and youth in policy and programming. Young people comprise about 65% of the population in Africa, and two thirds of those who work in rural areas are engaged in agriculture. However, young people face numerous challenges such as insecure land tenure, little or zero access to affordable credit, limited availability and access to productivity boosting technology and equipment, limited access to international and regional markets, and the negative impacts of increasing variable weather associated with climate change. Meanwhile, women contribute significantly to agriculture in developing countries, representing, on average, 43% of the agricultural labour force. At the same time, however, gender-specific constraints which women face are very costly to the agriculture sector, to the broader economy, to society and to women themselves(see Knowledge Note: Women's Empowerment).

Recommendations for Anchoring the CAADP Country Process within National Planning and Budgeting

Anchoring the CAADP process successfully demands implementation of a NAIP that is sensitive to other programmes, policy frameworks that are relevant to agriculture as well as being well coordinated and aligned to the Malabo Commitments and translated into national policy and planning instruments. Considering, therefore, that achieving these Commitments is not the sole responsibility

of the Ministry of Agriculture, it follows that the central government should elevate the CAADP Process and Malabo to central planning, include the Commitments and targets in the national planning instruments, including the MTEF.

The following recommendations are proposed to strengthen the CAADP process at county level:

- Just as Heads of State and Government have committed to, and agreed to be held accountable for, the Malabo Declaration Commitments, countries also need to re-examine their national commitment. Countries need to institutionalise and explore possibilities with the national frameworks to hold accountable ministers and / or ministries responsible for relevant targets under the Malabo Declaration. This will ensure that, by following the national systems correctly, each entity keeps track of performance against respective indicators.
- Assess existing stakeholder participation structures to ensure that they are inclusive of all relevant players including women and young people.
- Strengthen the role of the Ministry of Finance and / or of agricultural planning so as to ensure that the Malabo Commitments are enshrined within national planning instruments.
- Institute inclusive policy and planning processes, as well as gender-aware agriculture policy decisions, so as to ensure that all stakeholders are involved and actually have ownership of the sector plan. Explore innovative approaches to make these inclusive planning meetings effective. This could include having sub-sector planning and coordination structures.
- Review existing platforms for coordination with the private sector in order to ensure increased and efficient participation. Effective private sector participation should focus on value chain platforms.
- Build strong and reliable monitoring and evaluation systems at country level in order to inform progress in implementation of investments plans. This should be combined with building a learning culture at all levels, which can be applied to planning policy and implementation. Such systems should also pay attention to providing for sex-disaggregated data, which will bring to the fore gender interactions and inequalities in agriculture.
- Government funding to NAIPs should be reflected in the MTEF as well as being part of the regular budget process. The public funds for NAIP implementation should be part and parcel of the national budget process and reflected in the MTEF. The same codes used for programmes and sub-programmes in the annual budget and in the plan should also be adopted.
- In line with this, it is important to strengthen gender-responsive budgeting by identifying activities which specifically address the needs of women.
- Governments should strive to allocate more resources to investment expenditures than to recurrent issues so as to create more favourable conditions for private-sector investment in agriculture.

The CAADP Country process ensures that:

- Agricultural investment plans are designed and implemented in sync with other programmes and strategies in order to fulfil all Commitments of the Malabo Declaration;
- Agricultural investment plans and other programmes are aligned to other development goals as well as Malabo Declaration;
- Progress is monitored with respect to national goals as well as Malabo Declaration targets.

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Readwell Musopole

Reviewed by: IFPRI/ReSAKSS

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-0-6399232-7-7

Date: June 2019

Agricultural Sector Governance

Background and Context

The Malabo Declaration recognises agriculture as one of the most promising areas for reducing poverty and improving livelihoods. One of the critical conditions required of the agriculture sector, however, is to ensure that good governance structures and related policies are in place at all levels.

Sector governance is the coordinated management of a sector as a whole; this includes a collection of rules, stakeholder involvement and processes which are managed with shared interests (FAO, 2011). Sector governance is broader than government as it also covers non-state individuals and institutions, including the private sector.

Agricultural sector governance, under the country CAADP implementation guidelines and under the Malabo Declaration, calls for results-oriented coordination, alignment of key stakeholders around a shared vision, monitoring of progress and inter-ministerial cooperation with clear division of roles and responsibilities.

KEY MESSAGES

Good sector governance provides a strong foundation from which all sector stakeholders can effect more successful interventions, in accordance with NAIPs and other programme frameworks relevant to the Malabo Declaration. Agricultural sector governance matters because agriculture is still central to addressing rural poverty and improving livelihoods in a sustainable way. Most households in Africa depend on a subsistence agriculture, and so strong sector governance can provide them with the conditions and incentives to reap greater benefits and suffer fewer risks. Strong sector governance can also help the sector to be competitive, enhance investment finance in agriculture and boost intra-African trade.

Main Challenges

The main challenges to effective agricultural sector governance are limited knowledge of the sector's needs, limited buy-in from sector stakeholders and limited resources. As a result, many actors attempt to transform the sector through uncoordinated interventions which are difficult to scale up to the sectoral level without strong sectoral governance in place.

The need to tackle the governance challenges to effective implementation of the CAADP agenda is obvious and unquestionable. Indeed, the multi-sectoral Malabo Declaration specifies very clearly a range of commitments in agriculture – such as increasing irrigation and mechanisation and reducing post-harvest losses – as well as other commitments in infrastructure, natural resources, trade, nutrition and so on.

The exact make-up of a country's sector governance structures must, of course, be determined by the context of that country. Having said this, general challenges to agricultural sector governance can be grouped as follows:

- **Strong and visionary leadership:** Without clear vision from a leader who outlines in clear details where she/he wants to drive the transformation agenda of the sector, there exists the risk of confusion and ad hoc interventions.
- **Political will and support:** In the absence of political will, it becomes difficult for the government to set common goals or to introduce more extensive and far-reaching reforms.

- **Inclusivity and representation:** When sector platforms are not inclusive, with balanced representation, it becomes problematic to have an effective governance structure that allows the policy framework to provide a coherent plan for agriculture while also being the basis of effective coordination, implementation and activity monitoring, especially since Malabo targets depend on a variety of agriculture-related programmes.
- **Knowledge management:** Sector governance becomes ineffective when it is not supported by knowledge management tools that give timely and accurate information on sector programmes and that provide reliable agricultural data to improve the monitoring and evaluation system and facilitate institutional learning. .
- **Financial sustainability:** Donor funds may be critical at some point during the efforts to meet the Malabo Commitments, but self-financing is a key challenge to be addressed if sustainability is to be achieved.
- **Accountability:** In a weak institutional environment there is no provision of effective legal or policy frameworks under which all sector stakeholders may work and against which all may be held accountable.

Recommendations for Anchoring the Agricultural Sector Governance within NAIPs

In order for Malabo Commitments to be met, countries must ensure that the second generation of National Agriculture Investment Plans (NAIP 2.0) are not only aligned with the Malabo Declaration, but that they are also implemented through good governance structures.

Good governance structures unify stakeholders within and across sectors, allowing them to:

- Develop sector-wide vision and strategy;
- Identify needs and align investment for sector transformation;
- Advocate and inform policy;
- Monitor progress towards sector transformation;
- Disseminate lessons learned;
- Choose mechanisms for accountability such as Performance Assessment Frameworks.

Setting governance structures is generally undertaken through a sector coordination body that is state-sanctioned with a formal mandate to coordinate the sector. A good example of such a body is the Agriculture Sector Working Group (ASWG) that exists in many African countries. A brief description of two typical ASWGs is given in Box 1.

BOX 1:
Two examples of Agriculture Sector Working Groups

In Ghana, the ASWG has two main objectives: (i) to serve as a policy dialogue platform for engaging the Government of Ghana (GOG) and Development Partners (DPs) to deliver on the country's agriculture and food security policy and programs; (ii) to promote coordination and alignment between the agriculture programmes and expenditure of the GOG and those of DPs.

The ASWG's operations are strongly linked to the Multi-Donor Budget Support to Ghana from 11 OECD-DAC members. The working group is, therefore, seen as a means of ensuring dialogue and coordination between the Government of Ghana and Development Partners. Unfortunately, however, frequency of participation by key farmer organisations and private sector representatives is low due to a lack of clarity on their role in the group. The ASWG usually meets once a month; its agenda is drawn up by the Ministry of Agriculture and is amended accordingly at each meeting.

In Rwanda, the main objectives of ASWG are: (i) to provide a forum for dialogue, ownership and accountability of the NAIP by all stakeholders at sector level, and (ii) to build synergies in policy formulation, implementation and enhance regular review. To this end, the ASWG brings together central and local government institutions, DPs, civil society and private sector actors involved in the sector. The ASWG holds its meetings monthly, but it may also convene extra meetings whenever the chair – a member of the Ministry of Agriculture – and the co-chair – a lead donor – deem appropriate.

Effective and well-functioning sector governance structures should be based on the following:

- **Shared vision, coordination and monitoring:** When sector stakeholders are aligned around a shared vision, coordinated in their interventions with monitoring tools to measure progress and mechanisms for accountability, they are better able to work together to increase the impact of their work.
- **Governance reform:** Reforms that improve accountability, transparency and impact are needed in order to promote a sound political economy that favours good governance (UNEP, 2008). It is important to understand the characteristics of agrarian

communities in order that the demand-sided approach to agriculture can be best addressed. Similarly, reforms to improve public sector capacity, efficiency and delivery must take place in order to enable the supply side to be more responsive.

- **Revitalise the roles of each category of stakeholders:** There is a need to strengthen the roles of key actors, including the government, state agencies, the private sector, civil society and academia in strengthening agricultural governance. This is paramount to ensuring that partnerships are strong and responsive to policy frameworks at the national, continental and global levels.
- **Inter-ministerial cooperation** is crucial to achieving the ambitious Malabo Commitments, which contribute to overall growth but which are not solely under the control of the Ministry of Agriculture. Inter-ministerial cooperation offers a foundation for coordinating all sectors and 'clustering' specific sectors, but it must be based on the country's mid-term strategic plan, above the NAIP, which is usually coordinated by the Ministries of Finance and Planning.
- **Private-sector engagement:** Improving the organisation and engagement of the private sector greatly influences the speed and feasibility of agriculture growth. By creating a conducive environment with adequate legal and regulatory frameworks, by creating partnerships with private-sector players along value chains, and by holding regular public-private dialogue, will unlock the bottlenecks that hamper private sector investment, including increasing accountability of both private-sector actors and government.
- **Effective donor coordination** at country level is necessary in order to implement the NAIP, and especially to strive for harmonisation and alignment of donor activities within national policy and budget programmes. Effective donor coordination will also avoid situations in which the NAIP is not implemented because donors prefer other frameworks. Indeed, too much fragmentation and too many plans do not help implementation of a NAIP. The Malabo Declaration requires highly effective coordination amongst development partners, just as it does for domestic actors. Strengthening Agriculture Sector Working Groups is one way of improving coordination of donor support, while Joint Sector Reviews increase accountability against sector plans and budget implementation.
- **Division of roles and responsibilities:** An effective coordination mechanism requires clear definitions of roles and responsibilities, as well as division of tasks. This helps the ministries in charge of agriculture not to have to take responsibility for everything. It also provides plans of operation between central and local

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governments and, especially, between the public and the private sector.

- **Capacity development:** A sector-wide capacity development framework that is part of the NAIP and that includes a wide range of stakeholders is needed in order to strengthen the institutional, systemic and transformational capacities that are the foundation of the successful implementation of NAIP.

Introducing a more coordinated sector governance requires a committed process in which engaging key stakeholders is important. A guide for introducing agricultural sector governance is given in Box 2.

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BOX 2:
Actions to consider when introducing agricultural sector governance

- Organise relevant stakeholders for consultation, alignment, strategy development and co-investment.
- Conduct a sector diagnosis so as to identify the needs and opportunities for improved sector governance and sector performance. A sector diagnosis tool can be used to (i) assess the current level of sector performance and identify its main strengths and weaknesses, (ii) inform strategies to enhance the effectiveness of sector governance, and (iii) assess progress in improving sector performance by conducting a baseline and subsequent repeated measurements.
- Develop a shared vision and a strategy based upon these insights, including distinguishing short and longer-term priorities.
- Begin implementing the strategy with a focus on maintaining alignment and measuring progress, and use this as a basis for further improvement of the strategy.
- Monitor the effectiveness of strategies on sector governance and performance for further improvement.

Source: Molenaar et al. (2017).

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Claude Bizimana

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-0-6399232-8-4

Date: June 2019

Country Agribusiness Partnership Frameworks (CAP-F): Mainstreaming Private Sector Action into NAIPs

Background and Context

In response to the Malabo Declaration on CAADP, African governments are renewing their National Agricultural Investment Plans (NAIPs). They are also refreshing their sectoral priorities for investment and policy reform in consultation with agribusinesses, non-state actors, development partners and farmers. The identification of investment in priority value chains, with a view to achieving compelling commercial and development returns, often necessitates establishment of agribusiness partnerships around the prioritised value chains. The Country Agribusiness Partnership Framework (CAP-F) is a CAADP country engagement and partnership tool which has been developed to support the formation of such partnerships with the intent of unlocking private sector investment in NAIP-prioritised value chains.

KEY MESSAGES

The Country Agribusiness Partnership Framework is not a stand-alone initiative. It streamlines existing interventions to ensure an effective CAADP process that delivers on commitments of AU Heads of State and Government to enhance investment in agriculture.

Operationalisation of CAP-F at country level will:

- **Support stakeholders to identify systemic policy issues inhibiting agribusiness development, prioritise policy challenges and identify suitable options for resolution.**
- **Support countries to mobilise and unlock agricultural investment financing from private sector players, governments and development partners.**
- **Play a key role in matching investment finance with key gaps and needs along value chains, ensuring that investments are channelled where they are needed most.**
- **Serve as a dynamic inventory and registry of each country's partnerships and commitments on investments and policy changes.**

Relevance of CAP-F for Achievement of Malabo Targets

The Commitment of African Union Heads of State and Government

AU Heads of State and Government renewed their commitment to CAADP in Malabo, Equatorial Guinea, in 2014, pledging to enhance public and private investment in agriculture while accentuating the increasing role of agribusiness partnerships for attainment of agricultural transformational goals. In a departure from traditional reliance on public sector-driven investment, commitments were made to enhance policy and institutional systems to facilitate private sector investment in agriculture, agribusiness and agro-industries.

Context

NAIPs were initially designed as public sector instruments, offering limited scope for commercial engagement with the private sector. In parallel, meanwhile, various initiatives were implemented at continental and national levels to align government and private sector interests and to promote and facilitate investment. However, these initiatives had limited success, and it has proved challenging to successfully converge the needs and expectations of different stakeholders while creating an enabling environment that catalyses investment.

Grow Africa:
Mobilising investment in African agriculture

Since 2011, Grow Africa, initially under the New Alliance for Food Security and Nutrition (NAFSN), has mobilised over US$10 billion in private sector agricultural investment commitments to 12 African countries across multiple value chains. The commitments were captured through Letters of Intent from over 200 companies. By 2015, only 25% of these commitments had been delivered, however. In most cases, private sector investment intentions failed to materialise into tangible commercial value chain activities, in the absence of enabling policies and strategic government support. Although governments made specific commitments to create an enabling policy environment, achievements were limited by implementation capacities within public institutions. Private sector investments were also not fully aligned with government priorities, receiving minimal support from governments and compromising commercial viability.

One of the challenges to the pre-Malabo CAADP implementation process was the lack of a structured dialogue mechanisms with private sector actors in order to facilitate their engagement and investment[1]. There is presently a demand, however, for innovative, inclusive, and transparent country-led processes that simultaneously align private sector and government interests while catalysing investment in agriculture.

Delivering on the Malabo Commitment to Enhance Investment Financing in Agriculture

In order to overcome this challenge, the post-Malabo CAADP implementation process emphasises as a key deliverable the establishment of a dedicated private sector engagement process under NAIP, under which agri-businesses can engage policy decision makers on obstacles and priority actions to unlock private investment in agriculture. In response, Grow Africa[2], in collaboration with the African Union Development Agency (AUDA-NEPAD) and the African Union Commission (AUC), have designed, developed and launched CAP-F as the key CAADP framework for supporting the mainstreaming of private sector priorities in refreshed NAIPs as well as the creation of agribusiness partnerships that contribute to the achievement of national agricultural transformation goals.

Recommendations for Anchoring CAP-F in NAIPs

CAP-F should ideally be introduced during the process of reviewing NAIPs for private sector consultation on priority value chains of commercial interest, as well as of existing weaknesses in the enabling environment.

Introductory meetings led by the AUC, AUDA-NEPAD and Grow Africa can formally introduce CAP-F to country leadership. A stocktaking exercise then follows, facilitated by Grow Africa, in order to ascertain the level of resourcing required to implement CAP-F and to ensure country ownership in design. Based on the findings of this stocktaking, the country, in collaboration with Grow Africa, develops an implementation

1 A Synthesis Report of A Special Meeting of the Agriculture Development Working Group (ADWG) Leaders and CAADP Managers of NAIPs on Country Post-Compact and Investment Plan Implementation.

2 Grow Africa is a programme of the African Union Development Agency (AUDA-NEPAD) supporting CAADP implementation through facilitation of private sector investment in agriculture, helping countries to realise potential for agricuture sector to contribute to economic growth and job creation.

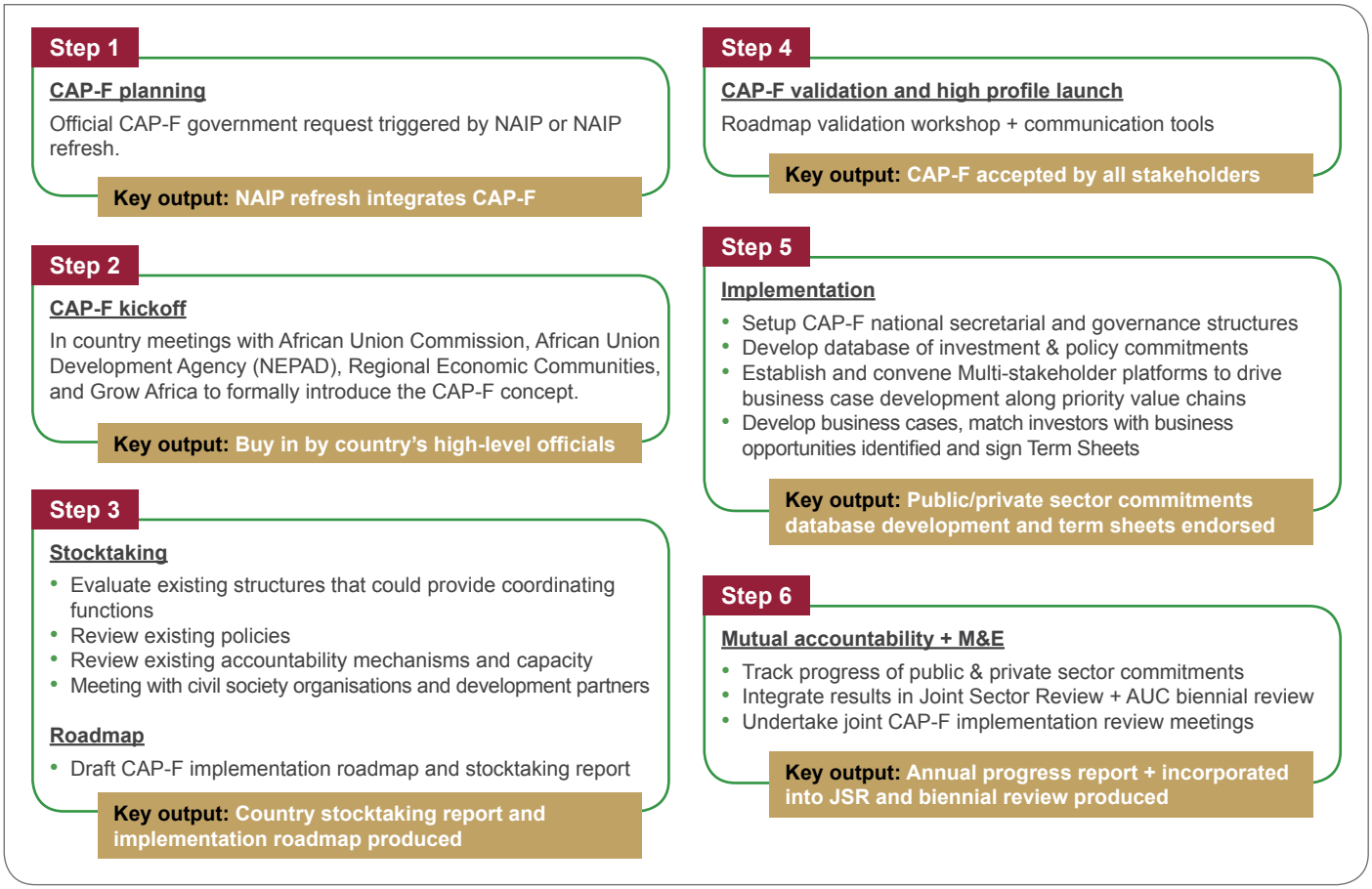

Figure 1: Operationalisation of CAP-F at country level. *Source: Grow Africa*

roadmap which is validated by all key stakeholders and which signifies the official national launch of CAP-F. Implementation of the validated roadmap follows. Implementation comprises forming national coordination structures, convening multi-stakeholder platforms, conducting value chain analyses and business case development, matching investors to business opportunities and building a database of partner commitments.

One of the key achievements of CAP-F country work streams is the signing of Term Sheets, which are preliminary agreements between two or more parties that outline basic terms and conditions under which the investment will be made. Term Sheets are then used to develop a more detailed binding agreement between the parties concerned. Once pre-conditions for investment have been met, implementation should be tracked on an ongoing basis.

Key elements to consider for effective CAP-F implementation include:

Coordination architecture: CAP-F is an integral part of the CAADP process, hence effective coordination architecture will take cognisance of platforms in CAADP country processes and will strive to integrate with existing efforts. Grow Africa will provide technical support for private-sector engagement and mobilisation, while the African Union and AUDA-NEPAD CAADP team will provide advisory support during implementation. Specific points of advice include:

- Have in place a cross–sector leadership group or steering committee to oversee the CAP-F Secretariat and to set strategic direction. Countries may opt to use Agriculture Sector Working Groups where the structure is operational, so as to provide oversight to the secretariat.
- Have in place a CAP-F Secretariat to effectively manage and coordinate the process, to mobilise new partnerships and commitments for investment and policy reform, and to monitor and evaluate progress. In setting up this Secretariat, countries may elect to harmonise the CAP-F Secretariat with roles of the CAADP Focal Point, while incorporating strong private sector representation.
- Have in place multi-stakeholder platforms and working groups to enhance collaboration, convene value chain actors and advance concrete partnerships within priority value chains.

Generating the policy action agenda: A realistic policy agenda should be generated through inclusive consultation. Policy commitments by governments should address the most pressing issues and should build domestic and international private sector confidence to increase investments.

Investment mobilisation: Although CAP-F is focused primarily on mobilising private sector investment, it should also mobilise catalytic investments from the government, development partners, donors and other non-state actors. The role of the CAP-F Secretariat should be to crowd-in the right mix of partners to overcome value chain constraints.

Mutual Accountability: The CAP-F Secretariat facilitates mutual accountability through annual stocktaking on progress and challenges for all partnerships and commitments. Data is analysed and compiled as an Agribusiness Chapter for Annual Joint Sector Reviews and contributes to the Biennial Review Report.

Resourcing: Governments and their partners must provide sufficient initial resourcing, financially and through strategic assistance, to successfully launch and attract interest in a CAP-F. The AUC, AUDA-NEPAD, Grow Africa and the Regional Economic Communities (RECs) will provide support for continental, public and private sector coordination.

Measuring Private Sector Investment in Agriculture in the Biennial Review

Successful Country Agribusiness Partnerships will directly result in good performance across a number of Biennial Review indicators, as listed below:

Malabo Commitment	Commitment Performance Category	Objectives	Indicator
2 Enhancing Investment Finance in Agriculture	2.2 Domestic Private Sector Investment in Agriculture.	Put in place or strengthen mechanisms to attract domestic private investment in agriculture.	2.2 Ratio of domestic private sector investment to public investment in agriculture.
	2.3 Foreign Private Sector Investment in Agriculture.	Put in place or strengthen mechanisms to attract foreign private direct investment in agriculture.	2.3 Ratio of foreign private direct investment to public investment in agriculture.
4 Halving Poverty through Agriculture by 2025	4.2 Inclusive PPPs for commodity value chains	Promote approaches via PPP arrangements to link smallholder farmers to value chains of priority agricultural commodities.	4.2 Number of priority agricultural commodity value chains for which a PPP is established with strong linkage to smallholder agriculture.

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Jessie Mvula, Ibrahim Gourouza (Grow Africa)

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-0-6399232-9-1

Date: June 2019

Rethinking Approaches to Investment Finance in Agriculture

Background and Context

Under the African Union's 2014 Malabo Declaration, African states re-committed to the Comprehensive Africa Agriculture Development Programme's (CAADP) objective to allocate at least 10% of their budgets to agriculture in order to facilitate an average agricultural productivity growth of 6% annually. Malabo Commitment 2 addresses the need to 'enhance investment finance, both public and private, to agriculture'. More specifically, the commitment calls upon member states

- to uphold our earlier commitment to allocate at least 10% of public expenditure to agriculture, and to ensure its efficiency and effectiveness;
- to create and enhance necessary appropriate policy and institutional conditions and support systems for facilitation of private investment in agriculture, agri-business and agro-industries, by giving priority to local investors;
- to fast-track the operationalization of the African Investment Bank, as provided for in the Constitutive Act of the African Union, with a view to mobilizing and disbursing investment finance for priority agriculture related investment projects.

Achieving inclusive agricultural growth and transformation under these blueprints, and through the allocation of the requisite national resources, would help Africa attain its ultimate stated objective of halving poverty by 2025. New concerns and challenges that have surfaced in the recent past will be addressed in the second generation National Agricultural Investment Plans (NAIPs).

This Knowledge Note provides a brief inventory of trends and opportunities in rural and agricultural investment. It proposes an additional role of the public sector as convenor and facilitator to attract new-style investors to a rapidly growing body of interesting farming and business practices – a process that could take the form of either rural or regional investment clearinghouses.

KEY MESSAGES

- **The Malabo Declaration recognises that the creation of enabling policy and institutional conditions to attract private investments into agriculture is key to achieving agricultural transformation. Priority is given to local investors.**
- **The public sector should assume a revised position as convenor and facilitator of third party investments. To this end, it should strenghten its dealmaking capacity and address concerns such as legal protection, reasonable taxation, consistency, reliability, and repatriation of capital as well as adequate regulation to curb unethical business practices.**
- **Investment clearinghouses mandated to scout, pre-assess and possibly assist ongoing initiatives could be a valuable mechanism to link innovation with investment, as they would reduce assessment costs for investors.**
- **The focus on local investment gives way to unconventional investors such as social or impact investment funds, high net-worth individuals, family funds and crowdfunding.**

Relevance of Agricultural Investment Finance to the Achievement of Malabo Commitments

Attracting private investors in the more commercial, commodity-based segments of agriculture has been a common practice in Africa. In the early years of this century, Africa experienced an uptake in foreign investments, but the global financial crisis of 2007 then resulted in an exodus. (This may account for the Declaration's explicit

preference for local investors). Whether foreign or domestic, all investors, especially those in capital-intensive sectors, need some conditions to be met before placing their capital. Facilitation, therefore, is a major instrument for governments to attract investor capital. Typical concerns in this area include legal protection, reasonable taxation, consistency, reliability, and repatriation of capital. Regulation comes in to create a level playing field and to curb unethical business practices. All of the above can be put in place by governments without having to invest in anything but goodwill.

In order to open up new investment areas or regions, governments can consider a hands-on approach by putting in place the physical infrastructure required to attract foreign investment. Feeder roads, water, and power are common areas of initial focus. This 'leveraging' approach can take the shape of fully-fledged public-private partnerships (PPPs) if both parties formally agree on a consecutive investment pattern before the actual investment is made *(see Knowledge Note: Public-Private Partnerships for Agribusiness)*.

Subsidisation is a special form of leveraging whereby the state takes responsibility for absorbing pre-operational (catalytic) or even operational (ongoing) costs or risks in order to trigger private investment. Subsidisation is generally applied in order to reach out to prioritised producer groups or to showcase special interest areas – environmental, social, geographical and so on. For this reason, subsidisation is increasingly considered an instrument for inclusion, but against the condition that it should not substitute market-based investments – even

SUBSIDY IMPACT MODEL[1]	
CATALYTIC	**ONGOING**
REDUCING PERCEIVED RISK	**REDUCING INTRINSIC RISK**
Market-entry guarantees	Risk-sharing facilities
Support for aggregators	Technical assistance to operate in risky sectors
Support for farmer groups	Currency risk hedging
OVERCOMING ENTRY COSTS	**OVERCOMING INITIAL LOSSES**
Technical assistance for Financial Service Providers (FSPs) in agriculture	Special interest rates
Technical assistance for aggregators	Special insurance products
Grants for take-off	Concessional debt


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though it can trigger them. In short, impact is the keyword for rationalising the application of subsidies in investment strategies. International development banks and funds have built a considerable footprint in Africa when it comes to providing subsidised or discounted loans, often in combination with significant grants. A common concern regularly observed, however, is that the programmatic design of such initiatives may work out well for achieving set targets, but it rarely triggers genuine private investments in the long run. Where such intended investments are conditionally placed at an early phase, the chances for future market consolidation tend to be higher.

The particular focus on attracting local capital could be an incentive to promote innovate forms of finance that may not be easily picked up by international commercial investors. New priority investment areas in agriculture such as climate-smart, safe and organic farming and variety development could be pioneered in a local context by local investors with some public sector support and in cooperation with local agricultural universities and centres of excellence. These are steps towards innovating and broadening the local knowledge base, which is a form of asset building in its own right. Expectedly, Africa will develop a stronger drive towards preservation and especially rehabilitation of natural resources *(see Knowledge Note: Resilience and Climate-Smart Agriculture)*. This will require a robust African investment effort, under which public and private capital can be combined with community resources other than capital such as land, labour and knowledge.

Policy Recommendations for NAIPs

In many countries, the process of integrating Malabo Commitments into second generation NAIPs and wider policy processes is either already underway or nearing completion. However, the 10% resource allocation is a challenge due to competition with other benchmarked budgets, as well as to the strict formulation of agricultural expenditure provided in the African Union Guidance Note (AUC and NEPAD 2015). What can be derived from the available information in NAIP preparations is promising,

1 Adapted from: Dalberg Global Development Advisors (2016).

nonetheless. Whereas traditionalist approaches aimed to shield smallholders from the rigorous workings of international markets, today the tendency is to embrace the market under a broader supervisory framework that values social and environmental concerns as well.

This movement towards a 'people-profit-planet' approach allows for a revised position taken by the public sector: part investor – so as to stimulate innovative investments – but increasingly both convenor and facilitator of third-party investments. This convening role can be understood in terms of taking stock of investment opportunities in agriculture that meet government priorities concerns. The government can already indicate how it will prepare and facilitate investments, how partnerships could be structured, and how local and external investors could play a role. In fact, this would go towards formulating hypothetical deal books. Transformative issues and concerns such as food security and safety and climate-smart farming should form an integral part of such deal books.

This approach can also break through the historical divide between a modern, profitable commercial sector and a traditional, inert smallholder sector. Both sectors could be considered unsustainable before long, however: the former relies too much on mono-cropping, which can bring about massive degradation and depletion of resources, while the latter does not any longer provide the livelihoods to sustain a rapidly growing population. In dynamic rural markets, local processes of transformation are already noticeable, often stimulated by capital and knowledge input from relatives in urban centres and / or overseas.

TYPOLOGY OF AFRICAN AGRICULTURE	
COMMERCIAL	SMALLHOLDERS
Capital intensive	Capital extensive
Labour extensive	Labour intensive
High support	Low support
Secure marketing	Insecure marketing
High profitability	Low profitability

For governments, the quickest way to move into convenor and facilitator mode is to study what is already happening on the ground in a non-bureaucratic manner. This is done by making quick visits to take stock of what is happening already, and then to identify ways of adding value, especially in brokering outside capital provision. Of critical importance here is to **fully engage rural youth**, since they are well-informed and networked, have an eye for innovation and scaling and are keen for opportunities to become (self-) employed in agricultural value chains rather than leave for semi-unemployment in the city *(see Knowledge Note: ATVET)*.

SUGGESTED ROLE EVOLUTION OF THE PUBLIC SECTOR	
ROLE	POLICY
Investor	Direct capital placement Special lending facilities
Co-investor	Initiate PPPs Improve infrastructure
Convener	Scout investment opportunities Build hypothetical deal books
Facilitator	Engage new-generation investors Form clearinghouses

Investment clearinghouses could be a valuable mechanism to link innovation with investment. The formal financial sector has a persistent challenge in penetrating and servicing rural areas: costs and risks are perceived as too high relative to other lending and investment opportunities. Even specialised rural banks tend to focus on savings and money transfers. In order to build a more productive environment, therefore, governments can support the formation of multi-party rural clearinghouses. These could be mandated to scout, pre-assess and possibly assist ongoing initiatives to the point at which professional investment or business plans can be presented to a group of preselected investors. This would reduce assessment costs for investors and also allow the government to ensure proper representation of priority investment concerns.

On the rise, meanwhile, is a growing number of unconventional investors who apply a variety of capital sourcing and investment strategies. Capital is not attracted in conformist capital markets, but rather from social or impact investment funds, high net-worth individuals, family funds and crowdfunding. Typically, funders do not exclusively or primarily focus on superior financial returns, but rather on a wider range of results and outcomes, usually in the realm of environment, youth, women or innovative IT applications. Most do not have extensive deal identification capacity and are interested in engaging in new models of cooperation. Rural investment opportunities are therefore often highly appreciated. The crux of the matter, from this perspective, is that the time for a new approach may have come. There is a growing body of innovation and progress already in place in many countries.

In light of the above observations, therefore, it could be a sensible strategy for the public sector to play an active role in linking those most in need with new-style investors and, thus, invest in dealmaking capacity in its growing role of convenor and facilitator. This adjusted role concept could be introduced and formalised in NAIPS wherever it is considered opportune.

How Investment Finance is Measured in the Biennial Review

Malabo Commitment	Commitment Performance Category	Objectives	Indicator	Targets value
2 Enhancing Investment Finance in Agriculture	2.1 Public Expenditures to Agriculture	Allocate enough funds for agriculture in national budgets	2.1i- Public Agriculture Expenditure as share of total public expenditure	10%
			2.1.ii- Public Agriculture Expenditure as % of agriculture value added	19%
			2.1iii- ODA disbursed to agriculture as % of commitment	100%
	2.2 Domestic Private Sector Investment in Agriculture.	Put in place or strengthen mechanisms to attract domestic private investment in agriculture	2.2- Ratio of domestic private sector investment to public investment in agriculture	
	2.3 Foreign Private Sector Investment in Agriculture.	Put in place or strengthen mechanisms to attract foreign private direct investment in agriculture.	2.3- Ratio of foreign private direct investment to public investment in agriculture	
	2.4 Access to finance	Increase access of smallholder farmers/rural households to and use of financial services for the purposes of transacting agricultural business (purchasing inputs, machinery, storage technologies, etc.)	2.4- Proportion of men and women engaged in agriculture with access to financial services	100%

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Herman Abels

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-0-6399233-0-7

Date: June 2019

Research and Extension for Agricultural Transformation

Background and Context

Agricultural research and extension contribute to CAADP Malabo Declaration Commitment 3 (ending hunger by 2025) and Commitment 4 (halving poverty by 2025 through inclusive agricultural growth and transformation) by driving growth, innovation, production and productivity. Agricultural research and development, in particular, have been shown to produce some of the highest returns of any agricultural investment[1].

Agricultural research and development lead to improved production and productivity through development and adoption of improved crop varieties, improved livestock breeds and better natural-resource management practices. Broadly speaking, research and development (R&D) can be said to transform agriculture as a consequence of (i) the productivity impact, which optimises the efficient use of resources, (ii) the livelihood impact, which determines whether gains of increased productivity benefit the majority, and (iii) the environmental impact, which determines whether the gains achieved by the other two impact indicators can be sustained. The benefits of additional income generated from agricultural research are passed on to producers through higher profits and to consumers in the form of lower prices. Investment in agricultural research is, therefore, key to economic growth, since the benefits produced are widely and more equitably distributed.

KEY MESSAGES

Agricultural research and extension can yield high returns and can therefore contribute significantly to food security. African governments should therefore increase funding to research and extension in order to strengthen human capacity, research infrastructure, facilities and institutional frameworks. Principal programmatic focus should be the development and scaling up of technologies and innovations, integrated capacity strengthening, knowledge management and gender mainstreaming. The main policy issues that need to be addressed include anchoring agricultural research and extension policies into the national multi-sectoral integrated food security frameworks and strengthening policy and institutional frameworks so as to enhance formal and informal linkages between researchers, extension workers and farmers.

Main Challenges Facing Agricultural Research and Extension

One of the main challenges to agricultural research and extension in Africa is the lack of sufficient and sustained levels of funding. Most African countries, for instance, do not meet the AU-recommended minimum spend of 1% of agricultural GDP on agricultural research for development (FAO, 1990; Beinstema and Stads, 2011). Consequently, Africa is still highly dependent on donor funding for agricultural R&D, which stands at 30% of national budget on average (Akinbamijo, 2015).

Added to the insufficiency of funding are the challenges of human capacity and institutional weaknesses. Currently, for example, there are indications that, in most African countries, the agricultural research cadre is not growing in tandem with the population, student numbers or economic growth. The available capacity is, therefore, not adequate to meet the goal of increasing agricultural productivity by 6%, as stipulated under CAADP (Beintema and Stads,

1 Overall evidence from a broad range of research shows that returns from investments in agricultural research is two to three times higher than from other agricultural and non-agricultural investments.

2011; Babu et al, 2011). Such human capacity challenges are compounded by the inadequacy of research facilities and infrastructure for conducting cutting edge, innovative research. Where facilities *are* available, they are often underutilised due to insufficient technical expertise.

At the same time, meanwhile, many African countries suffer a lack of functional and cost-effective institutional frameworks through which to deliver technology and / or extension services to farmers. This problem is primarily a result of weak integration of the agricultural research, extension and training institutions. Added to this is the fact that the bureaucratic nature of extension management and personnel procedures make it difficult for extension agents to respond flexibly to local demands (Feder et al., 2010). As a result, public agricultural research extension systems are generally declining, with trends leaning toward the privatisation of extension services.

Other inherent challenges faced are the limited interactions of researchers with extension services and farmers – such as insufficient consultations with farmers in the development of research agenda – and weak mainstreaming of gender. The latter is caused by a lack of awareness, alignment, planning and execution of agricultural research and development (ARD) activities along the informal structural set-up of African smallholder agriculture, under which norms, beliefs and practices are gendered in the same way in which the society is gendered. Mainstreaming gender in ARD is further constrained by the low appreciation of the relevance of gender among many ARD organisations, and thus limited access to agricultural research and extension services by women farmers (Manyire and Apekey, 2013) (see also Knowledge Note: Women's Empowerment).

Recommendations for Anchoring Agricultural Research and Extension within NAIPs

Each National Agricultural Investment Plan (NAIP) should stipulate specific agricultural research and extension policy and programming interventions. The specific programmes and policies chosen for prioritisation within NAIPS will vary from country to country; depending on the developmental needs, country capacities, resource availability and stakeholder input. Suggested below, however, are some general priority areas that may be considered when developing a NAIP.

Specific policy and programming recommendations

- Efforts to increase and sustain food production and poverty reduction in Africa call for integrated capacity strengthening in agricultural research and extension. This includes strengthening the capacity of research scientists to effectively deliver quality research outputs, building the capacity of extension and advisory services to enhance technology delivery, adoption and scale-up, and strengthening institutional frameworks as well as research infrastructure and facilities. Such integrated capacity strengthening also requires creation of the enabling environment and incentives to increase staff retention, in addition to 'retooling' them in order to ensure they stay abreast of technological developments.
- The development and scaling up of technologies, innovations, policies and programmes are needed in order to enhance the development and scaling up of agricultural research and extension technologies,

innovations and management practices (TIMPs) for priority commodities. The development of TIMPS should be multi-disciplinary and comprehensive, therefore technological development and scaling up initiatives will require enabling environments in policy, markets, institutional capacities, culture, gender, partnerships and learning in which they are able to thrive.

- Policy advocacy is needed for articulation and anchoring of agricultural research and extension policies into the national multi-sectoral integrated food security frameworks. Market analysis is also needed, in order to assess the supply and demand of agricultural technologies. This should include participatory market research, opportunity identification (in terms of inputs, outputs, credit markets and seed systems), market development, marketing system innovations and establishment of credit, input and output market linkages. Institutional arrangements to enhance functional linkages between agricultural research institutes, extension, policy makers and farmers are also needed for the development, dissemination and adoption of technologies. Last, policy and institutional frameworks to promote formal and informal linkages between research, extension and farmers, especially at the field level, are also necessary.
- The growing importance of agricultural knowledge, together with the advancement of information and communication technology (ICT), have contributed to the development of agricultural knowledge management systems that provide the sector with the requisite knowledge. Policies and institutional frameworks are therefore needed in order to guide the generation, acquisition, documentation and sharing of knowledge among agricultural research and extension stakeholders. Knowledge management should include integrating indigenous knowledge into formal systems, thereby enhancing the collaboration between research, extension workers and farmers.

Gender mainstreaming recommendations

The challenges facing both women and young people in agricultural research and extension include limited access to productive resources such as land, water, inputs, technology, information and research opportunities, as well as limited access to extension services and credit. As a result, women and young people are not well represented in decision-making processes and so they lack voice. In most African countries, traditional systems bestow land ownership to the family head, which is, almost invariably, the senior male of the household. This restricts the ability of youth access to land on which they can invest. For married

women, whereas they may have access to productive land from their husbands, they often do not have control over its usage due to the overwhelmingly patriarchal systems (Njenga et al, 2015). Agricultural research and extension, therefore, requires the building of consensus about gender mainstreaming, followed by building competency and capacity on the issue. Of critical importance is the commitment to integrating gender within agricultural research and extension frameworks by allocating budgets concomitantly.

How Agricultural Research and Extension are Measured in the Biennial Review

Malabo Commitment	Commitment Performance Category	Objectives	Indicator	Target value
Ending Hunger by 2025	3.1 Access to Agriculture inputs and technologies	Promote utilization of cost-effective & quality agricultural inputs, irrigation, mechanization, and agrochemicals for crops, fisheries, livestocks and forestry e to boost agricultural productivity.	3.1iv- Proportion of farmers having access to Agricultural Advisory Services	100%
			3.1v Total Agricultural Research Spending as a share of AgGDP	1%

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Dr. D. Kiambi

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-0-6399233-1-4

Date: June 2019

Mechanisation for Agricultural Transformation

Background and Context

Under the African Union's 2014 Malabo Declaration, AU member states have explicitly committed themselves to making investments in *'suitable, reliable, and affordable mechanisation and energy supplies'* in order to double productivity by 2025 (Commitment to Ending Hunger, 3(a)). In spite of this commitment, however, only a few countries have actually included mechanisation in their National Agriculture Investment Plans (NAIPs). In 2018, the AU presented the Inaugural Biennial Review Report on the implementation of the Malabo Declaration and the Africa Agricultural Transformation Scorecard (AATS). Indicator (i) of Performance Area #3– Ending Hunger – measures *'access to agriculture inputs and technologies'*. This indicator reflects countries' commitment to and progress in promoting the utilisation of cost-effective and high-quality agricultural inputs, irrigation, mechanisation and agrochemicals for crops, fisheries and aquaculture in order to boost productivity.

Benefits of specifically including mechanisation investment strategies in countries' NAIPs include the development of the policy and regulatory frameworks that are necessary for incentivising private investment in the development, supply and maintenance of agricultural equipment and related technologies, in addition to facilitating the leveraging of public funds for mechanisation within agricultural value chains.

Main Challenges to Rapid Mechanisation of Agriculture in Africa

Africa currently has the highest growth rates of population, urbanisation and middle-class consumers of any continent. Combined, these factors are fuelling a sharp increase in food demand, which has led to a rapid increase in agricultural import expenditures by African countries. Between 2001 and 2011, the total value of agricultural imports rose tenfold, to nearly US$80 billion per year.[1]

The failure to accelerate and sustain growth within the agriculture sector will have major impacts on African countries as well as on global food markets. By missing out on the opportunity to capture a larger share of the growing demand from continental and global agricultural markets, Africa will miss the opportunity to create wealth and employment opportunities.

Currently, Africa is the continent with the least mechanised agricultural system in the world. African farmers have ten times fewer mechanised tools per farm area than farmers in other developing regions, and access has not grown as quickly as in other regions. 50-85% of farm work continues to be done manually, without the support of animals or

KEY MESSAGES

In order to raise agricultural land and labour productivity, to generate rural employment and make it more attractive and to achieve future growth and poverty reduction agendas, governments must embrace the technological, policy, and institutional innovation opportunities afforded by mechanisation. Successful mechanisation along the value chain will have to be a priority in any future development and growth agendas for African smallholder agriculture. Its success depends on organisational innovations such as reliable services and cooperation arrangements for and with farmers.

1 African Union Commission (2018). Inaugural Biennial Review Report of the African Union Commission on the Implementation of the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared prosperity and Improved Livelihoods.

machinery.[2] Only 10% of total power for land preparation in sub-Saharan Africa comes from engine-powered machines, usually using fossil fuels.[3] Africa also continues to have the highest share of food loss and waste – a total of 36% across the continent *(cf. Knowledge Note: Post-Harvest Loss)*. 30% of this is lost due to poor harvesting, post-harvesting, processing and packing processes. For example, estimates indicate that around one millions tons of additional milled rice could be available in Africa by halving on-farm post-harvest losses alone through the use of appropriate, locally available, suitable and adapted milling machines. This translates to 17% of current rice imports per year, worth an equivalent of US$410 million.[4]

Furthermore, the use and power of tractors in Africa has barely increased over the past 40 years. In 1960, Kenya, Uganda and Tanzania *each* had more tractors in use than India. By 2005, India had 100 times more tractors in use than the three countries combined. In 1980, meanwhile, there were just two tractors per 1,000 hectares; by 2003 this had fallen to an average of just 1.3. By comparison, there were 7.8 tractors per 1,000 hectares in 1980 in Asia and the Pacific region – by 2003 this had jumped to 14.9.[5]

There are also strong disparities between North and sub-Saharan Africa: in 2007, only 37% of the continent's tractors were found in SSA, with West and Central Africa showing the lowest uptake on the continent, with just 9% and 2% respectively.[6]

On the other hand, substantial and visible progress and growth in some African countries and in some sectors is reason for optimism. However, more needs to be done to meet future food demands and to further accelerate agricultural transformation. It will, therefore, be crucial to analyse and address the technological, policy and institutional innovations that are required in order to improve agricultural land and labour productivity more quickly, as well as to learn from those African countries for which adoption of sustainable mechanisation has contributed to socially sustainable mechanisation pathways and agricultural growth.[7]

Recommendations for Anchoring Mechanisation within NAIPs

The development of national agricultural mechanisation investment strategies that form part of countries' NAIPs must be encouraged by governments, as they will support the development of the policy and regulatory frameworks that incentivise private investments in supply of agricultural equipment. Such strategies will also enable governments to mobilise further public funds to be directed to mechanisation and new technologies for agricultural development. They will also contribute to the CAADP target of doubling productivity by 2025, in addition to increasing the availability of, and access to, machinery and technologies specified under the AU's Biennial Review Performance Area #3, Indicator (i). Furthermore, increased availability of machines and technologies will stimulate the creation of employment opportunities, particularly in rural areas and for off-farm activities. Crucially, if done in the right way, mechanisation will be employment-enhancing without being labour-replacing.

As women continue to dominate the informal food processing and trading sectors, in addition to comprising a significant share of the manual farm labour force in most African countries, mechanisation can reduce much of the drudgery of farming activities while simultaneously improving the efficiency and timeliness of farming, as well as creating new employment and entrepreneurship opportunities in other segments of the value chain. For young people, the adoption of small, affordable and easy-to-maintain tools and technologies could stimulate jobs and entrepreneurial opportunities, such as in the processing and transport segments or the hiring services market.

The 'uberisation' of mechanisation and other hiring service models, meanwhile, offers real opportunities and provides viable alternatives to costly subsidy programs and government-run procurement and distribution schemes. Furthermore, in the longer term, countries may consider opportunities to leapfrog stages of technological development through the design and adoption of equipment which uses alternative sources of energy and advances in digital technology. These machines will need to increase productivity along the entire value chain while minimising the costs to both the environment and to agricultural ecosystems.

There are important lessons that can be learned from those African countries that have already included mechanisation in their NAIPs and are at the forefront of making progress with mechanisation. A study of seven African countries – Ethiopia, Malawi, Mali, Morocco, Rwanda, Tanzania and Zambia – conducted by the Malabo Montpellier Panel,

2 FAO and African Conservation Tillage Network (2017). Consultative Meeting on a Mechanization Strategy: New Models for Sustainable Agricultural Mechanization in sub-Saharan Africa.

3 FAO and UNIDO (2008).

4 Africa Rice. Post-Harvest. Accessed 4 June 2018.

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6 J. Kienzle, J.E. Ashburner and B.G. Sims (2013). Malabo Montpellier Panel (2018).

7 Malabo Montpellier Panel (2018).

in June 2018, analysed which policy decisions had been taken and which interventions had been implemented to substantially increase the uptake of mechanisation and technologies along the entire value chain.[8] The findings of the study resulted in the following seven specific policy recommendations:

- **Elevate national agricultural mechanisation investment strategies to priority status within National Agriculture Investment Plans (NAIPs).** The development of national agricultural mechanisation investment strategies that form part of countries' NAIPs must be encouraged by governments and supported by the policy and legal frameworks that incentivise private investments in supply of agricultural equipment.
- **Design socially and politically sustainable mechanisation pathways.** With new machines and technologies constantly emerging, it is ever more important that governments design mechanisation strategies that generate new employment opportunities for those working in the rural on- and off-farm economies. This is particularly important given how critical employment is to reducing poverty, reducing migration and maintaining political stability.
- **Prioritise mechanisation along the entire agriculture value chain.** Governments must prioritise mechanisation along the entire food value chain, not just at the production level. This calls for investments into the design and development of technologies that improve the quantity and quality of food. More emphasis should be placed on post-harvest and processing technologies that increase the commercialisation of farmers' production by adding value to crops while at the same time reducing food loss, reducing waste and increasing food safety.
- **Investments in supportive infrastructure and vocational training at scale.** Governments must increase their investment to build and improve necessary infrastructure, such as irrigation, transport networks and electricity grids. This infrastructure is needed for smallholder farmers in remote, rural areas to be able to harness the opportunities of new machines and technologies and facilitate access to markets that are otherwise inaccessible. Furthermore, the provision of training facilities needs to be enhanced in order to expand access to opportunities for skills development and upgrading along the value chain; cooperative systems and the private sector should engage in this process *(cf. Knowledge Note: ATVET)*.
- **Create a conducive business and services environment.** It is essential that the private sector is incentivised to take agricultural mechanisation to scale.


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The principal methods for achieving this are providing financial security, smart subsidies and / or tax waivers when engaging with smallholders. Meanwhile, access to new machinery for farming and processing, in particular by smallholders, women, and youth initially requires a supportive fiscal regime in which sales taxes are low and barriers (such as import duties on agricultural machinery, spare parts, and raw materials for local manufacturing) are minimised. Creating this conducive environment will further facilitate the advancement of entrepreneurial machine-hiring services through the acquisition of machines and tools for production, processing and trading. Low income smallholders and women farmers may need to be assisted to be able to pay for such services, however.

- **Develop an African agricultural machinery industry.** Africa needs to further develop its own agricultural machinery industries in a way which makes use of the region's inventiveness while also taking account of its specific contexts. The industry may grow as a mix of small, creative start-ups, some of which may work in partnership with established international corporations. The private sector can play a crucial role in bringing to scale the design, development, and provision of

8 Ibid.

technologies that are proven to be impactful. Increased cooperation between the private sector and research institutions, meanwhile, is needed in order to strengthen domestic mechanisation efforts. This can be achieved by developing locally appropriate and affordable machines and technologies. Substantial investment in public-private partnerships must therefore be made in order to foster research and development, vocational training and skills development programmes, as well as to stimulate innovation along the value chain *(cf. Knowledge Note: Research and Extension)*. This needs to include the design and manufacturing of equipment and the servicing of machinery and tools, such as through mechanisation service centres and technical extension services which include the collective action of farmer organisations.

- **Empowering smallholder farmers' and women's groups.** In order to bring to scale locally developed and proven technologies, the integrated provision of services such as 'one-stop shops', at which farmers receive advice to match their demand with the appropriate technologies and inputs, is needed. Since women in Africa continue to make up a significant share of farm labour, they too need to be actively involved in the innovation and scaling up of mechanisation and the development of new technologies.

It is a promising sign, that between 2005 and 2014, several African countries were able to increase the uptake of mechanisation along the entire agricultural value chain; in this way they increased their agricultural output and generated new off-farm employment opportunities.[9,10] Their experiences can help other governments develop country-specific mechanisation strategies and policies that favour collaboration between the private sector, research institutions and the governments themselves.

9 Ibid.

10 O.K. Kirui, and J. von Braun (2018).

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Dr. Katrin Glatzel, IFPRI / Malabo Montpellier Panel

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-0-6399233-2-1

Date: June 2019

Digital Technologies for Agricultural Transformation

Background and Context

Innovative digital technologies for 'smart' farming can help improve yields, efficiency and profitability, resulting in the transformation of value chains (World Bank, 2011). Agriculture is critical to achieving Africa's development goals, but business-as-usual farming will not help to overcome the challenges that the continent faces in transforming the sector. The potential of information and communication technologies (ICTs) is recognised in many national agricultural strategies, but adoption of technology remains limited and the continent is not yet maximising the benefits of innovations (CTA, 2014).

The use of digital technologies, including computers, mobile phones, satellites, crop sensors and drones, can play a key role in achieving all of the commitments made under the Malabo Declaration. Digital technologies aid greatly in the generation, analysis and use of data and information – as is explicitly recognised in the CAADP Results Framework[1]. Application and exploitation of digital technologies should therefore be strongly embedded in National Agricultural Investment Plans (NAIPs). Much more needs to be done by African states to capitalise on digital innovations if the accelerated growth and agricultural transformation that is required is to be achieved. Smart farming for the future will require smart digital decisions as well as corresponding policy implementation.

KEY MESSAGES

Digital technologies can play a key role in transforming African agriculture, accelerating growth and improving livelihoods on the continent. AU Member States must put in place effective strategies to develop ICT connectivity and their affordable usage in rural areas, while also promoting data-enabled agriculture. Stronger collaboration must be secured with the private sector – including African digital start-ups – and donors, with particular attention paid to enhancing the effectiveness of agricultural digital innovations.

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1 See CAADP Results Framework 2015-2025, element 3.6

Challenges to the Effective Use of Digital Technologies with Regard to Achieving Malabo Declaration Commitments

- **Increasing food security and boosting intra-African trade**

  In 2012, formal intra-African trade made up just 11% of the continent's trade, and an already high food import bill is estimated to rise to over US$115 million by 2050 (AfDB, 2016). A key constraint to improving trade is inadequate information on markets, policies and regulations (AU, 2017). Many digital tools currently developed help enhance productivity, reduce post-harvest losses, better manage irrigation, ensure nutrition security and boost regional trade, in large part by improving the collection and transfer of information. For example, Geographic Information System (GIS) technology attached to trucks is now used to track movement of goods and enhance traceability. This technology can be linked to border systems for clearing goods. However, uptake is challenged by inadequate knowledge of the most effective tools, costs of access to the technologies, digital illiteracy, poor connectivity in rural areas, weak government investment in their adoption and the often short-term timeframes of donor-funded projects. Although most African countries have acknowledged the potential of digital technologies for overcoming such challenges, adoption and implementation remain limited. Many projects remain at proof-of-concept level and their scaling up is inadequately addressed.

- **Enhancing investment in agriculture** *(see also: Knowledge Note Agricultural Finance)*

  Less than 1% of commercial loans currently target the agricultural sector (IFC, 2018). This means that smallholders and agribusinesses have insufficient access to the financial resources needed to improve their livelihoods.

  Financial technology (or 'fintech') start-ups and telecom operators in Africa have launched world-class innovations that are increasing financial inclusion and access to investment for farmers. Examples include the mobile payment system MPesa in Kenya and the financial management platform Mobis in Uganda. However, African banks have been slow to adopt digitalisation, and collaboration among public and private fintech stakeholders remains weak. This has resulted in missed opportunities for interacting more effectively with financial markets and integrating new practices – such as data analytics for credit-scoring in order to reduce default risks.

- **Enhancing resilience to climate variability** *(see also Knowledge Note: Climate-Smart Agriculture)*

  Agriculture and food security are negatively impacted by the adverse effects of climate change. Extreme weather conditions result in the disruption of planting seasons and impact on harvests. Although new technologies and tools for building climate resilience have emerged, adoption is challenged by factors such as the complexity of building sensors which can

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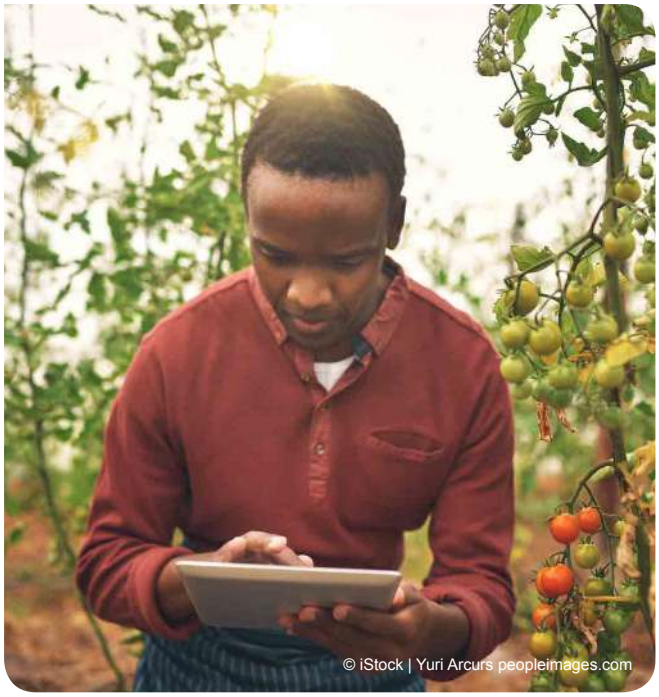

accurately predict weather conditions, lack of data to carry out local and customised analytics and the cost of remote-sensing devices.

- **Opportunities for youth and women** *(see also: Knowledge Notes: Women Empowerment; ATVET)*

  Although commitments under the Malabo Declaration state that 30% more jobs need to be created for youth and the engagement of young people and women in profitable agribusinesses needs to be improved, digital technologies are not being sufficiently leveraged to enable job creation for youth in agriculture (AGRA, 2015; CTA *et al.*, 2014). Constraints to supporting the engagement of youth and women in agribusinesses include digital illiteracy, inadequate connectivity in rural areas and, particularly for rural women, cultural barriers, lower levels of education and lack of financial and digital assets (FAO, 2018).

- **Tracking progress toward meeting the Malabo commitments** *(see also Knowledge Note: Biennial Review)*

  Many African governments face important challenges in managing data and information systems in order to adequately deliver and report on their delivery of Malabo Declaration commitments. Improved management of agricultural strategies is constrained by poor data-enabled statistical capacity. The 2017 Biennial Review process of tracking Malabo commitments showed that, at all levels, many stakeholders faced challenges in collecting and analysing data. Another key weakness identified was the inability to capitalise on digital platforms to share and apply lessons and good practices.

Recommendations for Embedding Digital Technologies Within NAIPs

It is advisable that relevant programmes designed and implemented within the framework of NAIPs take into account the following key recommendations in order to achieve the Malabo commitments:

- **Increasing food security and boosting intra-African trade**
  - Governments must integrate the adoption of digital tools within all agricultural sector programmes and strategies, including implementing relevant capacity-building programmes. Particular attention should be focused on tools and programmes supporting innovative mechanisation, land management, smart irrigation, reducing food waste and enhancing nutrition security.
  - Governments must modernise market information systems by improving the inclusion of digital technologies in their operations. Particular attention must be granted to systems devoted to priority commodities. ICT-based warehouse receipt systems and agricultural commodity exchanges need to be promoted and modern regional and continental market information systems need to be developed to support intra-African trade.

- **Enhancing investment in agriculture**
  - The growth of digital financial services – including mobile money services, crowdfunding and blockchain, a digital ledger that facilitates transparent and unfalsifiable transactions – are improving financial inclusion. In order to maximise the potential of these technologies to boost inclusive agricultural investment, AU Member States must support their wider deployment within the agricultural sector by strengthening the institutional frameworks for digital financial services. New tools and schemes such as blockchain, data-supported creditworthiness scoring and farmer profiling should be promoted.

- **Enhancing resilience to climate variability**
  - Data acquired through the use of the internet of things (IoT) – i.e. the internet of computing devices embedded in everyday objects, enabling them to send and receive data – as well as the use of remote-sensing technologies such as drones and satellites can enable crop farmers, pastoralists and fisherfolk to become more resilient to climate- and weather-related disasters and risks. Strategies must be established which strengthen national and regional capacities and

develop appropriate equipment in this field. More effective collaboration should be encouraged between global and national data and satellite service providers. Relevant index-based insurance schemes for farmers also need to be implemented.

- **Opportunities for youth and women**
  - In order to expand agribusiness opportunities for young people and women and increase job creation, African governments need to better support the use of digital technologies by establishing or expanding digital literacy programmes, facilitating access to affordable digital services and promoting youth digital entrepreneurship in agriculture.

- **Tracking progress toward meeting the Malabo commitments**
  - In order to better track progress toward meeting the Malabo commitments, strengthening systems for CAADP programme delivery and ensuring mutual accountability, governments need to invest in digital platforms for data collection, management and reporting for decision making. They must also ensure capacity building for those involved in CAADP and NAIP-related processes. These tools include computer-assisted personal interviewing, data collection through mobile applications and online repositories. The AU has already taken an important first step in this direction at the continental level by digitising data collection for CAADP Biennial Reviews through an online entry system which is linked to a cloud-based database called 'e-BR'.
  - Indicator data should be made available as part of a country's open data agenda, taking account of standards and opportunities for linked open data solutions such as the Government Open-Up Guide for Agriculture developed by the GODAN initiative - see https://bit.ly/2Rk8AZu. In order to ensure successful delivery and use of data, alliances should be built with partners to support data and knowledge exchange across platforms.

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Technical Centre for Agricultural and Rural Cooperation (CTA) - Led by Ken Lohento

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-0-6399233-3-8

Date: June 2019

Land Policy and Governance in the Context of CAADP

Background and Context

Three of the seven Malabo Declaration commitments and their associated targets are particularly relevant to land policy and governance:

- Commitment to ending hunger in Africa by 2025.
- Commitment to halving poverty by the year 2025, through inclusive agricultural growth and transformation.
- Commitment to enhancing resilience of livelihoods and production systems to variability and other related risks.

Land as a productive resource holds huge potential for propelling Africa to achieving the above commitments and targets set. However, for this to happen, land must be well governed. This includes anchoring land governance on the principle of true participation.

National Agriculture Investment Plans (NAIPs) which are developed to ensure compliance with the Malabo targets present a valuable tool to entrench land governance measures at national policy level.

KEY MESSAGES

Capacity development is critical to good land governance and to policy reform. A weak land governance regime leads to irresponsible agricultural investments and breeds tenure insecurity, land grabbing, land conflicts, inequitable land distribution, social exclusion, political instability and unsustainable natural resource management. The most effective means of improving land governance on the continent is to develop the needed capacity to confront the menace as a pathway to agricultural transformation. This underscores the need for second-generation NAIPs that take into account country-level peculiarities.

Challenges to Good Land Policy and Governance

- **Inadequate capacity to manage land resources**

  Many African countries have inadequate capacities for effective management of their land resources. Lessons learned, new knowledge and urgently required data are not disseminated as widely (or as fast) as they should be at either national, regional or continental levels. As a result, the implementation of sustainable land policy in African countries is under threat. For land to be governed to the levels expected by CAADP, capacity development is critical. Capacity building measures which can untap the potential for reforming land policy in African countries include, inter alia, developing capacities of universities and research institutions to enable them to provide advisory services on sustainable land policy to policy-makers, developing tools for mainstreaming land issues in CAADP-compliant NAIPs, and the use of existing or emerging innovative technologies for planning, monitoring and evaluation of land governance.

- **Insecurity of land tenure**

  While many NAIPs have been used effectively, among other things, as instruments for attracting private investors to partner with governments, their success has sometimes been limited by the problems private investors face with insecure tenure systems in Africa. Historically, Africa's political ecology has been defined by rules of access to and use of land, as embedded in societal relations. These have become impacted upon by demographic, economic, political, social, environmental and climatic changes. A pluralistic legal regime of land governance has emerged in which lack of understanding, corruption, weak enforcement and confusion fuel tenure insecurity.

- **Limited access to land by women**

  Good land governance must be understood as governing access to land for both men and women. Globally, women own less land and have less secure rights over land than men: on average, they make up less than 20% of the world's landholders – and less than 10% in developing countries. In sub-Saharan Africa, meanwhile, women occupy 60-80% of the entire agricultural value chain. Their limited ownership of land resources, however hampers their influence in decision making about land and makes them more vulnerable to displacement and exploitation. Enhancing women's land rights, therefore, presents huge potential with regard to agricultural transformation (*see also Knowledge Note: Women Empowerment*).

- **Land conflicts**

  Disputes and conflicts over land are on the rise in many African countries. Under the present conditions of high population growth, large-scale economic globalisation, climate change, natural disasters and internal and transnational migration, land is becoming an even more explosive issue, in particular in countries marked by fragile institutions, weak governance and socio-economic and gender gaps. Such disputes and conflicts render land unproductive as long as they persist. In addition, land conflicts often have extensive negative effects on economic, social, spatial and ecological development. Solving and preventing land conflicts, as well as addressing land issues responsibly in peace, conflict and post-conflict situations is, therefore, key to any inclusive and sustainable development, peace and stability, let alone to the maintenance of human rights.

- **Corruption in land administration and governance**

  The ownership and control of land resources provide power of influence in decision-making. Abuse of this power results in both administrative corruption and state capture in land governance. This takes place in both customary and state institutions of land governance. An opaque system of land-related deals which provide little or no public information facilitates this process of corruption. The political economy of land governance has produced a small minority of gainers and a large majority of being losers.

- **Emergence of the state as a major actor in land governance**

  The emergence of the state as a key player in land policy and governance with the power of expropriation has often produced confrontational attitudes between the state and customary authorities in Africa. A careful balance is needed between the public interests of the state and the right to private property. This balance should be mediated through prompt, adequate and fair compensation payments.

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- **Effects of environmental degradation and climate change**

  Resource governance and tenure regimes will continue to be destabilised and forced to evolve in response to climate change impacts. In most of the developing world, climate change will decrease the productive value of land and natural resources. It will also intensify human migration and displacement. These forces will invariably destabilise national governance and land governance regimes, will spur the evolution of both statutory and customary tenure arrangements, and will open the door for powerful actors to expand their claims on land and other natural resources. Tenure security will be a critical element of future policy discussions on adaptation to the impacts of climate change (*see Knowledge Notes: Sustainable Land Management, Climate Smart Agriculture*).

Recommendations for Improving Land Governance through NAIPs

Land governance can be improved by implementingNAIPs that prioritise the following issues:

- **Capacity development in land governance** is a *sine qua non* for improved land governance in Africa. Country-level stakeholders should be part of continental networks for good land governance to enhance learning. The Network of Excellence on Land Governance in Africa (NELGA), established by the African Land Policy Center (ALPC), is a good example of how this capacity might be developed.
- **An innovative tenure model,** such as the social tenure domain model of the Global Land Tool Network (GLTN), that is considered fit for purpose within the African context, is an imperative for improved tenure security.
- **Gender mainstreaming:** gender neutral policy, legislation and instruments do not automatically lead to gender-neutral outcomes. Gender mainstreaming within NAIPs, which specifically targets women's land rights, is required, therefore, in order to achieve agricultural transformation.
- **Transparency and accountability mechanisms in land governance** are urgently needed at country level to address corruption, as well as to stiffen punitive measures and to avail land-related information more widely to the public.
- **Re-examination of expropriation practices** and balancing them with the rights to restitution and private property, including by the prompt payment of fair and adequate compensation, are necessary steps to be embedded in NAIPs.
- **Massive investment in affordable, environmentally friendly alternatives by member countries:** although sensitisation and education are necessary measures for environmental protection, they offer little hope for building resilience and providing sustainable livelihoods in the absence of suitable and affordable alternatives to environmentally damaging activities.

Measuring Progress in the CAADP Biennial Review

Under CAADP, land management is treated as a cross-cutting theme, with various indicators measuring land productivity, sustainable land use and other land-related issues. More specifically, sub-indicator 3.1(vi) measures progress on securing land rights.

Malabo Commitment	Commitment Performance Category	Objectives	Indicator	Target value
3 Ending Poverty by 2025	3.1 Access to agricultural inputs and technologies.	Promote utilisation of cost-effective, quality agricultural inputs, irrigation, mechanisation and agrochemicals for crops, fisheries, livestock and forestry in order to boost agricultural productivity.	3.1 vi - Proportion of farm households with ownership or secure land rights.	100%

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: John Tiah Bugri

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-0-6399233-4-5

Date: June 2019

Post-Harvest Loss: The African Union Commission's Post-Harvest Management Strategy

Background and Context

Commitment 3 of the Malabo Declaration (Ending Hunger in Africa by 2025) calls for African Union Member States to cut 2014 levels of post-harvest losses by half until2025 –, as measured in the Biennial Review. In line with this target, and with support from the FAO, the African Union Commissions Department for Rural Economy and Agriculture (AUC-DREA) has since developed the African Union Continental Postharvest Management Strategy (AUC 2018). In addition to achieving the targets of the Malabo Declaration, the implementation of this strategy will support the attainment, at the global level, of the United Nations Sustainable Development Goal (SDG) Goal 12.3 which aims, by 2030, to halve per-capita global food waste at the retail and consumer levels, as well as to reduce food losses along production and supply chains, including post-harvest losses.

This strategy presents an integrated approach to dealing with post-harvest losses by bringing together all possible technical and policy approaches across the entire agricultural value chain to address the causes of post-harvest losses along priority commodity food chains.

Main Challenges to Improving Post-Harvest Loss Management

Food loss and waste is a global phenomenon: roughly one-third of the food produced in the world for human consumption is wasted. This loss and waste amounts to roughly US $680 billion in industrialised countries and US $310 billion in developing countries annually (FAO 2019). Total quantitative food loss in sub-Saharan Africa, meanwhile, has been estimated at a 100 million metric tonnes per year. For grains alone, the value of post-harvest losses are estimated to equate to approximately US $4 billion per year (at 2007 prices). This quantity could meet the annual food requirements of about 48 million people, exceeds the annual value of grain imports into Africa, and even exceeds the value of total food aid received in sub-Saharan Africa over the past decade.

KEY MESSAGES

Post-harvest losses occur both in quantitative terms, affecting food availability and nutrition security, and in qualitative terms, affecting the use, utilisation and availability of food. Apart from reducing the total amount and quality of food available, PHL also exacerbates already fragile and poverty-ridden rural economies by eroding income generation along the food value chain and thereby, affecting the accessibility, as well as the sustainability, of food and nutrition security. Overall, post-harvest losses have a tremendous impact on the totality of food and nutrition security. Halving post-harvest losses from current levels will, therefore, have a tremendously positive impact in reducing food insecurity on the African continent.

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In the Inaugural Biennial Review Report for implementing the Malabo Declaration, very few countries reported on the indicator measuring Post-Harvest Loss. Based on the African Agriculture Transformation Scorecard derived from the Report, it would appear that African countries still face significant challenges in addressing post-harvest loss (PHL) management. Some of these challenges are summarised in Table 1.

It is challenges such as those listed that the African Union Post Harvest Loss Management Strategy will address from a continental perspective, in support of actions to be taken in the same areas at the regional economic community level and, ultimately, at Member-State level also.

Objective	Key Challenges
1. Policy	▶ Lack of policy direction and focus on post-harvest loss (PHL) management ▶ Lack of standardised structures within national PHL management strategies
2. Awareness	▶ Lack of awareness at all levels and lack of high-level focus on PHL
3. Institutional	▶ Lack of coordination among country actors and institutions dealing with PHL ▶ Poor involvement of the private sector and other disciplines in coordinated action on PHL ▶ Lack of institutional capacity development on PHL management ▶ Poor enforcement of existing PHL regulations and guidelines (eg. regarding marketing systems and storage structures)
4. Knowledge management and data	▶ Fragmented and uncoordinated efforts at research and development on PHL ▶ Lack of PHL best practices and knowledge platforms, universities, research institutions and training centres ▶ Lack of PHL data, lack of harmonised data and poor reporting ▶ Poor agricultural market information systems
5. Skills and human development	▶ Lack of PHL training at all levels of the education system ▶ Poor extension services which also lack PHL management training
6. Technology, agri-business and agro-processing	▶ Lack of appropriate technology and access to PHL reducing technologies ▶ High cost of PHL-reducing technologies ▶ Lack of regulations on standards and efficiency ratings for PHL reducing technologies ▶ Poorly developed agri-business and agro-processing due to lack of incentives for the private sector involving in PHL management, particularly in agri-businesses and agro-processing
7. Markets and market infrastructure	▶ Lack of formal coordinated marketing structures ▶ Lack of trading and / or marketing regulations ▶ Lack of grades and standards for both commodities and storage structures ▶ Lack of or weak market infrastructure such as roads, transport, storage
8. Financing and investment	▶ High cost of, and poor access, to financing for PHL technologies ▶ Lack of funding for PHL activities ▶ Poor involvement of the private sector in PHL initiatives, including policy formulation
9. Cross-cutting	▶ Weak capacity to adapt and mitigate the effects of climate change on PHL ▶ Poor engagement and training of women and youth in PHL management ▶ Poor regulations on use and disposal of pesticides and other storage chemicals

Table 1: Challenges in addressing post-harvest loss management.
Source: African Union Post Harvest Loss Management Strategy (2018)

Recommendations for Anchoring Post-Harvest Loss Management Within NAIPs

NAIPs are implemented at country level, with support from the regional and AU levels. The AU Strategy is designed to support the implementation of country- or regional-level PHL activities through better investment planning.

Post-harvest loss management, in particular, calls for multidimensional and multi-disciplinary support throughout the agricultural value chain. To this effect, the African Union Post-Harvest Loss Management Strategy is structured around four pillars – outlined in Table 2 below – which can be used as guiding principles for revising the NAIPs.

Pillar	Strategic focus area(s)	Specific objectives cluster
I	Policy, Awareness and Institutional Capacity	1. **Policy:** Facilitate the development and effective implementation of structurally standardised and robust PHL policies and strategies. 2. **Awareness:** Facilitate and create awareness about the impact, economic value and consequences of PHL on food security. 3. **Institutional:** Facilitate the establishment of institutional and organisational mechanisms that allow for effective coordination and support of post-harvest loss initiatives.
II	Knowledge Management, Data, Skills and Human Development	1. **Knowledge management:** Support the creation, generation, dissemination and reporting of data, knowledge, knowledge products and best practices in post-harvest loss and its management. 2. **Skills and human development:** Facilitate the development of skills and capacities in PHL management and training.
III	Technology, Markets and Infrastructure	1. **Technology, agri-business and agro-processing:** The promotion of technological advancements, value addition and preservation through improved agri-business and agro-processing, to support PHL management best practices. 2. **Markets and market infrastructure:** Support the development of improved markets and market infrastructure, including grades and standards in PHL management throughout agricultural value chains. 3. **Cross-cutting:** Promote the use of environmentally friendly, labour-saving and gender-sensitive technologies in PHL management.
IV	Finance and Investment	1. **Financing and Investment:** Support governance that induces the macro-economic conditions conducive for financing and investment in PHL management. 2. **Private-sector involvement and investment in agriculture:** Support the establishment of engagement mechanisms in PHL management with the private sector in order to allow for leveraging private sector expertise, financing and business interests in food and nutrition security.

Table 2: The Strategic Objectives of the African Union Post-Harvest Loss Management Strategy.
Source: African Union Post Harvest Loss Management Strategy (2018) .

How Post-Harvest Loss is measured in the Biennial Review

Malabo Commitment	Commitment Performance Category	Objectives	Indicator	Target value
Ending Hungry by 2025	3.3 Post-Harvest Loss	Provide logistics support to all stages of the food production chain (field/ harvest, storage, processing, transportation, final retail market) to limit degradation both in quantity and in quality of the produced food.	3.3 Reduction rate of Post-Harvest Losses for (at least) the 5 national priority commodities, and possibly for the 11 AU agriculture priority commodities.	50%

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- FAO (2019). *'SAVE FOOD: Global Initiative on Food Loss and Waste Reduction'* - Key findings. Food and Agriculture Organization of the United Nations: Rome. - *View*

Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD
Prepared by: Martin Muchero
Designed by: Twaai Design
Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
ISBN-Number: 978-0-6399233-5-2
Date: June 2019

Integrating Social Protection into Agricultural Development Programmes

Background and Context

The 2014 Malabo Declaration emphasises agriculture-led growth as the engine for poverty reduction in Africa. In signing the Declaration, African leaders committed to end hunger on the continent by 2025, in part by integrating social protection with measures to increase agricultural productivity and committing resources to finance this integration (Commitment 3).

Social protection programmes — public or private initiatives that aid the poor and protect the vulnerable against livelihood risks — can effectively be used to assist those trapped, or at the risk of being trapped, in chronic poverty. Since most Africans still make their living 'directly' from the land, they are particularly vulnerable to natural disasters, climate shocks and food insecurity. However, in contrast to other regions, coverage of social protection is extremely low in Africa – see Figure 1. Cash transfers are the most prominent form of social protection on the continent. When recipient households, especially those living in remote rural areas of developing countries, face significant challenges and shocks, especially those that affect value chains, social protection can be invaluable in boosting agricultural production and productivity. In light of this, social protection can be said to have three objectives – the 'three P's':

- **Protection** of households against hunger through consumption smoothing;
- **Prevention** – intended to protect a household's assets during crises;
- **Promotion** of livelihoods.

Social protection can affect agricultural production and productivity through three channels in the short and medium terms. First, social protection interventions — such as unconditional cash transfers — reduce liquidity constraints and encourage spending on agricultural inputs. If regular and predictable, cash transfers can also facilitate small-scale savings or investment by acting as collateral, thereby enabling access to credit. Second, social protection instruments can affect the attitudes of farm-household members toward risk by altering household wealth. Third, social protection instruments may have a positive effect on food and nutrition security, which may in turn enhance labour productivity. Although

KEY MESSAGES

- **Emphasising the livelihood promotion role of social protection is key for building coalitions between ministries charged with social protection and with agricultural development. Maximising synergies between social protection and agricultural programmes can boost agricultural production and productivity, thus contributing to long-term growth and poverty reduction.**
- **Social protection initiatives that evolve out of domestic political agendas and which respond to local conceptualisations and prioritisations of need are more likely to succeed than initiatives which are based on imported, 'projectised' models.**
- **The long-term success of social protection programmes depends on the strength of local and national political systems. Mobilising the population to claim rights or entitlements from the state is also an essential complement to technocratic approaches to social protection.**
- **In order to ensure their long-term sustainability it is imperative that domestic tax collection systems are strengthened. Well-designed national social protection programmes can play a vital role in ensuring that the benefits of, and opportunities provided by, economic growth reach the poorest and most vulnerable households.**

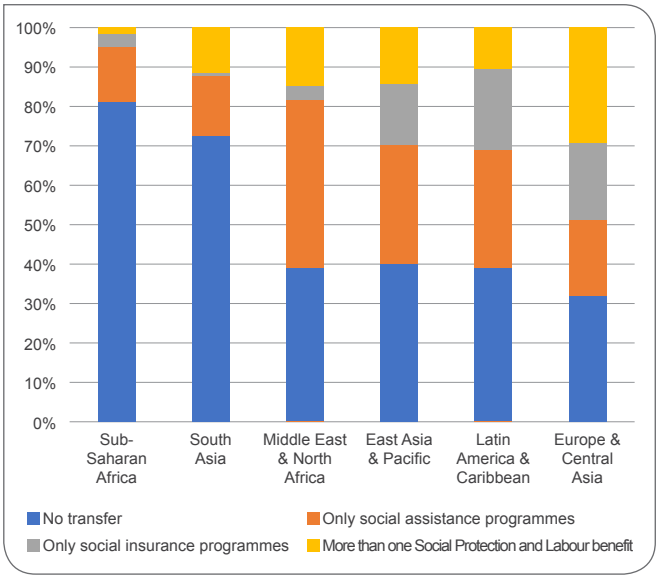

Figure 1: Global social protection figures, by percentage of total population. *Data Source: ASPIRE (World Bank).*

investments in social protection programmes are often motivated by welfare and humanitarian concerns, they can also contribute to economic growth by, for example, encouraging savings, creating community assets and / or addressing market imperfections.

The Main Challenges to Developing Social Protection Systems

The extension of social protection in Africa is highly diverse, its dynamics are complex, the challenges to financing and delivery remain large and there are significant challenges in terms of ensuring political commitment to social protection. African countries can and must make substantial progress in developing functional social protection schemes during the coming years: the stability and growth of their economies depend directly upon it. The resources needed to meet future demand for social protection will be substantial and are bound to compete with investments required to accelerate and broaden the current economic recovery process, but countries that fail to address the demand are likely to face social and political unrest.

Social protection systems that are well-designed and implemented can powerfully shape countries by enhancing human capital and productivity, reducing inequalities, building resilience and ending inter-generational cycles of poverty. Such systems and tools are transformative as they not only help the poor and most vulnerable mitigate economic and fiscal shocks, but they also help to ensure equality of opportunity by giving them a chance to climb out of poverty and become productive members of society. When poor and vulnerable people can improve the lives of themselves and their families, they are less likely to move in search of a better life. Well-designed social protection programmes have shown themselves to be highly cost effective, costing a country an average of 1.5 percent of its GDP.

Today, many of the people who need good social protection, labour programmes and labour systems the most are often the least likely to have access to them. Poor populations, marginalised groups and those working in the informal sector are particularly excluded, for example. The 2012 World Development Report on gender and development notes that poor women are often among the most disadvantaged, especially in their access to services.

Accurate targeting as a form of rationing is a critical element of both food security and livelihood support for the poorest people. The targeting challenge is how to accurately and cost-effectively identify and register households or individuals who are eligible to receive resource transfers, thereby screening out those who are defined as ineligible. Aligning coverage goals with cost-effective solutions often requires difficult choices about trade-offs. Implementing programmes effectively is usually a greater challenge than developing good designs, calling for attention to programme detail, capacity building and performance management.

Recommendations for Anchoring Social Protection Within NAIPs

A systems approach provides a comprehensive social protection response, offering beneficiaries a broad range of coordinated, multi-sector interventions under a single social protection structure which is preventive, protective, promotive and transformative (as adopted by Lesotho, Ghana and Kenya). Zimbabwe, Mali, Malawi, Rwanda and Mozambique, meanwhile, are in the process of developing and strengthening national case-management systems and management and information structures that facilitate coordination and integration of different social protection programmes.

- **Basis for including social protection interventions in NAIPs in order to support the commitment to end hunger and halve poverty**

  We can consider the role of social protection in the lives of rural (and urban) households across direct income effects and indirect income effects. The provision of income through social protection directly reduces one of the largest risk factors undermining wellbeing of children (and adults), namely poverty.

  Children are the most common target group for social protection programmes in Africa. Social protection — and cash transfers in particular — have proven to be powerful tools for improving child wellbeing and care in terms of material, psychosocial and other aspects.

Impact evaluation of cash transfer programmes in Kenya, Lesotho, Malawi, Zambia, Ethiopia and Ghana have revealed that cash transfers unambiguously increase the food security of beneficiary households. Evidence also suggests that combining specialised and general food assistance is more effective than using a single form of transfer. In addition, food assistance in conflict zones may provide a platform to improve growth for children outside the priority age group of the first thousand days of life. Social protection may also lead to indirect income effects for adults and children: growing numbers of recent studies suggest that receiving regular transfers reduces poverty-induced stress and psychosocial tensions.

Social protection has also been proven to reduce and eliminate financial and social barriers to accessing services, particularly among the most vulnerable and excluded, and it thus contributes to maximising equitable outcomes within key social sectors such as health, nutrition and education.

Notwithstanding the power of direct and indirect income effects, transfers in and of themselves are not sufficient to transform livelihoods. The wide and expanding evidence base regarding the impacts of social protection clearly point at both the power and the limits of cash transfers. Although they lead to strong positive results in reducing the material aspects of poverty and supporting access to services, they fail to induce the behavioural change needed to transform livelihoods. Graduation from regular cash transfer programmes into self-support has generally been slow. Graduation is a function of many factors including production disincentives, the ability or inability to create capacity and the effectiveness of implementers at graduating their beneficiaries.

- **Social protection for enhancing resilience to climate variability and other related risks**

  Almost three quarters of economically active rural populations in sub-Saharan Africa are smallholder farmers. Agriculture faces a variety of risks and uncertainties, many of them related to climate variability, and most farmers do not have access to governmental or market-based risk management tools. Cash transfers can be a tool to address this growing problem. Although not typically used as a risk management strategy, cash transfer programmes provide a cushion against shocks, enhancing household- and community-level resilience and / or the ability to remain at a certain minimum level of income and wellbeing. By providing a steady and predictable source of income, cash transfer programmes can build human capital, improve food security and potentially strengthen households' ability to respond to and cope with exogenous shocks, allowing them to diversity and strengthen their livelihoods sufficiently so as to prevent future fluctuations in consumption.

- **Social protection to support growth in agriculture**

  When recipient households, especially those living in remote rural areas of developing countries, face significant barriers in multiple markets, social protection can affect agricultural production and productivity through three channels in the short to medium term.

  First, social protection interventions — such as unconditional cash transfers — reduce liquidity constraints and may encourage spending on agricultural inputs. If regular and predictable, they can also facilitate small-scale savings or investment, by acting as collateral, thus enabling access to credit. Second, social protection instruments can affect risk attitudes of farm household members by altering household wealth. Third, social protection instruments may have a positive effect on food and nutrition security, which may in turn enhance labour productivity. Although investments in social protection programmes are often motivated by equity concerns, they can also contribute to economic growth by encouraging savings, creating community assets and addressing market imperfections. This means that resources spent on cash transfers may generate broader benefits to the agricultural economy, and so the trade-off between rural poverty reduction and raising agricultural productivity may not be as stark as is commonly perceived.

- **Policy recommendations: considerations for including social protection within NAIPs**

  By addressing constraints on household decision making, social protection programmes can enhance agricultural production and productivity. One such example are Cash+ (cash plus) programmes in rural areas. These provide regular transfers in combination


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with additional components such as productive assistance and training. The aim of Cash+ is to reach beyond income effects, inducing further behavioural changes and / or addressing supply-side constraints.

While available evidence shows that cash transfer beneficiaries invest in economic and productive activities, which contribute to livelihood improvements, often households need such additional support to transition to a higher-income livelihood and graduate from social protection. The 'plus' components of Cash+ strengthen the economic and productive impacts of the cash component. In rural areas the 'plus' component often focuses on agricultural productivity. This approach — integrating measures for increased agricultural productivity with those for social protection — demands coherence between agricultural and social protection policies and budgets. Prioritising coherence between agricultural and social protection policies is a necessary component of policy innovation; it is especially necessary for enhancing the productive capacity of poor and vulnerable small-scale farmers.

When it comes to the design of cost-effective social protection programmes, informed decision making on the three key features of these programmes — targeting, the choice of payment modality and graduation — is crucial. Experimenting with small-scale pilot programmes which experiment with and evaluate variations in those features can inform decision making very effectively. At the same time, well-functioning monitoring and evaluation (M&E) systems can document progress in implementation and generate information that can be used to improve overall programme design.

External funding continues to play an important role in financing social protection programmes, a situation which raises concerns about the long-term sustainability of social protection on the continent. M&E systems should be developed early on as a core component of programme design. In order to ensure the long-term sustainability of social protection programmes, meanwhile, it is important to move toward domestic financing models.

Measuring Progress on Social Protection Under CAADP

Malabo Commitment	Commitment Performance Category	Objectives	Indicator	Target value
Ending Hunger by 2025	3.4 Social protection	Promote and invest in social protection initiatives and programmes focusing on vulnerable social groups in order to increase agricultural productivity.	3.4 Budget lines on social protection as a percentage of the total resource requirements for coverage of vulnerable social groups.	100%

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD
Prepared by: Fleur Wouterse, IFPRI
Designed by: Twaai Design
Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
ISBN-Number: 978-0-6399233-6-9
Date: June 2019

Nutrition and Food Security

Background and Context

Under Commitment 3, the 2014 Malabo Declaration calls to end hunger in Africa by 2025, improve nutritional status and eliminate child under-nutrition. The Malabo Declaration further aligns with the Sustainable Development Goals – in particular, SDG 2, which seeks to '… End hunger, achieve food security and improve nutrition, and promote sustainable agriculture by 2030' (UN, 2017).

Hunger, food insecurity and malnutrition are forms of deprivation that undermine human progress and development and infringe on basic human rights. Malnutrition stifles human productivity and capacity of people at all stages in their lifecycle. In particular, it stunts the mental, physical and social development of children, undermining their future potential, capacity and ability to generate income. Malnutrition traps millions in poverty, inequality and impoverishment. Hunger and food insecurity create instability and increase the burden of providing for the basic needs and rights of citizens. Poor nutrition also raises the costs of healthcare across the lifestyle. The cost of ensuring adequate nutrition, especially during the first 1000 days of life – ie. from conception to the age of two – is usually considerably lower than the cost of not acting.

KEY MESSAGES

Achieving food security and nutrition will help to deliver not only on the Malabo agenda, specifically Commitment 3, but it will also support the achievement of SDG 2. Programmes in food security and nutrition should be implemented through a mix of direct (nutrition-specific) and indirect (nutrition-sensitive) actions that seek to improve overall quality and quantities within the food system, overcoming the impoverishment that traps Africa's potential.

The Challenge of Food Security and Malnutrition in Africa

Despite the commitments made under the Malabo Declaration, Africa is not on track to end hunger and to improve food security and nutrition. According to the 2018 FAO State of Food Security and Nutrition Report (FAO *et al*. 2018), while the proportion of undernourished people as a proportion of the population declined in Africa over

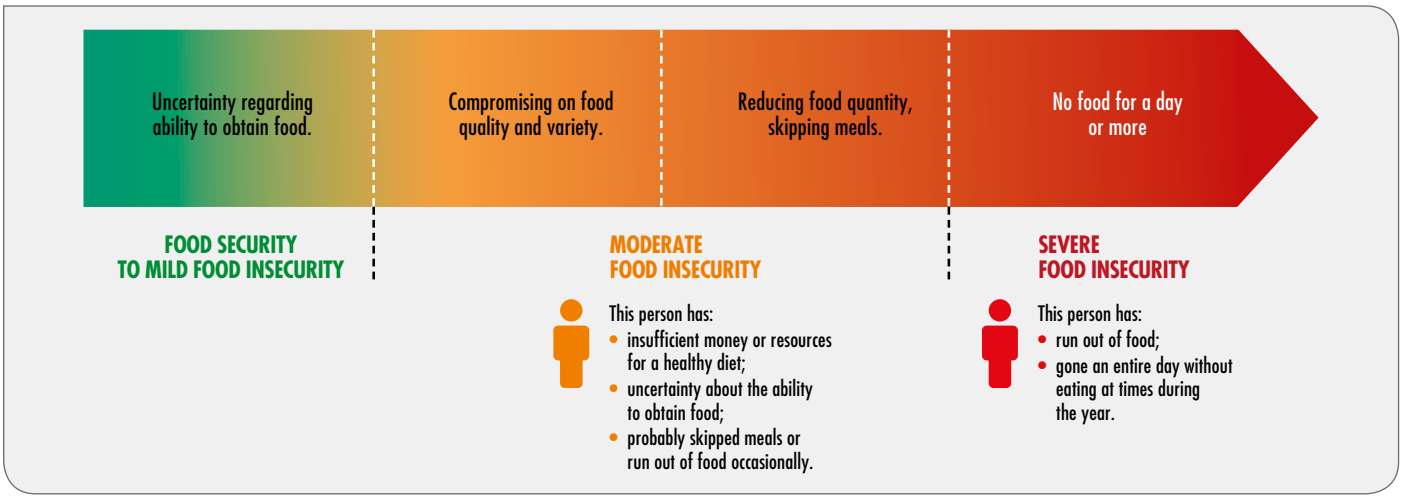

Figure 1: Levels of food insecurity. *Source: FAO et al. (2018). Reproduced with permission .*


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the period 2012 – 2017 from 21.3% to 19.6%, the absolute number of undernourished people has actually increased from 196 to 256.5 million. Meanwhile, although the proportions of children under five who are stunted (short for age) and wasting (low weight for height) have been declining slowly, no changes have been observed in the proportion of women with anaemia, while the proportion of overweight people has increased.

Although African countries have made significant progress in addressing some issues (Malabo Montpellier Panel 2017), data indicates that progress in reducing hunger, food insecurity and malnutrition is too slow to meet both the Malabo targets and other international targets (FAO *et al*. 2018). Such slow progress is attributed to many factors, including:

- food available in the food system (due to extreme weather, input costs, price volatility, biodiversity, lack of access to credit etc.);
- food access (due to high food prices, poor purchasing power, civil conflict, inequalities etc.);
- nutrition (in terms of anthropometry measures such as stunting, wasting, underweight and obesity) that reflects the quality of the child's environment and their feeding practices, lack of dietary diversity, illness, food safety, access to potable drinking water, access to sanitation etc.);
- stability and resilience of the political system, the food system and livelihoods in general.

Policy incoherence across sectors, combined with the misalignment of food security and nutrition policies with national development imperatives, create fragmentation throughout the regulatory system. Duplication and uneven programme coverage also negate mutual accountability, and comprehensive national monitoring and evaluation frameworks are also often lacking.

Recommendations for Anchoring Food Security and Nutrition Within NAIPs

Improved food security and nutrition are expected outcomes of NAIPs. They are anchored in some Biennial Review Indicators, especially under Commitment 3, but food security and nutrition are affected by all the other components. Overall, ensuring food security typically requires the following elements:

- Ensuring that food security is part of a prioritised policy agenda and a policy framework that align with both the Malabo targets and national development objectives – see also Figure 2.

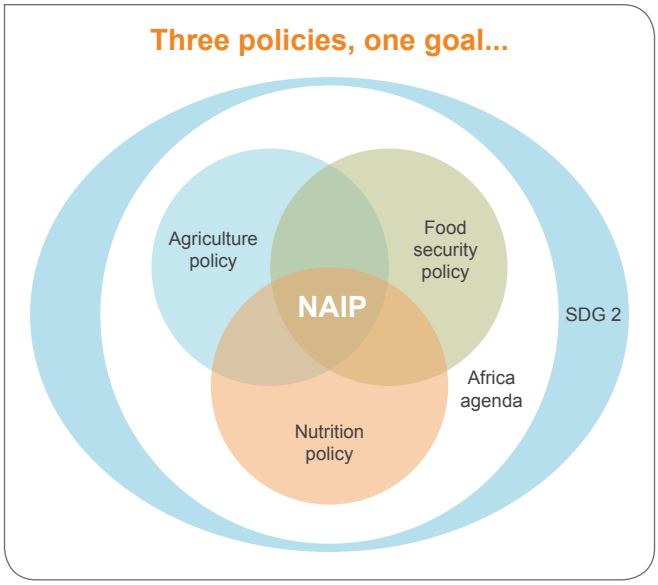

Figure 2: The relationship between agriculture, food security and nutrition policies to the NAIP. *Source: Innovation Lab for Food Security Policy.*

- Creating and strengthening institutional and policy environments that ensure multi-sectoral integration of food security and nutrition as an integral part of the monitoring and evaluation framework of NAIPs and their mutual accountability systems.
- A monitoring and evaluation framework that aligns with National Development Plan targets, African (Agenda 2063, Malabo and the CAADP Biennial Review reporting) and international commitments (such as SDG 2). Ideas for appropriate indicators can be found in the 2018 AU NAIP Toolkit.
- Establishing strong institutional structures at the highest level of government to coordinate efforts and ensure that existing resources in agriculture, health, social protection, education, water and sanitation are leveraged to deliver high-impact interventions at scale, including reaching the most vulnerable groups

(usually infants, children, women of child-bearing age, pregnant and lactating mothers and displaced and marginalised persons and communities).

- Promote nutrition-sensitive food systems, prioritising the development of value chains that maximise the availability of diverse and affordable foods and food products.

Comprehensive inter-sectoral food security programmes Comprehensive inter-sectoral food security programmes tackle the complexity of food security by carefully considering the trade-offs of various actions (Malabo Montpellier Panel 2017). Some actions require focused programmes in order to reach a specific target group or address a specific element of food insecurity. For example, in famine situations, direct and immediate food assistance is necessary in order to save lives. Individual nutritional deficiencies are managed by direct nutrition interventions, while nutrition-sensitive programmes are delivered by sectors outside the health sector, improving nutrition more indirectly than the nutrition intervention examples provided above. These approaches are best identified through using a food systems approach that considers the losses of nutrients from the food system through pre- and post-harvest losses, the deterioration of produce in distribution and storage, and the processing processes that deplete nutrients. Overcoming these losses and the resultant waste can be overcome through programmes that preserve nutrients through improved harvesting, storage, transportation, processing and consumption. Some programme options that can be considered are presented in Table 1.

Dimension	Programme / Intervention
Stability / resilience	Establish and / or strengthen an Early Warning System which allows countries to measure, monitor and track groups that are vulnerable to food insecurity and shocks.
	Disaster risk management: develop and / or strengthen crisis response systems, including mechanisms, triggers, teams or actors and emergency resources at both national and community levels.
	Establish and / or strengthen national food reserves and improve storage facilities and disbursal mechanisms in order to smooth supply during times of crisis.
Access	Identify ways in which transformation of the food system can increase the incomes and assets of vulnerable groups, especially in addressing inequalities, gender biases and the inclusion of young people.
	Strengthen social protection measures that support nutrition and act as a means for stimulating the year-round supply of nutritious foods to vulnerable groups.
	Improve market access and operations in the areas in which the most vulnerable people are located.
Use and utilisation	Improve food safety and regulatory systems in order to ensure a stable supply of safe and nutritious food.
	Conduct nutrition-boosting activities such as complementary feeding, fortification and micronutrient supplementation – providing individuals with essential vitamins as single doses and nutrient powders added to foods –, providing enriched foods, fortification of staple foods (with the private sector) with micronutrients and bio-fortification.
	Run nutrition-sensitive programmes that improve nutritional quality as well as the supply and availability of nutritious and nutrient-dense foods.
Availability	Invest in modern technologies, mechanisation, digitisation, ITC and irrigation in order to improve the availability of a diversity of animal products, crops and fish.
	Improve access to improved breeds, seeds and inputs in order to improve yields and increase the resilience of production systems.
	Invest in and scale up technologies that reduce the drudgery of women's work in food and agricultural production.
	Improve processing, storage, packaging and transportation systems in order to increase the availability and supply of year-round nutritious foods.
	Improve land security and rights.
	Improve access to agricultural research, extension and financial services.

Table 1: Programme options for consideration in the design of NAIPs.

How Nutrition and Food Security is Measured in the Biennial Review

Malabo Commitment	Commitment Performance Category	Objectives	Indicator	Target value
Ending Hunger by 2025	3.5 Food security and Nutrition	Promote initiatives to improve nutritional status, and in particular, the elimination of hunger and child under nutrition in Africa, by bringing down child stunting, child underweight, child wasting, and child undernourishment; and improving dietary diversity for women and children.	Prevalence of stunting (% of children under 5 years old)	10%
			Prevalence of underweight (% of children under 5 years old)	5%
			Prevalence of wasting (% of children under 5 old)	5%
			Proportion of the population that is undernourished (% of the country's population)	5%
			Growth rate of the proportion of Minimum Dietary Diversity-Women	50%
			Proportion of 6-23 months old children who meet the Minimum Acceptable Diet	50%

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Prof. Sheryl Hendricks

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-0-6399233-7-6

Date: June 2019

Agricultural Value Chains and Agro-Industrialisation

Background and Context

Malabo Commitment 4 aims at 'halving Poverty by the year 2025, through Inclusive Agricultural Growth and Transformation'. To this end, it calls upon African Union member states to 'establish and/or strengthen inclusive public-private partnerships for at least five (5) priority agricultural commodity value chains with strong linkage to smallholder agriculture'. Addressing the underlying challenges in agro-industry and agribusiness development and promoting competitive agribusiness value chains is therefore key to achieving Commitment 4.

The agro-industrial sector is broadly defined as the subset of the manufacturing sector that processes raw materials and intermediate products derived from agriculture, fisheries and forestry. Thus, the agro-industrial sector includes manufacturers of food, beverages and tobacco, textiles and clothing, wood products and furniture, paper, paper products and printing, and rubber and rubber products (FAO 1997). Agro-industry forms part of the broader concept of value chains that includes suppliers, processors, distributors and consumers food and non-food outputs from agro-industry. It also includes the legal, technological and economic environment. Figure 1 lays out a typical value chain.

KEY MESSAGES

Agro-industry and value chain development need to be at the heart of every NAIP, which can act as the pull and push factor for agricultural transformation, as envisaged by the Malabo Declaration. However, in order to make a difference, countries must take deliberate steps in their NAIPs to advance agricultural industries and value chains. These steps include investing in technology and innovation, competitiveness, regional integration and promoting inclusive integrated chains. AU Member States are advised to select five commodities or services and to specialise in those, so as to ensure competitive advantages and to maximise returns. Adopting a gender-sensitive value chain approach is critical in order to realise the full potential of agricultural value chains.

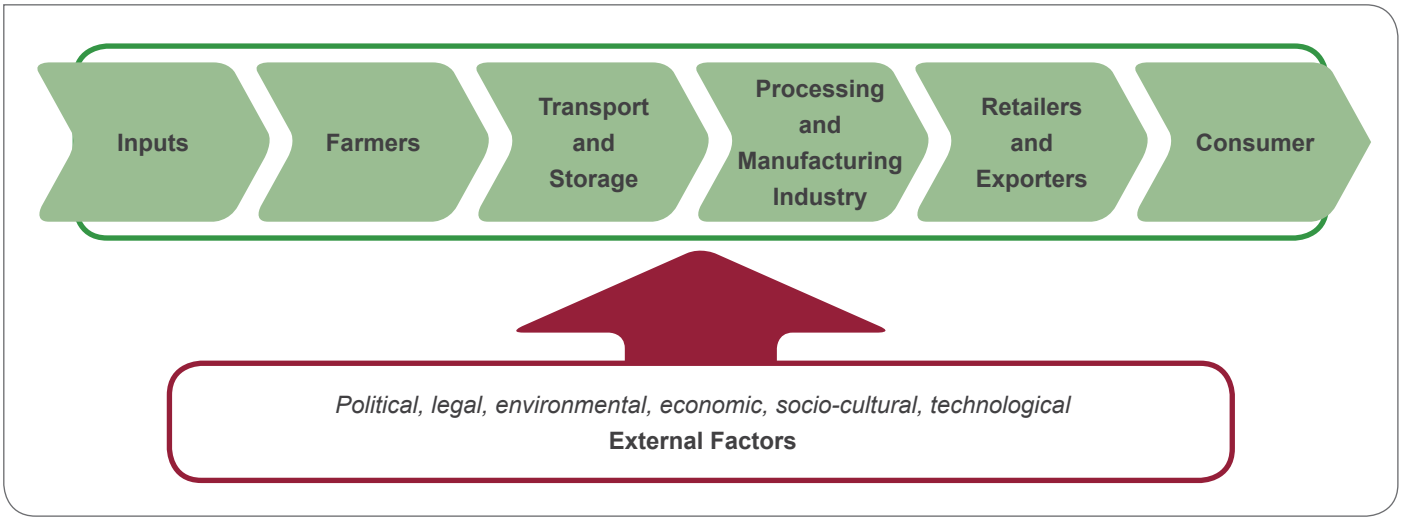

Figure 1: A typical agricultural value chain.

The importance of agro-industry to agricultural and broader economic development in Africa is immediately apparent. Agro-industrialization contributes to employment and increase in incomes for those whose livelihood is linked to the agro-food economy. Agro-industrialization also has impacts on the quality, availability and price of food and non-food products. Furthermore, it has influence on natural resources and the environment.

Challenges Facing African Agro-Industry

According to the African Union Continental Agribusiness Strategy, '…Weak value chains have resulted in the continued marginalisation of smallholder farmers (SHFs) from the mainstream of transformation development and wealth creation. Markets for the continent's commodities remain underdeveloped and limited; processed goods via value chains are rare and agribusiness potential remains untapped, resulting in uncompetitive firms and farms within the continent. Linkage of African producers to local, regional and global value chains is poor, thereby making it difficult for small producers to significantly increase their household incomes. Similarly, there are weak mechanisms and approaches that promote product quality and functional upgrading aimed at improving the competitiveness of firms and farms in much of the continent. The roles of standards and quality management with regard to the products supplied by the value chain to markets, as well as the issue of coordination and governance in the value chain, are given inadequate attention.'

In other words, there are many challenges to agro-industry development that must be tackled. The most critical ones can be summarised as follows.

- Low agricultural productivity and post-harvest losses are incredibly high. Some quotes suggest that, even with low productivity, up to 30% of produce is lost post-harvest *(see Knowledge Note: Post-Harvest Loss)*. This means that sufficient raw materials cannot be availed for processing for some products.
- Levels of technology in Africa are still low relative to other continents, making it difficult to efficiently process agricultural commodities *(see Knowledge Notes: Mechanisation; Digital technology)*.
- Infrastructure – roads, transport, energy, telecommunications etc. – remains relatively weak.
- Technical capacity for manufacturing is limited.
- Meeting market demands, especially certification requirements, is a formidable challenge *(see Knowledge Note: Regional Trade)*.
- Poor farmer organisation limits potential: many cooperatives and farmer businesses that could grown into industries have been mismanaged.

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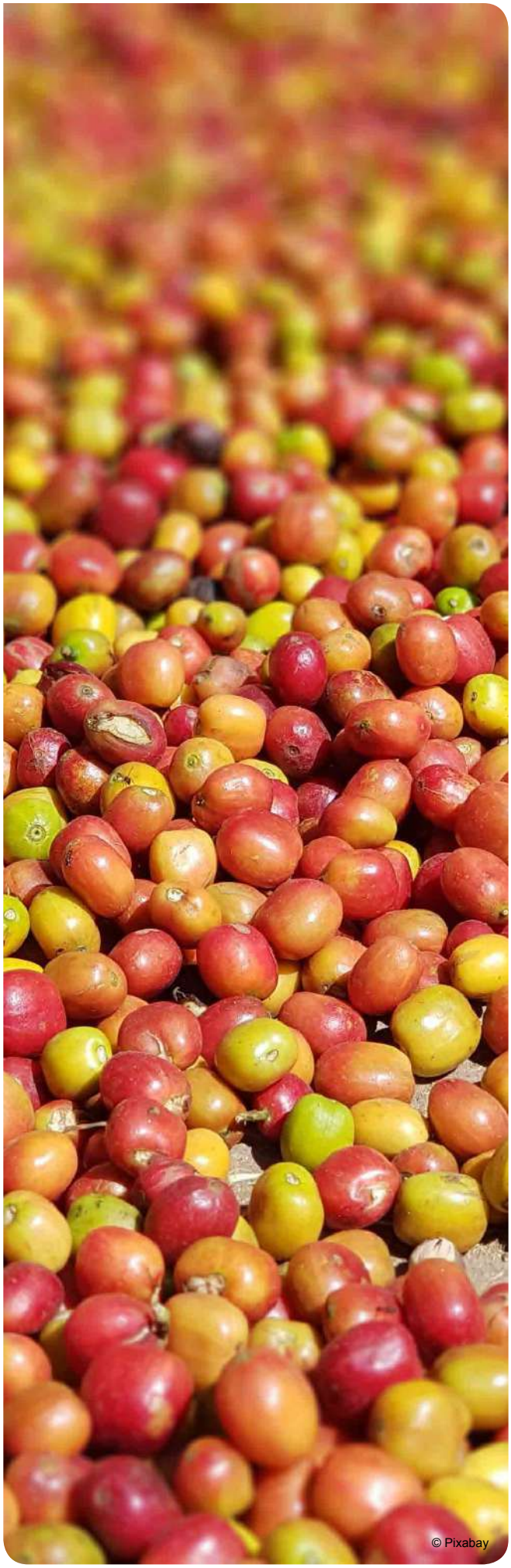
- Access to finance is sparse *(see Knowledge Note: Agricultural finance)*.
- Private sector development is inadequate *(see Knowledge Notes: Agricultural Public-Private Partnerships; Country Agribusiness Partnership Framework)*.

Addressing the aforementioned challenges in a comprehensive way by integrating them into National Agricultural Investment Plans (NAIPs) can unlock significant growth potential in the agribusiness sector and contribute to achieving multiple Malabo Commitments. In doing so, however, it is important to recognize that different actors along agricultural value chains face different challenges and opportunities. While women constitute almost half of the agricultural labour force along the whole value chain, they often experience challenges in fully participating and benefitting from value chains. A gender-sensitive approach to value chain development can prevent the perpetuation of existing gender inequalities and empower women and men to equally benefit from value chain gains. Missing out on this potential inherently limits the sustainability and contributes to underperformance of value chains. In fact, Gender equality and sustainable value chains must be regarded interdependent goals (FAO 2016).

Recommendations for Agro-Industrial Development

The AU Agribusiness Strategy highlights focus areas that can facilitate the creation and strengthening of vital value chains in such a way that all the stages of the chain are given their due attention. The major focus areas for NAIPS in addressing value chain and agro-industry development include:

- **Promoting strategic national, regional and continental value chains:** It is recommended that each country's NAIP identifies at least five priority value chains from a list of 11 AU prioritised value chains. These value chains could then be intensively developed so as to remain competitive.
- **Link producers to local, regional and global value chains:** It has been observed that vertical integration promotes agro-industry and value chain development as it builds downward pressure for quality, efficiency and cost-effectiveness. A NAIP can recommend specific and deliberate investments in value chain development.
- **Improving the competitiveness of firms and farms within value chains:** The NAIPs must offer incentives for greater efficiency and competitiveness of farms and firms. Producers may be supported through smart subsidy systems to produce more, while processors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may be helped to improve technology and business processes in order to meet international standards.

- **Promoting appropriate technologies & innovations along the value chains** – Value chains that do not continuously innovate and use new technology will very soon become uncompetitive. NAIPS can help reinforce national and sector innovation systems by driving investments in research, policy and regulatory frameworks that encourage investments in technology and innovation
- **Supporting smallholder farmer participation in post-production value chain stages:** Inclusivity is key. Organising farmers to benefit more from the returns shared in a value chain can uplift agroindustry. For example, farmers may be part or full owners of intermediary processing operations for the products they produce.
- **Supporting market development for processed goods:** NAIP policies may emphasise and support export trade in processed goods as opposed to primary products.
- **Adopting a Gender-Sensitive Value Chain Framework** is critical to ensure that women and men benefit equally from value chain gains and that value chains can unfold their full potential (FAO 2016).

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Cris Muyunda

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-0-6399233-8-3

Date: June 2019

Inclusive Public-Private Partnerships for Agribusiness

Background and Context

In the 2014 Malabo Declaration on Agriculture, African Heads of State made seven key commitments to transform African Agriculture. More specifically, the Declaration included a commitment to cut poverty by half during the period 2015-2025 by, among other things, *'Establishing and/or strengthening inclusive public-private partnerships for at least five (5) priority agricultural commodity value chains with strong linkage to smallholder agriculture….'* (Commitment 5(4)b).

Recognising some of the common limitations to government resources and expertise, CAADP is promoting innovative partnerships that bring together business, government and civil society as a mechanism for improving productivity and driving growth in agriculture. As part of this, public-private partnerships (PPPs) are being established in order to mobilise resources, partnerships and other implementation capacities that would otherwise be inadequate.

KEY MESSAGES

- **Public Private Partnerships have emerged as a key vehicle for development around the world, in both highly developed and resource-poor settings.**
- **Successful PPP models facilitate communication between stakeholders, while ensuring that investments are properly coordinated within commodity supply chains, by providing supportive infrastructure and other enabling mechanisms. The partnerships developed play a vital role in helping smallholders to access both finance and profitable markets.**
- **NAIPs can explicitly provide for strategies which encourage the development and success of agri-PPPs.**

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BOX 1:
Common Objectives and Potential Benefits of PPPs in Agriculture

A PPP is a formalised partnership between public institutions and private partners. PPPs in agriculture are designed to address sustainable agricultural development objectives by ensuring that the public benefits anticipated from the partnership are clearly defined, investment contributions and risks are shared and active roles exist for all partners at every stage of the PPP lifecycle.

Common objectives of agricultural PPPs:

- Develop agricultural value chains.
- Combine agricultural research, innovation and technology transfer.
- Build and upgrad market infrastructure.
- Deliver business development services to farmers and enterprises.

Potential benefits of agri-PPPs to agricultural development:

- Improve operational and economic efficiency.
- Incorporate the social interests of communities.
- Improve market access, increase productivity, improve product quality and facilitate adoption of new technologies by smallholders.
- Increase the capacity of farmer organisations.
- Generate on- and off-farm employment.
- Strengthen of public sector institutions.
- Increase sales for firms involved.
- Increase affordability by pooling funds from various sources.

Challenges and Issues Facing Agricultural PPPs in Africa

Although agri-PPPs show great promise for supporting agricultural transformation in Africa, their implementation faces significant challenges. This section summarises some of those challenges.

Largely unsupportive policy and institutional environments in Africa: Most PPP policies and strategies are designed for infrastructure programmes and not for agriculture. These policies fail to account for the specificities of agriculture such as risk mitigation, protection of small farmers and conflict resolution. Other institutional and policy concerns with regard to PPPs in agriculture include:

- Land tenure issues.
- Failure to enforce existing regulations.
- Problems with enforcing contract farming.
- Public measures which distort markets.
- A lack of enforcement of Intellectual Property regulations.
- Inconsistent local administrative frameworks, creating confusion about roles and responsibilities.

Challenges with the design of PPPs in Africa: There is limited capacity for the design of good PPP arrangements in Africa. Some of the main design issues include:

- Market failures associated with inadequate market assessments during the initial stages of developing a PPP arrangement.
- Poorly designed contracts that do not address foreseeable challenges – such as preparation for, and mitigation against, catastrophic shocks.
- Lack of solid monitoring and evaluation (M&E) frameworks for measuring progress.
- Lack of exit strategies for partners.
- A lack of transparency and objectivity in partner selection.

Operational and implementational challenges to PPP development include:

- Poor capacity and low motivation of public partners.
- Lack of a coordination and oversight bodies. This poses critical problems for agri-PPPs which comprise multiple stakeholders: the more partners involved, the more challenging it becomes to manage the inputs of individual partners and ensure execution of responsibilities.
- Weaknesses in organisational frameworks. Bureaucracy and / or inflexible operational procedures can considerably delay the formalisation and operationalisation of partnerships and, for example, the releasing of funds.
- Difficulties in attracting and retaining qualified professionals.
- Technical issues during implementation may include innovation failures, pest and disease outbreaks that cannot be controlled, negative impacts of weather, low uptake of technology by farmers and a lack of traceability and quality control procedures.
- Unforeseen policy directives such as import / export restrictions and price setting can distort the market, with negative impacts on the commercial benefits intended by the partnership.

Financial issues: Financial challenges include slower than expected payback periods, limited funding, delays to transactions, lower than expected returns on investment, limited funding for renewing operations, disappointing profit margins and escalating costs resulting from inflation. Accurate estimation of costs can also be difficult, particularly when inflation increases above levels foreseen during formation of the partnership agreement.

Social and environmental sustainability issues:

- Risk of excluding small-scale actors.
- Risk of creating dependency by beneficiaries.
- Land grabbing.
- Environmental concerns – such as mono-cropping, traffic congestion and waste disposal.
- Concerns regarding land access – such as field demonstration sites and land for seed multiplication.

Recommendations for Anchoring PPPs within NAIPs

In order to anchor and deepen the use of public-private partnerships (PPPs) within National Agricultural Investment Plans (NAIPs), it is recommended that:

- AU Member States promote PPPs at all levels, with potential partnership opportunities explicitly identified and listed within the NAIP documents. All commodities for which PPPs will be pursued during the NAIP period must be clearly identified within the NAIP. This should include provisional details of the expected nature of the PPP and the anticipated roles of the various actors. Contact details for follow-up should also be included or made readily available with designated officials in government.

- NAIPs should ensure that there is investment in facilitative agri-PP policy, law, regulations and other supportive infrastructure. As a result, agri-PPPs should be duly promoted as a principal public sector mechanism for working with the private sector; in order to ensure this, each agriculture sub-sector department should have a desk officer in charge of developing and nurturing agri-PPPs.
- The NAIPs should include sections that summarise important lessons from previous PPP experiences within the agricultural sector.
- Annexes to NAIPs should include principles and guidelines for developing goods PPPs.

How Private Sector Investment in Agriculture is Measured in the Biennial Review

PPPs are measured explicitly in the Biennial Review (see Sub-Theme 4.2 in the table), but they are also measured indirectly through the level of private (domestic and foreign) sector investments, which serve as a proxy for how well strategies to attract investment are working – see Sub-Themes 2.2 and 2.3.

Malabo Commitment	Commitment Performance Category	Objectives	Indicator
2 Enhancing Investment Finance in Agriculture	2.2 Domestic Private Sector Investment in Agriculture.	Put in place or strengthen mechanisms to attract domestic private investment in agriculture.	2.2 Ratio of domestic private sector investment to public investment in agriculture.
	2.3 Foreign Private Sector Investment in Agriculture.	Put in place or strengthen mechanisms to attract foreign private direct investment in agriculture.	2.3 Ratio of foreign private direct investment to public investment in agriculture.
4 Halving Poverty through Agriculture by 2025	4.2 Inclusive PPPs for commodity value chains	Promote approaches via PPP arrangements to link smallholder farmers to value chains of priority agricultural commodities.	4.2 Number of priority agricultural commodity value chains for which a PPP is established with strong linkage to smallholder agriculture.

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Cris Muyunda, CNC

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-0-6399233-9-0

Date: June 2019

Vocational Skills Development and Training in Agriculture (ATVET)

Background and Context

Africa continues to face a youth bulge, with over 60% of the population classified as young people. This presents the continuous challenge of unemployment across the continent. Agriculture presents a major opportunity for addressing youth unemployment while simultaneously addressing food security and boosting economic growth and development. It is within this context that The Malabo Declaration was signed. Its seven key commitments aim to achieve sustainable and equitable economic development, job creation, poverty reduction and income through agricultural productivity. The Declaration also identifies the centrality of youth and women, committing to:

- Establish and / or strengthen inclusive public-private partnerships for at least five (5) priority agricultural commodity value chains with strong linkages to smallholder agriculture;
- Create job opportunities for at least 30% of the youth within agricultural value chains;
- Support and facilitate preferential entry and participation for women and youth in gainful and attractive agri-business opportunities.

Despite the efforts of young people and women to engage in profitable agricultural enterprise, systemic challenges, structural, cultural, and socio-economic factors have hindered progress. Factors impeding youth involvement in agriculture include access to land, finance and other resources, access to regional and international profitable markets, low agricultural productivity, seasonality of agricultural incomes, lack of public investment in agriculture, lack of interest from the youth, information asymmetry and sparse use of innovation and technology. Many governments have tried to address these issues, with limited results, due mainly to uncoordinated approaches and a lack of clear policy coherency, especially with regard to National Agricultural Investment Plans (NAIPs).

KEY MESSAGES

- **Achieving Malabo goals of agriculture growth and food security is hampered by a lack of critical skills in the sector due to outdated curricula and lack of alignment to private sector demands.**
- **Youth entrepreneurship and youth empowerment through capacity building is a solution to the youth bulge and ensuring food security. Targeted capacity building should strengthen leadership abilities, personal development and competencies such as self-confidence, innovation and creativity, the ability to take initiative, willingness to take calculated risks and to collaborate in the agriculture space.**
- **Capacity building in agriculture should be holistic, encompassing the environment, organization and institutions responsible for training and the individual's capacity and willingness to undertake and utilize the training.**
- **Investing in *the capacity and skills of smallholder farmers* generally offers best return on investment as it expands employment opportunities and incomes in rural areas beyond the agricultural sector due to spill-over effects.**

Education, skills development and technical training are central to increased agricultural production and rural employment in Africa. Recent trends in African agricultural growth have been positive but sustaining these trends depends not only on direct factors that affect agricultural productivity, but also on institutional capacity to design and

implement programmes and policies as well as on human capacity building and skills development along entire value chains. Agriculture technical vocation education and training (ATVET) offer one way to achieve this objective.

Main Challenges to Skill Development of Youth in Agriculture

Education and training have historically supported growth in the agricultural sector by producing extension officers and hands-on technicians who support the production capacities of farmers and other value chain actors. However, from the mid-1990s until the mid-2000s, the value of ATVET was greatly neglected. This was especially true for rural areas, where ATVET could have significantly enhanced the agricultural skills. Training in agriculture in Africa is still far off pace in terms of adequately meeting current skill and labour-market needs and conditions.

ATVET in Africa is generally highly fragmented and, in many countries, not integrated into the overall TVET education system. ATVET is given low importance by governments and so it lacks sufficient financing. In addition, the demands and needs of the private sector are not identified and private entities are often not considered as important stakeholders. Considering the fact that more and more farmers and youth are being integrated into agricultural value chains, however, interaction and synergies between public and private employers and service providers could give greater scope for the expansion of ATVET, as well as increased responsiveness of the system to provide the necessary skills for the modernisation of the sector.

Under-education and lack of skills of young workers is also of significant concern. The education system is ill prepared to meet the needs of the private sector and is not creating the skills and knowledge required for the continent's growth. Another major challenge are barriers to accessing vocational education, especially for young women, which limits their productivity and the acquisition of skills.

In light of these challenges, there is a need to promote youth empowerment – specifically, education, skills, knowledge, access to land and other production-related factors – as critical ingredients of the success of young people as entrepreneurs. Indeed, the implementation of CAADP presents enormous potential for accelerated job creation and skills development. Therefore, research and development which connects young people to job creation

opportunities, including within the green economy, should be accelerated. Equal emphasis must also be placed on formal and non-formal skill development. Young people need complementary education and training services such as financial and business education as well as entrepreneurship training and coaching, especially in the area of agribusinesses.

Recommended Actions for ATVET Reforms in Malabo Domestication

Taking the identified problems of the existing skills development systems in African countries into consideration, comprehensive efforts will be needed in order to develop ATVET into a demand-driven system which combines education, training, knowledge development and skill-enhancing techniques as well as being integrated into countries' general TVET systems and bringing together public and private players. The following steps are therefore important:

- Recognise the need to develop professional and vocational capacities as a cross-cutting strategy under the CAADP process. At regional and continental level, efforts to mainstream ATVET and to exchange good practices should be established within the CAADP mechanism.
- The CAADP mechanism should support new and innovative models which incorporate agriculture into existing TVET systems and / or which generate new institutions for agriculture.
- Develop appropriate monitoring and evaluation systems to trace the impact of ATVET, especially in the Biennial Review process, with regard to skill development, trainees, employability and / or entrepreneurship of graduates.
- Develop and support new partnership approaches – some of which have already been tested by some value-chain programmes.
- Create incentives that encourage private-sector participation in ATVET skills development.
- Support farmer organisations to assess training needs and compile overviews of available training institutions.
- Lobby for improved or modified curricula as well as for demand-driven training courses within the country or region.

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- Transform the ATVET system to include agri-business and entrepreneurship training components that attract more young people and produces better farmers.

From a policy perspective, priority recommendations for ATVET enhancement include the following:

- Recognise the importance of skills development, agriculture education and training as key strategic areas for the planning National Agriculture Investment Programs (NAIPs).
- Provide financing for skills development and ATVET within NAIPs.
- Prioritise the development of a functioning National Qualification Framework (NQF).
- Integrate non-formal and informal training into formal ATVET.
- Develop youth agribusiness strategies and implementation plans, including monitoring and evaluation, at continental, regional and country levels, placing higher emphasis on skill development and entrepreneurship training.

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Abraham Sarfo

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-1-928527-00-8

Date: June 2019

Gender Responsiveness: Women Empowerment in African Agricultural Development

Background and Context

Gender-responsive agricultural development addresses equally the needs and priorities of both men and women, young and old, across the agricultural value chain. 79% of African women who are economically active report being involved in agriculture. At present, however, there is a significant gap in the returns, technologies, processes and products in agriculture that specifically address women's needs. High-value African agriculture appears to be constructed to deliver for men rather than women. Yet women in agriculture produce nearly 80% of household food and contribute 39% to continental GDP[1], taking key decisions that impact productivity and food security.

Investment in women in agriculture has been shown to boost incomes, productivity and food security. It is, therefore a cost-effective pathway for achieving inclusive and broad-based growth and sustainable development.

In order to tap into the opportunities offered by the sector, Commitment #4 of the Malabo Declaration, *Halving Poverty by 2025*, has a specific sub-target which calls on member states *'…to support and facilitate preferential entry and participation for women and youth in gainful and attractive agri-business opportunities.'* This commitment can be interpreted as a signal for deeper cross-cutting work on gender responsiveness. Merely enhancing the role of women is not sufficient to attain empowerment. Rather, power relations, social norms and intra-household decision making also need to be transformed if a shift in the status quo is to take place. In other words, gender mainstreaming which does not lead to transformative social change falls short of sustainable empowerment, including in agriculture.

KEY MESSAGES

A transformational continental agenda is not possible without the inclusion of women and young people in agriculture. National governments should embed gender perspectives within development programmes and policies, in addition to committing the investments necessary to implement those policies. Women and young people must be included in decision-making about agricultural priorities and investments, and both policy and practice must provide the space for their contribution.

Main Challenges to Gender-Responsive Agricultural Development

Despite the potential of women to contribute to African agricultural productivity[2] and, despite efforts made by national governments to mainstream gender, outcomes unfortunately fall below expectations. Of the 47 countries that participated in the 2017 CAADP Biennial Review, only 8 were on track to achieve their gender targets. Major challenges hampering the active participation of women and young people in agriculture include:

- **Limited integration of gender perspectives into national policies, programmes and action plans:** Gender issues are either ignored completely or only weak gender planning tools are used. This limits the consideration given to gender-based constraints and their impact on national programmes. It also leads to

1 Mckinsey Global Institute report, 2015

2 A prosperous Africa based on Inclusive Growth and Sustainable Development

the non-alignment of policies to gender commitments. Legislative and policy reforms relating to gender are slow-paced and lack real political backing. Weak inter-ministerial coordination results in overlapping and unclear mandates on gender issues are often located in special departments or ministries as opposed to being treated as integral, cross-cutting issues.

- **Weak and under-resourced gender institutions, poor budgeting and limited enforcement at local and national levels:** Legislative reforms are often not supported by adequate budgetary allocations. Weak institutional structures and unfavourable socio-cultural norms limit women and youth's access to productive opportunities such as equitable access to land, productivity-boosting technologies, financing and high-value markets.
- **Limited capacity of gender focal persons:** There is generally very limited know-how about gender responsiveness. The few gender experts deployed to work on agricultural issues, for example, are usually trained in mainstreaming but do not work on responsiveness. Building capacity for integrating gender-responsive project development is, therefore, critical.
- **Weak data management and monitoring systems:** First, there is limited investment in the collection, analysis and use of gender data. Second, there is low capacity for gender analysis, which is not simply the presentation of gender-disaggregated data, but which requires deeper analysis of parameters as a basis for influencing differential gender effects..

Recommendations for Anchoring Gender Dimensions within NAIPs

The challenges presented above systematically limit the consideration of gender perspectives in agricultural development[3]. In order to address the challenges, actions such as strengthened gender management systems and gender-responsive budgeting must be prioritised in policy and investment policy. The advancement of women and youth in agriculture must be addressed explicitly in NAIPs and responsibility vested in the highest possible level of government. Sufficient human, political and financial resources should be committed. More specifically, every NAIP could include:

- **Preferential entry and participation of women:** Since women are already historically marginalised, this situation cannot be corrected by being gender neutral or gender blind. Women will not enter value chains or win procurement contracts without affirmative action. NAIPs should include strategies and opportunities which support and facilitate preferential entry and participation of women and youth into gainful and attractive agri-business. Such efforts may include allocating and ring-fencing supply quotas for women-

3 National agricultural investment plans (NAIPs) are a key vehicle for translating CAADP goals of agricultural transformation, wealth creation, food security, nutrition, economic growth and prosperity at the country level.

owned agri-enterprises and / or facilitating their access to knowledge, technology, finance, infrastructure, inputs and markets.

- **Specific gender assessments, analyses and project proposals within NAIPs:** Malabo-compliant NAIPs should include sections which explicitly address gender issues. These may be stand-alone chapters or short sections within each substantive chapter. The treatment of gender issues within a NAIP development process may include two three distinct elements:
  - **Gender audit:** This is an assessment of the extent to which gender-related commitments have been addressed by existing policies, investment plans and recommendations so as to align with the Malabo Declaration.
  - **Gender analyses** of the alternative investment proposals contained within NAIPs, with a view to illustrating their differential 'returns on gender', can be used a basis for prioritising investments.
  - **Committed funding streams**, projects and policy proposals can:
    - Build the capacity of relevant national institutions to expressly integrate gender perspectives into the core functions of the agricultural sector.
    - Foster inter-ministerial cooperation and other strategic partnerships with development partners, the private sector, universities and civil society organisations (CSOs) which synergise agricultural programmes and avoid overlapping and duplicated effort.


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- Establish dedicated gender units and gender focal persons who will follow through on gender-related activities.
- Support gender advocacy work, including that of CSOs. This could include the creation and role modelling of 'gender champions'.
- Invest in gender-responsive knowledge management and M&E systems.

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How Gender Dimensions are Measured in the CAADP Biennial Review

Several commitments and indicators call for inclusivity, but two indicators of the CAADP Biennial Review explicitly measure women's and youth's involvement in agriculture:

Malabo Commitment	Commitment Performance Category	Objectives	Indicator	Target value
Halving Poverty, by 2025, Through Inclusive Agricultural Growth and Transformation	4.3 Youth jobs in agriculture	Engage youth in agricultural sector development to contribute to reduced levels of unemployment and poverty.	4.3 Percentage of youth engaged in new job opportunities in agriculture value chains.	30%
	4.4 Women's participation in agri-business	Promote initiatives that facilitate preferential entry and participation of women in gainful and attractive agri-business opportunities.	4.4 Proportion of rural women empowered in agriculture.	20%

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- UNESCO (2017). *UNESCO and Gender Equality in Sub-Saharan Africa: Innovative Programmes, Visible Results*. - *View*

Other declarations and strategies on gender:

- African Union Gender Policy (2009).
- Beijing Platform for Action (1995).
- Convention on the Elimination of All Forms of Discrimination against Women (1979).
- Dakar Platform for Action (1994).
- Sustainable Development Goal 5 – focuses on achieving gender equality and empowering all women and girls.
- UN Security Council Resolution 1325 (2000) – on Women, Peace, and Security.
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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Juliana Asante-Dartey

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-1-928527-01-5

Date: June 2019

Regional Trade and Market Access for Agricultural Transformation

Background and Context

Enhanced agricultural trade and market access features prominently in the 2014 Malabo Declaration, as well as in the CAADP Results Framework. Commitment 5 of the Malabo Declaration specifically resolves:

- to triple, by the year 2025, intra-African trade in agricultural commodities and services;
- to create and enhance policies and institutional conditions and support systems:
  - to simplify and formalise current trade practices;
  - to fast-track the establishment of a Continental Free Trade Area (CFTA) and transition to a continental Common External Tariff (CET) scheme;
  - to increase and facilitate investment in markets and trade infrastructure;
  - to promote and strengthen platforms for multi-actor interactions;
  - to strengthen and streamline the coordination mechanisms that will promote Africa's position in agriculture-related international trade negotiations and partnership agreements.

Trade leads to greater productivity (through lower costs of inputs, more efficient and predictable markets), as well as to increased employment, higher incomes and larger quantities of food. Trade can also support regional integration efforts, technology transfer, political and cultural harmony. Trade is good for food security. Integrated markets and enhanced intra-African trade have will positive direct and indirect influence on all of the four dimensions of food security – availability, access, utilisation and stability.

KEY MESSAGES

Africa trades very little with itself compared to other parts of the world. However, trade can lead to significant agriculture-led economic growth. Trade can also impact food security positively. Some of the areas on which NAIPs could focus include elements of the Plan to Boost Intra-African Trade such as trade policy, supportive trade facilitation, increasing productive capacities, building better trade-related infrastructure, increasing access to trade financing, availing trade information and enhancing market integration[1].

Challenges to Greater Intra-African Trade in Agricultural Commodities and Services

TDespite relatively robust GDP growth since the early 2000s, Africa has remained a marginal player in world trade. The continent's shares in both world exports – 2.8%, on average – and imports has been falling since the 1970s. In addition to losing a crucial share in global markets, Africa trades relatively little even with itself. Official intra-African exports rose from 10% of total exports in 1995 to only about 17% in 2017 compared to 59% in Asia, 32% in North America and 69% in Europe. The opportunity and potential for increased regional trade, especially in agricultural commodities and services is, therefore, high. Spatial and inter-temporal price differences, seasonal and annual commodity surpluses and deficits create opportunities for gainful exchange.

1 UNECA and AUC (2012) Boosting Intra-African Trade

On the other hand, however, regional trade is hampered by policy implementation challenges, infrastructural deficits exacerbated by difficult geography (especially along key trade corridors), poor logistics, low yields, huge appetite for extra-African agri-imports, competition between national interests and regional trade policies.

Challenges to agricultural trade include the following:

- **Limited range of (largely commodity) exports:** Africa trades in a limited range of mostly unprocessed commodities, for which the continent is mostly a price taker. This price-taking feature of agricultural trading is a result of low quantities and poorly organised value chains which undermine negotiating power. Traditional African export subsectors such as coffee, cocoa, peanut, cotton and palm oil have been losing ground over the long run. These problems suggest a need for greater product diversification and more sophisticated value chains.
- **Growing appetite for agri-food imports:** Processed and value-added food imports into Africa have been growing. In 1980, Africa's food imports were balanced with her exports at about US $14 billion. However, imports rose relative to exports to an all-time high of US $47 billion in 1980, causing a net import of US $22 billion. Currently Africa spends about US $35 billion to import food annually. The causes of this situation are myriad and complex[2]. They include supply side problems, changing demand patterns and hindering policies. At the same time, however, this scenario also presents opportunities for intra-African import substitution through trade. It also shows that there is opportunity for agro-industry development to add value to raw produce before consumption or export.
- **Vulnerability to price shocks:** As a result of low quantities and high product concentration, African agricultural trade is particularly vulnerable to global price volatility. Poorly developed value chains are susceptible to unfair global trade practices and cut-throat competition from highly developed and productive agricultural and agribusiness systems such as those of Western Europe, North America and parts of Asia.
- **Partial or ineffective implementation of trade agreements within regional economic communities (RECs):** Well-meaning trade agreements within regional blocs have not been fully implemented, mainly due to political factors. In fact, liberal trade policies that have long-term benefits have faced relapses and reversals, hence the increasing frequency of export / import bans, variable import tariffs and quotas, restrictive rules of origin and price controls.
- **Other challenges and gaps**
  - Low capacity and poor coordination of trade negotiations with extra-regional trading partners.

2 See, for example, Manitra et al. (2012). Why Has Africa Become a Net Food Importer? Explaining Africa's Agricultural and Food Trade Deficits.

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- Limited trade infrastructure.
- Cartel-like behaviour within key commodity value chains, creating barriers to entry.
- Weak stakeholder coordination, organisation and information sharing along major value chains, in addition to the lack of strong commodity support bodies at continental, regional and national levels.
- Poorly developed risk-management institutions.

Recommendations for Enhancing Agricultural Trade in Africa

Some things can be done, in the context of NAIP development, to facilitate increased investment and greater flow of intra-African trade. Some suggestions which offer the potential for high returns include the following:

- African countries should develop commonly acceptable standards. Too many varying standards hinder trade between countries as producers and exporters must vary production and handling processes for each export destination. Standards should not be used as an excuse to protect local producers.
- Enhance regional and continental market integration by undertaking the following steps:
  - Limit the negative effects of fragmentation of the African agricultural market along national borders by more than a dozen overlapping regional economic communities (RECs). These RECS should then be enhanced and rationalised over time.
  - Reduce or eliminate tariffs and non-tariff barriers (NTBs) for Africa-produced goods, in order to increase competitiveness.
  - Implement the African Common External Tariffs (CET), as anticipated by the African Continental Free Trade Area (AfCFTA).
  - Link agriculture, trade and investment policy and planning processes so that they speak to each other. For example, the NAIP should consider agriculture-related concerns in trade and infrastructure policy planning processes.
- Support trade facilitation by allowing faster and freer movement of goods and services across borders. African countries should strive to reduce or eliminate border bureaucracy, visa restrictions and other regulations that limit movement.
- NAIPS should seek to enhance productive capacities and to develop competitive advantages. One way to build competitive advantage is to invest in a few high-value commodity chains, within which Africa can quickly become globally competitive.
- Invest in better trade-related infrastructure. The key infrastructure and infrastructural services that support trade include transport infrastructure (such as roads, railways, airports and seaports), logistics, telecommunications networks and the services provided by these networks. These must be modernised and operated efficiently.
- Build and enhance trade financing. Only about 20% of the total amount of money dedicated annually to trade finance by African banks actually goes to facilitating intra-African trade (AfDB 2017). Africa must stop such leakages. Africa must also develop better mechanisms for managing perceived risk. There is a high rejection rate among African banks for applications for trade finance because of perceived risks to intra-regional

trade, despite the fact that the default rate on trade finance transactions is low – estimated at only 4%[3] – compared to default rates in other sectors.

- De-risk agricultural trade. Uncertainties caused by price volatility and other risks in export markets must be removed through the development of more sophisticated insurance products and contract farming mechanisms.
- Collect, curate, analyse and disseminate trade and market data, statistics and information in order to boost transparency and support trade and trade-policy development.

How Performance in Trade is Measured in the CAADP Biennial Review

Malabo Commitment	Commitment Performance Category	Objectives	Indicator	Target value
Intra-African trade in agriculture commodities and services	5.1 Intra-African trade in agricultural commodities and services	Promote intra-African trade in agricultural commodities and services while reducing importation of those commodities from outside Africa.	5.1 Growth rate of the value of trade of agricultural commodities and services within Africa, in constant USD	200%
	5.2 Intra-African trade policies and institutional conditions	Create and enhance regional and continental policies and institutional conditions and support systems so as to simplify and formalise current trade practices and to permit the achievement of intra-African trade targets; promote the African Common position on agriculture-related international trade negotiations and partnership agreements.	5.2i Trade Facilitation Index (TFI)	100%
			5.2ii Domestic Food Price Volatility Index (CV)	7.5%

3 AFDB 2017

Further Information

- African Continental Free Trade Area (AfCFTA) - African Union Flagship Programme
- African Commodities Strategy - African Union Flagship Programme
- AfDB (2017). *Trade Finance in Africa. Overcoming Challenges*. African Development Bank Group: Abidjan. - *View*
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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD
Prepared by: Robert Ouma
Designed by: Twaai Design
Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
ISBN-Number: 978-1-928527-02-2
Date: June 2019

Resilient Agricultural Production Systems and Livelihoods with Climate-Smart Agriculture

Background and Context

Commitment 5 of the Malabo Declaration calls for AU Member States to enhance the resilience of livelihoods and production systems to climate variability and other related risks. To this end, AU Member States are expected to ensure that at least 30% of farm, pastoral and fisher households improve their resilience capacity and enhance investments for building the resilience of production systems. This may include, among others, expanding the adoption of climate-smart agriculture and other sustainable land management practices that can enhance the capacity of smallholder farmers to adapt to climate challenges and can curb resource degradation.

It is therefore imperative that the next generation of National Agricultural Investment Plans (NAIPs) be in step with the new paradigm, finding ways for African farmers to adapt – even thrive – in the face of climate change-related shocks, as well as for them to contribute to climate-resilient development pathways.

KEY MESSAGES

- **The next generation of National Agricultural Investment Plans (NAIPs) must be in step with the new paradigm, finding ways for African farmers to adapt, even thrive, in the face of climate-related shocks.**
- **Climate-smart agriculture provides an alternative pathway by simultaneously addressing the three intertwined challenges of ensuring food security (through increased productivity and income), adapting to climate change and contributing to the mitigation of greenhouse gases.**

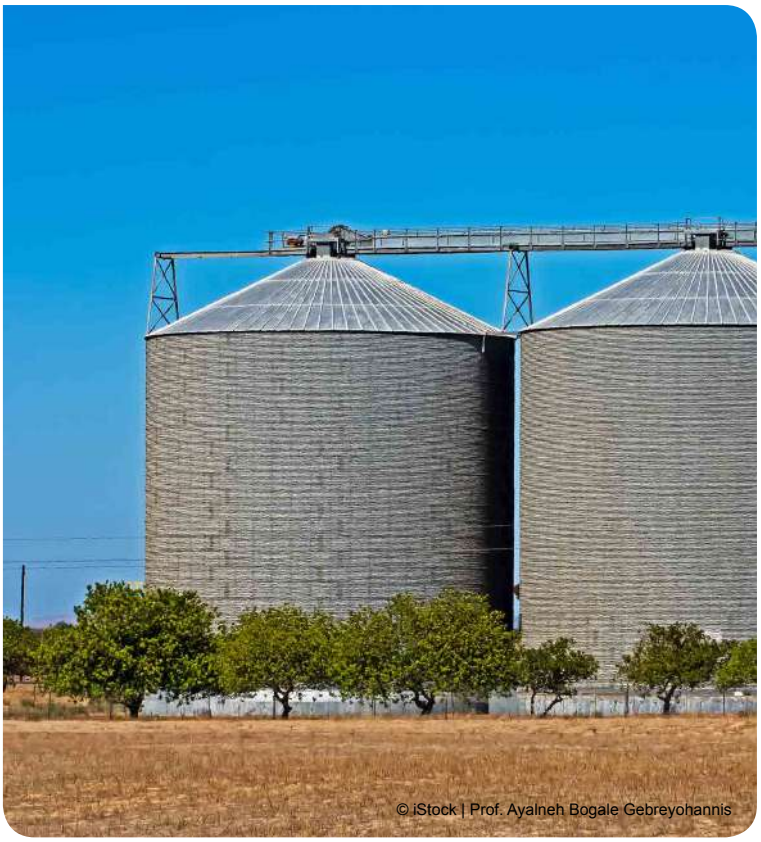
The Necessity for Climate-Smart Agriculture in Africa

Millions of people in Africa depend on smallholder agricultural production systems that exclusively depend on a resource base that is deteriorating and producing less and less food. This, exacerbated by a changing climate, could force tens of millions of people into food insecurity and poverty. To make things worse, the African population is expected to double between now and 2050, requiring an estimated increase of more than 60% in crop production for the continent to be able to feed its projected population. Climate-smart agriculture provides an alternative pathway by addressing these multiple and intertwined challenges.

According to the Food and Agriculture Organization (2013), climate-smart agriculture (CSA) refers to agricultural practices that can simultaneously address three intertwined challenges of ensuring food security through increased productivity and income, adapting to climate change, and contributing to the mitigation of greenhouse gases. It is also important to note that climate-

Objective	Examples	Activity	Results		
			Outputs	Outcomes	Impacts
	Financial resources are allocated within the NAIP for CSA practices	Build terraces, soil bunds and water-harvesting structures	Land is under sustainable land management; water for irrigation is increased	Soil fertility and water-use efficiency improve	Productivity is increased
Example: **CSA and resilient production systems**	Monetary and non-monetary resources are allocated	Zone and map agricultural and protected areas; develop a CSA investment framework; train farmers in CSA practices; establish tree nurseries	Appropriate CSA interventions are identified; resources for CSA are mobilised; technology transfer is enhanced; seedlings are availed	Natural resources are sustainably managed so as to increase income, improve food security, enhance adaptation to climate change and generate mitigation co-benefits	Resilience of production systems is enhanced
Example: **Resilient livelihoods**	Monetary and non-monetary resources are allocated for social protection and safety nets	Construct grain storage facilities; design and pilot insurance products; draw up the legal framework for safety nets	Grain storage facilities, index-based insurance, basic services and social safety nets are established	Improved response and recovery through improved access to grain storage facilities, index-based insurance, basic services and social safety nets	Resilience of livelihoods to climate-related risks is enhanced

Table 1: Examples of inputs, activities and results climate-smart agriculture and resilience.



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smart agriculture is not a new agricultural system, nor is it a set of practices. It is a new approach, a way to guide the needed changes of agricultural systems, given the necessity to jointly address food security and climate change. Furthermore, there is growing recognition that CSA extends beyond on-farm practices to include provision of services – particularly information, technology and financing within agricultural and food value chains.

Efforts to promote the implementation of CSA at scale include, among other things, the identification of appropriate climate-smart practices and advisory services that support farmers' decision making and increase investment in CSA. These interventions, which are implemented beyond the farm, provide an enabling environment by supporting the adoption of climate-smart practices and the transition towards more climate-resilient production systems and livelihoods, while protecting farmers against the impacts of climatic extremes.

Recommendations for Anchoring CSA and Resilience within NAIPs

Cognisant of the fact that enhancing the resilience of smallholder farmers to climate change and weather variability is critical for increasing agricultural productivity sustainably, while also decreasing poverty and improving food security, the African Union Commission's Department of Rural Economy and Agriculture (AUC-DREA) and the African Union Development Agency (AUDA-NEPAD) are supporting AU Member States to fully incorporate climate-smart agriculture (CSA) in the formulation of their National Agriculture Investment Plans (NAIPs). Their framing of CSA as 'enhancing resilience' reflects the evolution of thinking about adaptation to climate change and variability – from what agriculture needs to look like in a future climate scenario to greater focus on what can be done now to start the journey towards better adapting agriculture to climate change-related challenges.

The CAADP Results Framework (2015-2025), which followed the Malabo Declaration and which is considered to be an integral part of country CAADP implementation processes, identifies the percentage of households that are resilient to climate change and weather-related risks, as well as the share of agricultural land under sustainable land management practices (including climate-smart agriculture), as important indicators of resilient production systems and livelihoods (see also Knowledge Note: Sustainable Land Management). A more debatable issue, meanwhile, concerns the unclear definition of the metrics that relate to resilience and / or climate-smart agriculture. There is general consensus that indicators which incorporate climate resilience concepts into theories of change and results frameworks may serve to gather evidence for improved planning, investments and decision making while also strengthening accountability.

Resilience-focused results can be evaluated at all levels of the results framework, including inputs and outputs, and can help develop a robust path for achieving intended outcomes and impacts. For example, the monitoring and evaluation framework developed by OECD (2002) follows a logical sequence of typical development intervention and implementation process for results. This sequence, however, can be adapted to support actions and verify that issues related to climate-smart agriculture and resilience are adequately addressed in a Malabo-compliant NAIP. A representation of this simplified framework is presented in Figure 1 below.

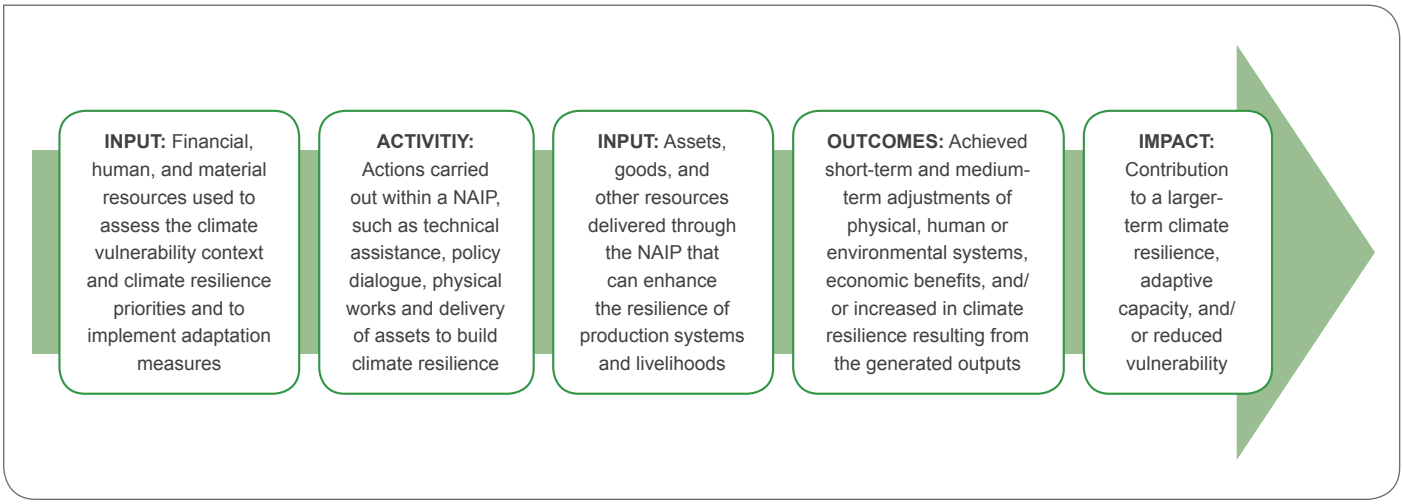

Figure 1: Developing a climate-resilient National Agriculture Investment Plan (NAIP).

It is very important to note that, while it is possible to compile a long list of examples and suggestions, consideration of a country's geo-physical and socio-economic circumstances and priorities determine which of them are the most relevant and feasible to be considered for inclusion in the NAIP. As a general guide, experts can refer to six categories of good agricultural adaptation practices: (i) use of improved seeds, (ii) soil and water management, (iii) timing of farming practices, (iv) changing crop distribution and densities, (v) changing livestock distribution and densities and (vi) farm crop and livestock diversification (GIZ, 2017).

It is also important to recognise that males and females differ in terms of how they experience the impacts of climate change, the degree to which they are vulnerable to these impacts and their capacity to adapt to them. The costs and benefits associated with adopting climate-smart agriculture technologies and practices are also not evenly distributed among household members. Gender analysis must therefore be an integral part of climate-smart agricultural interventions *(see Knowledge Note: Women Empowerment).*

How Climate-Smart Agriculture and Resilience is Measured in the Biennial Review

Malabo Commitment	Commitment Performance Category	Objectives	Indicator	Target value
6 Resilience to Climate Variability	6.1 Resilience to climate related risks	Promote utilisation of cost-effective, quality agricultural inputs, irrigation, mechanisation and agrochemicals for crops, fisheries, livestock and forestry in order to boost agricultural productivity.	6.1i- Percentage of farm, pastoral, and fisher households that are resilient to climate and weather related shocks	30%
			6.1ii- Share of agriculture land under sustainable land management practices	30%
	6.2 Investment in resilience building	Enhance investments for resilience building initiatives to protect rural workers and social groups, as well as vulnerable ecosystems.	6.2- Existence of government budget-lines to respond to spending needs on resilience building initiatives	100%

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Prof. Ayalneh Bogale Gebreyohannis

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-1-928527-03-9

Date: June 2019

Sustainable Land Management

Background and Context

Whether taking the form of soil erosion, loss of fertility, loss of vegetation, desertification, salinisation or pollution, land degradation is increasingly becoming a major global environmental issue. The challenge for humanity is how to sustain the productivity of land while promoting its prudent use. Sustainable land management (SLM) is a response with the potential to address this challenge. SLM is defined as 'the use of land resources, including soils, water, animals and plants, for the production of goods to meet changing human needs while simultaneously ensuring the long-term productive potential of these resources and the maintenance of their environmental functions' (United Nations Earth Summit, 1992). SLM is fully embraced by both Malabo Commitment 4 – halving poverty by the year 2025 through inclusive agricultural growth and transformation – and Malabo Commitment 5 – enhancing resilience of livelihoods and production systems to climate variability and other related risks, with the sub-target of agricultural land being placed under SLM.

National Agriculture Investment Plans (NAIPs) are the main operational and investment vehicle for achieving the CAADP Malabo targets. Incorporating SLM into a country's NAIP processes from the design to the implementation phase will therefore ensure that investments in sustainable agricultural transformation are prioritised. To this end, the Malabo Domestication process should be conducted in a participatory way which involves all relevant stakeholders and which identifies gaps to be clearly addressed in the NAIP.

Main Challenges to Achieving Sustainable Land Management

Land degradation that results from unsustainable land management practices is a threat to the environment as well as to agriculturally-dependent livelihoods (Liniger *et al*, 2011). There is a potentially devastating downward spiral of overexploitation and degradation, enhanced by the negative impacts of climate change, leading in turn to reduced availability of natural resources and declining productivity. This jeopardises food security and increases poverty. The immediate challenge is to sustain the productivity of land and promote prudent use of land and land-based resources by addressing the underlying drivers of land degradation (World Bank, GEF and UNCCD). Figure 1 shows some of the categories of land degradation being experienced around the world.

An IPBES (2018) report notes that '… The impact of almost all direct drivers of land degradation will be worsened by climate change. These include, among others, accelerated soil erosion on degraded lands as a result of more extreme weather events, increased risk of forest fires and changes in the distribution of invasive species, pests and pathogens… Land degradation is also a major contributor to climate change, while climate change can exacerbate the impacts of land degradation and reduce the viability of some options for avoiding, reducing and reversing land degradation.' Countering these bleak observations, on the other hand, is evidence suggesting that SLM and

KEY MESSAGES

Sustainable land management is key to maintaining ecological resilience and the stability of ecosystem services indefinitely, while also providing sustenance and diverse livelihoods for humans. SLM provides a portfolio of possible technologies, practices and approaches to land management that are implementable at the local scale in a participatory manner as well as being supported by the broader planning frameworks and environment (ELD, 2015). In sum, embedding SLM within the NAIP is key to achieving the CAADP Malabo Commitments.

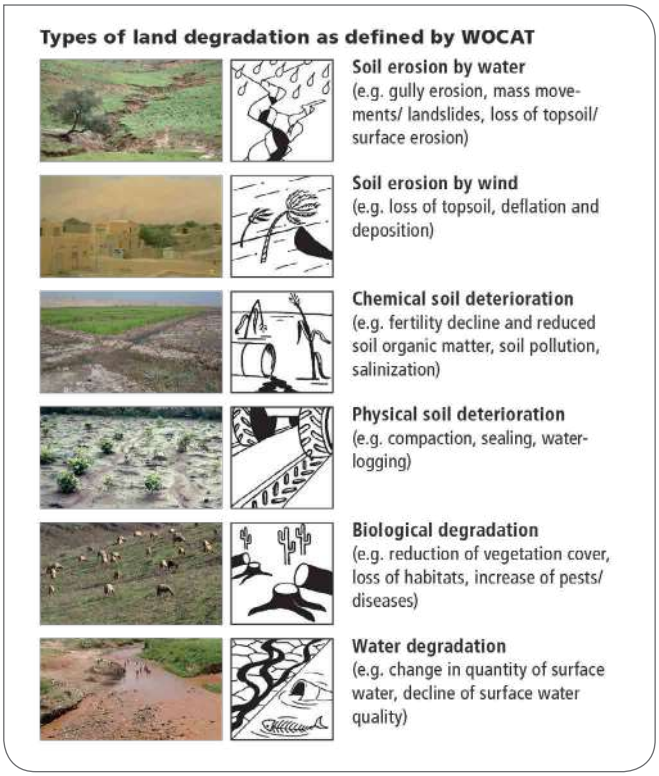

Figure 1: Categories of land degradation. *Source: Harari et al (2017).*

land restoration can assist climate change mitigation and adaptation. SLM practices are, in this way, contributing to achieving climate-smart agricultural practices.

Sub-Saharan Africa (SSA) is particularly vulnerable to the twin threats of natural resource degradation and poverty, owing to its high population growth rates and population pressures, dependency of livelihoods on agriculture, agriculture's high sensitivity to variability and changes in climate and markets / prices, and abundance of fragile natural resources and ecosystems. According to the Global Land Outlook Report, already a quarter of Africa's croplands and rangelands show signs of decreasing or unstable land productivity (UNCCD, 2017). In view of this, SLM is crucial for SSA, especially since there are unique circumstances that pose particular problems and challenges for the successful implementation of SLM (Liniger, 2011).

Recommendations for Anchoring Sustainable Land Management within NAIPs

- Sustainable land management is relevant for achieving the Malabo goals and targetsbecause of the need for high political commitment to mainstreaming SLM within national development policy. followed by a long-term, multi-sectoral approach in broad partnerships to reduce the barriers to sustainable land management. The Malabo committments on SLM and climate resilience are an example of such political committment which, when incorporated into the NAIP, will lead to the achievements of the Malabo goals and targets at the country level. This is because there is assurance of stakeholder participation and financial resource availability to enable the implementation of SLM and climate actions to address land degradation and build resilience respectively.

Investing in avoiding or reducing land degradation restoring degraded land makes sound economic sense: the benefits exceed the costs by far. Timely action can increase food and water security, can contribute substantially to the adaptation and mitigation of climate change, and can contribute to the avoidance of conflict and migration. Avoiding, reducing and reversing land degradation is also essential for achieving the majority of the Sustainable Development Goals (SDGs).

Figure 2 below proposes some SLM measures which can be promoted and incorporated into the implementation of a NAIP.

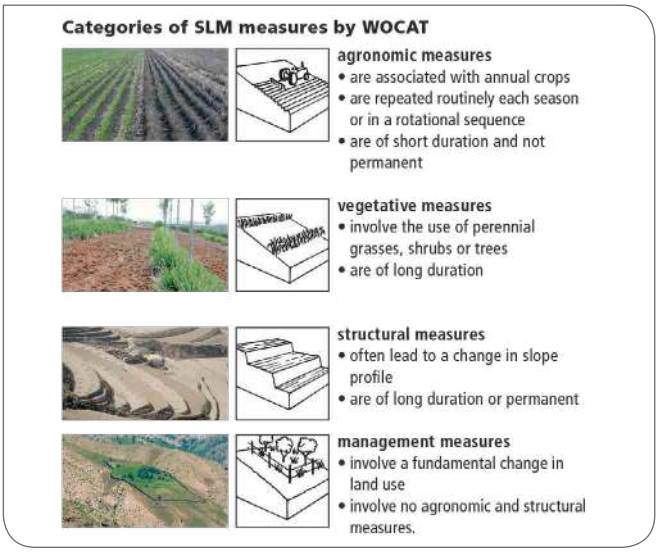

Figure 2: Some recommended sustainable land management measures. *Source: Harari et al (2017).*

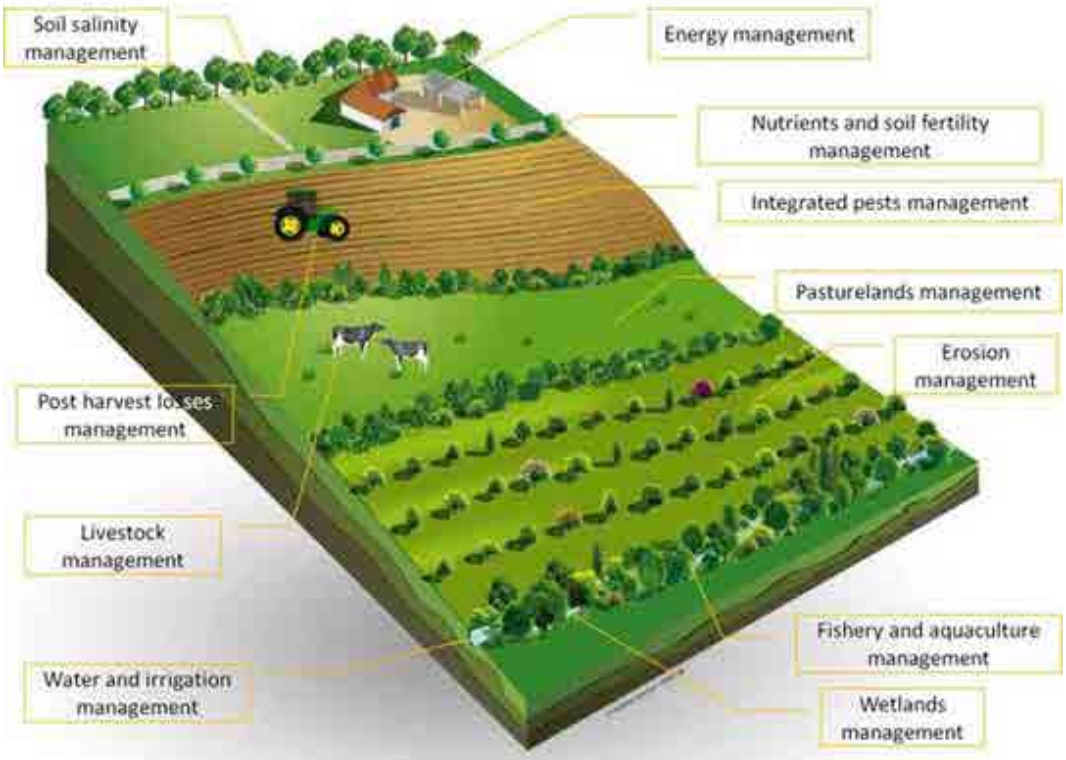

Figure 3: A sustainable agriculture landscape. *Source: FAO Sustainable Agriculture Platform Pilot.*

Ultimately, SLM should contribute to sustainable agriculture, which should lead to productive and integrated landscapes – as depicted in Figure 3 above.

- The policy measures which are recommended for addressing SLM within NAIPs are also reflected in local National Agriculture Policy (NAP), which provides clear and comprehensive policy guidance in agricultural development and the agricultural transformation agenda. The NAP, which should be aligned with the overarching long-term and medium-term national development strategies, is the basis for the NAIP, guiding investment focus in the sector.

  The NAIP, meanwhile, which is likely to be a second-generation framework under CAADP, should be aligned with the African Union Malabo Declaration, the Sustainable Development Goals (SDGs) and sev¬eral other International and Regional Policy Frameworks. The SDGs to which SLM is applicable are numbers 15[1], 2[2], and 13[3].

  Due to the nature of the Malabo Commitments and the SDGs, the NAIP requires close collaboration with key policies and strategies in sectors other than the agricultural sector only at the level of imple¬mentation. Policies, institutional arrangements and investments that create an environment conducive to gender-responsive SLM, such as enhancement of women's access and control of productive and financial resources for SLM, are crucial (see Knowledge Note: Women's Empowerment). These should also be reflected in the NAIPs.

- In order to ensure that SLM is embedded in the NAIP and anchored at national policy level, the NAIPs should help to overcome the common barriers faced by farmers in applying SLM measures and / or in transforming their management systems into more sustainable production systems. This is achieved when the NAIPs achieve the following:
  - Ensure tenure security and legal rights;
  - Set up a favourable regulatory framework for SLM, including the possibility of informal user agreements;
  - Ensure access to finance and / or incentives for investment in SLM – in the form of credits, subsidies, inputs, grant schemes and / or taxing privileges;
  - Establish effective and accessible extension services and know-how transfer for SLM, including increased awareness;

1 SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

2 SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

3 SDG 13: Take urgent action to combat climate change and its impacts.

- Integrate risk insurance schemes (such as conversion or retention premiums and insurance;
- Include measures to improve market infrastructure and access – including for ecological labelling and / or bio-markets;
- Improve access to machinery, enhance community collaboration to reduce labour intensity and / or entail food for work or cash for work schemes;
- Reduce perverse and adverse incentives and harmonise inter-sectoral planning.

How Sustainable Land Management is Measured in the Biennial Review

Malabo Commitment	Commitment Performance Category	Objectives	Indicator	Target value
6 Resilience to Climate Variability	6.1 Resilience to climate related risks	Promote initiatives of building resilience of production systems to reduce vulnerabilities of the livelihoods of African population to climate variability and other related risks.	6.1ii- Share of agriculture land under sustainable land management practices.	30%

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Gertrude Kambauwa

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-1-928527-04-6

Date: June 2019

Agriculture and Food Insecurity Risk Management

Background and Context

The African Union Development Agency (AUDA-NEPAD) is in the early stages of implementing the Agriculture and Food Insecurity Risk Management (AFIRM) project. The project's objective is to empower producers, especially smallholder farmers (SHFs), to use effective tools, to benefit from investments in infrastructure and, thereby, to better manage agricultural and food insecurity risks. This objective, which contributes to sustainable growth in agricultural output and productivity, is well aligned with the overarching goals of the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods, which was adopted by African Heads of State and Government at the 23rd African Union (AU) Summit in 2014.

A long-term structural shift in approach from crisis management to effective risk management, as anticipated under AFIRM, will contribute to reducing food insecurity and transforming rural livelihoods in Africa. AFIRM focuses on investments in strategic rural physical infrastructure as well as capacity building to reduce risk exposure through resilience building and adaptation of livelihoods. It fosters risk transfer, mitigation and sharing through various tools such as insurance mechanisms, contract farming and access to finance. AFIRM also enhances risk coping using available and complementary assets as well as changing behaviour. These investments build on actions implemented under the Platform for Agricultural Risk Management (PARM) in eight African countries, with AUDA-NEPAD AFIRM being a core partner.

PARM actions include national-level risk assessment studies to identify and prioritise agricultural risks; feasibility studies to identify promising agricultural risk management (ARM) tools which can be replicated and / or scaled up, and capacity development in ARM for smallholder farmers. AFIRM projects, in consonance with PARM activities, will directly contribute to attainment of several of the Malabo Commitments, in particular to Commitments 2 to 6 – as demonstrated in Section 3.

KEY MESSAGES

Managing agriculture and food insecurity risks is critical to ensuring inclusive growth and greater resilience for Africa's economic development and transformation. It requires mainstreaming agricultural and food insecurity risk management in policy documents and translating the policies into holistic action plans which are designed and implemented by national and local governments farmers' organisations and other national stakeholders. The AFIRM programme will contribute to this by ensuring that specific investments in physical infrastructure, institutional infrastructure and capacity development leverage and reinforce a combination of effective risk management tools and policy instruments. Investments by other donors should be similarly aligned to this focus.

Main Challenge: Agricultural Risks Impeding Growth and Exacerbating Food Insecurity

Risks which are prevalent in agricultural value chains, including at farm level, are hampering efforts to boost output and productivity across the agricultural sector. As illustrated in Table 1, these include natural risks related to weather and crop and livestock pests and diseases. Also prevalent are market and policy risks. Infrastructural constraints, meanwhile, are often known about and can therefore not be described as risks, even though they tend to accentuate the negative effects of risks, leading to high economic losses. In Uganda, for example, the total annual value of losses triggered by agricultural risks ranges

Type of risk/challenge	Examples
Weather risks	Drought, flood, and erratic rainfall (increasing in frequency and severity across Africa due to climate change).
Crop and livestock health risks	Crop and livestock pests and diseases (incidence and severity of these risks sometimes due to weather risks).
Human health risks	Affects availability of family labour and household resources invested in farming activities.
Market risks	Uncertain access to quality inputs, which directly affects farm output.
	Price volatility and unpredictable access to output markets.
Policy risks	Disabling macroeconomic and trade policies as well as lack of supportive regulatory framework for risk management tools.
Infrastructure constraints	E.g. poor rural road infrastructure and lack of storage facilities contribute to high postharvest losses.

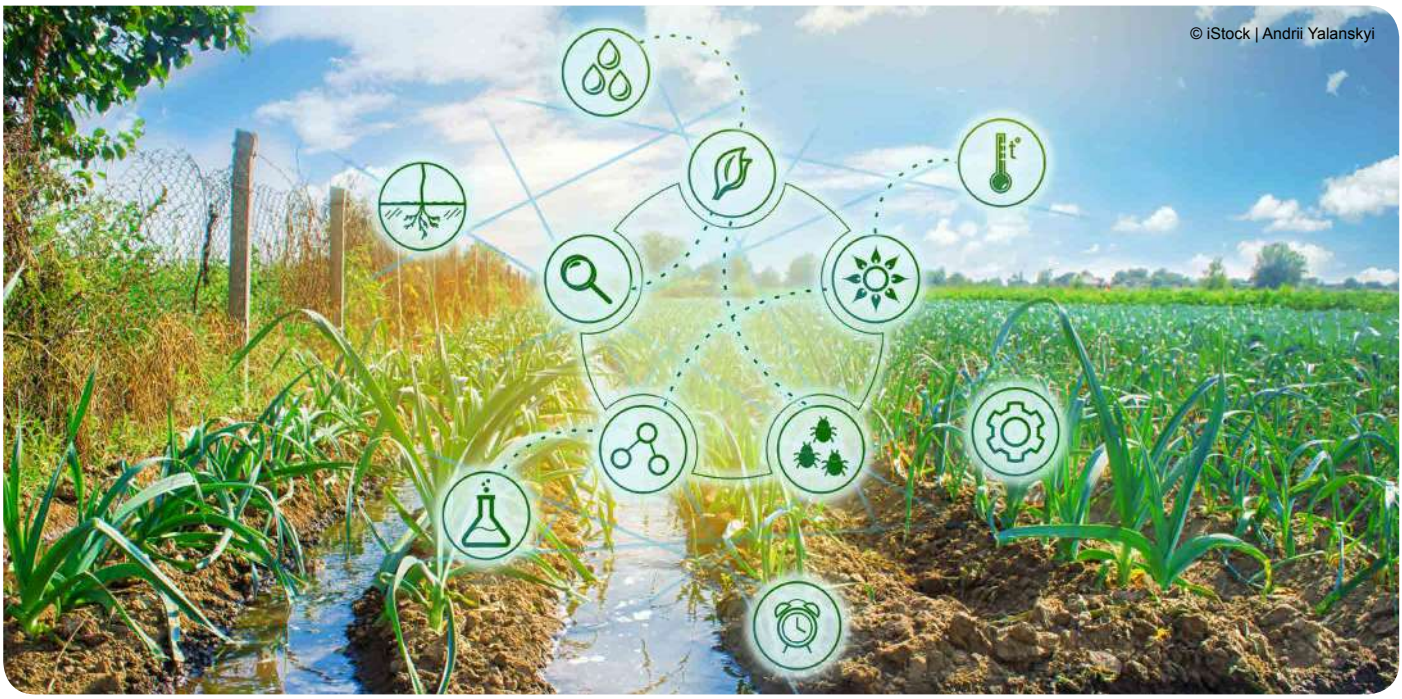
Table 1: A typology of risks facing African agriculture.

between US $600 and $800 million. A shortfall in available grain storage capacity in the country can leads to high post-harvest losses, estimated at about US $100 million per annum. In Ethiopia, meanwhile, farm output losses due to extreme drought in an El Niño season can be as high as US $925 million, and the total value of annual post-harvest crop losses is estimated at about US $430 million.

Such agricultural losses imply reductions in food availability, increasing the risk of food insecurity at household and national levels. Agricultural risks stifle the supply of finance to smallholder farmers, making it difficult for them to acquire technologies which can boost yields or reduce postharvest losses. This is, in part, why agricultural productivity growth in Africa lags behind the rest of the world.

Structural constraints such as poor road infrastructure, quality variability and high costs of aggregation also make it difficult for food-deficient countries to rely on regional trade when managing shocks to their supplies while simultaneously enabling surplus producers to mitigate the risk of glut. This often leads to reliance on imports from global food markets, increasing vulnerability to transmission of global price shocks into domestic markets, as happened during the 2007–08 food crisis.

A challenge for policymakers is how to respond to agricultural and food insecurity risks in a way that is appropriate, sustainable and entails minimum trade-offs in terms of other development goals, including those covered by the Malabo Commitments.



Recommendations for Anchoring Agriculture and Food Insecurity Risk Management within NAIPs

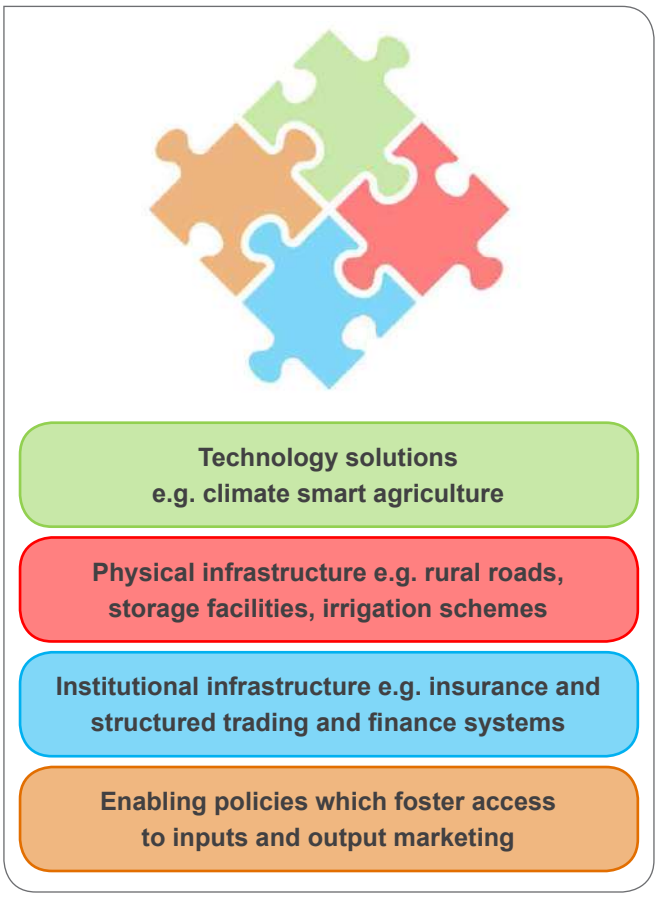


Figure 1: A holistic approach to implementing Agriculture and Food Insecurity Risk Management (AFIRM).

A holistic approach to promoting Agriculture and Food Insecurity Risk Management (AFIRM) is informed by evidence and lessons from projects such as the Platform for Agricultural Risk Management (PARM) and the European Union-funded Farm Risk Management for Africa (FARMAF) Project. Evidence from these initiatives indicate that smallholder farmers benefit from the AFIRM programme's promotion of mutually reinforcing interventions rather than actions aimed at mitigating specific risks in isolation. For instance, technological solutions such as climate-smart agriculture can sustain output growth in the face of climate variability (cf. Knowledge Note: Climate-Smart Agriculture) but the gains enjoyed by smallholder farmers can be further optimised if there are complementary investments in physical and institutional infrastructure, which improve output markets, made available to them.

The design of the AFIRM programme and its fundamental implementation strategy are consistent with this holistic approach, stressing synergies between various AFIRM components which are promoted in line with national priorities. Two cases from implementation of the FARMAF Project in Burkina Faso and Zambia are profiled below so as to illustrate this holistic approach.

BURKINA FASO

An existing small-scale inventory credit scheme, which exclusively targets SHFs and is termed Warrantage, was scaled out into 'greenfield' communities, in which there had been no previous pilots. As in many pilot projects, small warehouses (60-tonne capacity) were built, but benefiting from the additional innovations of (i) packaging inventory credit with crop insurance, bundled with production loans, (ii) fostering access to a reliable market information system (MIS) to improve output marketing by SHFs, and (iii) a grain quality assurance system (QAS) which enables SHFs to sell directly to formal buyers (such as WFP and SONAGES who are keen to stock public grain reserves) in addition to large-scale grain traders.

The outcomes after five years included increased supplies of finance from micro finance institutions (MFIs), which enabled the participating farmers to scale up their grain production, smoothen consumption, ensure food availability during the hunger season, invest in income-boosting activities such as livestock fattening for sale, and expanding production of non-food cash crops such as cotton. Overall household incomes of participating farmers rose by 35-45%. Rising local demand for warehousing services even triggered private investment in larger storage facilities – for example, a private investor built three 500-tonne capacity warehouses close to the FARMAF pilot warehouse in the rural community of Bobo Dioulasso.

ZAMBIA

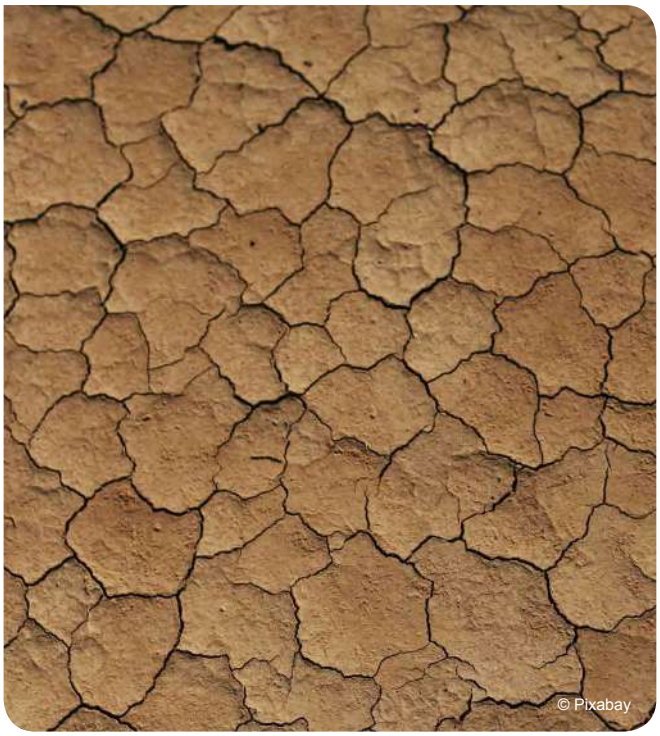
The key pillars of this pilot programme included 'cashless lending' – by which financiers directly pay suppliers of quality inputs. This lending is bundled with insurance (without premium subsidies) and also includes secured forward contracts for sale of farm outputs. Reducing credit risks to the farmers in this way made it possible for the participating commercial bank to lend under highly competitive terms – ie. only two percentage points above base rate. Over 45,000 farmers benefited and the success recorded encouraged the government of Zambia, in 2017, to scale up access to weather-indexed insurance to approximately 1 million farmers under its Farmers Inputs Support Programme (FISP). This was seen as part of a governmental effort to create a long-term 'exit strategy' from FISP.

The two examples cited above show how strategic investment under AFIRM, in synergy with actions to promote a combination of risk management tools and policy instruments, can directly contribute to the following Malabo Commitments:

- **Commitment 6:** Strengthening resilience of rural communities by ensuring food availability through increased output and better storage (post-harvest handling);
- **Commitment 3:** By complementing the above with safety nets for vulnerable populations and strengthening early warning systems, contributing to ending hunger in Africa by 2025;
- **Commitment 5:** Boosting intra-African trade in agricultural commodities and services;
- **Commitment 4:** Halving poverty through inclusive agricultural growth and transformation as household income resulting from the AFIRM actions; and
- **Commitment 2:** Driving sustainable increase in the supply of inclusive finance in agricultural value chains by promoting tools which reduce lending risks.

In order to achieve these Commitments, governments need to mainstream AFIRM in national agricultural development polices and, even more crucially, translate such policies into specific action plans which strengthen and / or broaden available AFIRM interventions. Policy focus needs to shift, from short-term actions which address the effects of risks, to long-term holistic AFIRM programmes which incorporate, among others, a bottom-up approach in programme design and implementation, ensuring the involvement of local government bodies and farmers' organisations. Gender mainstreaming also needs to be stressed in order to avoid the unintended marginalisation of women as risk reduction and consequent increased access to resources catalyses commercialisation of agricultural value chains.

The supply of both public and private AFIRM interventions should be promoted, complemented in both cases by enabling policy and regulatory actions by governments. Donors' investments in this area should also be aligned to the strategic national action plans adopted by governments. Finally, it is proposed that the CAADP Biennial Review process is used to assess the commitments to, and quality of, governmental and private investments to develop AFIRM tools which are accessible to SHFs.



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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Dr Gideon E. Onumah

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-1-928527-05-3

Date: June 2019

Agriculture Public Expenditure Reviews (AgPER)

Background and Context

The objectives of CAADP are usually reflected in the formulation of detailed and fully-costed National Agriculture Investment Plans (NAIPs). It is expected that the next generation NAIPs, also referred to as NAIP 2.0, will align with the Malabo Declaration. In order to facilitate this alignment, the AU Commission and the NEPAD Agency have launched Malabo domestication processes at country and regional levels[1].

While CAADP encourages increased allocation of national budgetary resources to agriculture through prioritised and targeted public expenditure, the Malabo Declaration encourages actions that lead to concrete results and impacts from CAADP process. These actions include those aimed at increasing the effect of public expenditure on agriculture growth, through robust allocative and implementation efficiencies: *'Public spending is one of the most effective instruments in promoting agricultural growth and reducing poverty in developing countries … [and thus] monitoring public spending in agriculture is crucial[2].'*

This knowledge note explores Agriculture Public Expenditure Reviews (AgPERs) and their linkage to the Malabo Declaration. AgPERs are mirrored in all commitments of the Malabo Declaration in view of the fact that public spending is an enabler of activities in the sector. AgPERs are particularly relevant to:

- Commitment 1, on recommitting to the principles and values of the CAADP process;
- Commitment 2, on enhancing investment finance in agriculture (particularly allocating at least 10% of public expenditure to agriculture and ensuring its efficiency and effectiveness);
- Commitment 7, on mutual accountability to actions and results.

KEY MESSAGES

- **African countries as a whole need to revisit the debate on shares of agricultural spending versus total spending, which has ranged from 4 to 6 percent on aggregate since 1980.**
- **Application of AgPERs in countries for whom NAIPs are not aligned with the central budgeting system will not be effective in responding to the aspirations of the Malabo Declaration – or, ultimately, AU Agenda 2063.**
- **Countries must make every effort to ensure that public resources and donor funding are available to execute the NAIP implementation plan.**
- **AgPERs should accompany JSRs and should mirror the objectives of the Biennial Review reporting processes, since they have the potential to strengthen dialogue during JSRs and BRs. Countries and development partners should set aside resources for AgPERs to be conducted regularly, therefore, as they represent value for money in terms of both government spending and donor support to the agricultural sector.**

AgPERs are witnessed in debates on policy-expenditure-result linkages. They are crucial for strengthening policy dialogue, annual budget preparation, evidence-based decision making, planning and mutual accountability through joint sector review (JSR) cycles[3].

1 *The Malabo Domestication Toolkit* has been developed to assist AU member States to align the next generation NAIPs to the 2014 AU Declaration.

2 Fan *et al*. (2009). *Public Spending for Agriculture in Africa: Trends and Composition* ReSAKSS Working Paper No.28.

3 World Bank. (2017). *Increasing the Impact of Public Spending on Agricultural Growth: Myanmar Agricultural Public Expenditure Review*. Washington, DC.

Main Challenges

Due to the multisectoral and multidisciplinary nature of CAADP, several key stakeholders involved in African agriculture have recognised the need to clearly define what constitutes 'agriculture' and how expenditure of public resources in the sector would be tracked effectively so as to inform policy and future spending priorities. Since CAADP has embraced the Classification of Functions of Government (COFOG) definition for agriculture, there is thus a need to provide a more detailed classification of 'expenditure' within this context. How do we deal with agriculture expenditure vs. non-agriculture expenditure versus rural infrastructure, health and education, for instance?[4]

The above-mentioned aspects, among others, led to the development of the AU Guidance Note on Tracking and Measuring the Levels and Quality of Government Expenditures for Agriculture.[5] The Guidance Note was designed to be a guiding tool for AU member states in their efforts to track and report on government expenditures for agriculture, as well as to strengthen the efficiency and effectiveness of budget planning, execution and management in the sector.[6] Initiatives such as the Regional Strategic Analysis and Knowledge Support System (ReSAKSS) also launched regular tracking of expenditure in the African continent, despite challenges faced in accessing data.

Despite the availability of the Guidance Note, several countries do not yet implement comprehensive AgPERs. This is similarly noted for Joint Sector Reviews (JSRs), which are meant to regularly hold stakeholders accountable for their actions towards results and impact in the sector, in line with Commitment 7 of the Malabo Declaration on mutual accountability. Furthermore, there is an argument that the allocation of public resources (10%) to agriculture does not necessarily equate to efficiency in expenditure. A study by Action Aid reveals that, while there was an increase in funds allocated to communities in eight constituencies of Kenya through line ministry budgets, *'…The allocation of funds [did] not translate into improved wellbeing of intended communities, particularly in ensuring food security"…*[7] According to the World Bank[8], meanwhile, it has been observed that most documents used for planning, budget


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preparation and regular reviews of agriculture sector policy implementation make little reference to public expenditure analysis.

Evidence suggests that investment in public goods *'…is the major driver of agricultural growth, competitiveness and poverty reduction'.*[9] Increased allocations of funding to agriculture should, therefore, cover a broad base of the sector, including areas such as research and development, extension services and rural infrastructure[10]. Much remains to be done in terms of tracking expenditure on agricultural public goods so as to ensure alignment with policy priorities and achievement of intended results and impact.

Challenges Affecting Agriculture Public Expenditure Reviews (AgPERs)

- **Funding of AgPERs against other priorities**

  Agriculture Public Expenditure Reviews may not be a funding priority for governments. In some countries they are undertaken in an integrated manner as opposed to being sector specific. As an analytical tool, AgPERs require the availability of substantial data from a wide coverage area, usually requiring considerable local governmental input, reference to existing agriculture expenditure analysis, and all-round commitment and participation of governments and key stakeholders. AgPERs call for an overview of how much various spending units contribute to agricultural expenditure, the composition of expenditure overtime

4 Fan *et al.* (2009). *Public Spending for Agriculture in Africa: Trends and Composition* ReSAKSS Working Paper No.28.

5 AUC and NPCA (2015) AU Guidance Note on Tracking and Measuring the Levels and Quality of Government Expenditures for Agriculture

6 The GN is aimed at facilitating comparable tracking and periodic reporting, and as well contributing to show casing country progress towards compliance with the 10% target. Furthermore, this Note is meant to facilitate strengthening of evidence-based investment and policy rationale around establishing and managing appropriate expenditure levels and their prioritized composition, which will need to be determined on a country basis.

7 Nyangena *et. al.* (2010). *How are our monies spent?* The public expenditure review in eight Constituencies (2005/2006 – 2008/2009)

8 World Bank, *Guide for Carrying Out Light Agriculture Public Expenditure Reviews*, AgPER Lite Guide, 2015

9 Fan *et al.* 2000, 2004 and Benin *et al* 2008 in ReSAKSS Working Paper No.34 *The Structure and Trends of Public Expenditure on Agriculture in Mozambique*

10 Timmer, C.P. 2005. *Agriculture and Pro-Poor Growth: An Asian Perspective*. Center for Global Development Working Paper No. 63. Washington, DC: Center for Global Development

and identification of major cost drivers. Conducting such a review is costly and requires strong political will if it is to be applied effectively.

- **Expensive schemes prioritised**

  In cases where expenditure on agriculture has increased as a percentage of total expenditure, most countries fall far below the CAADP benchmark. Countries that have surpassed the benchmark tend to operate very expensive input subsidy schemes: this jeopardises sustainability and impact with regard to the commitments of the Malabo Declaration.

- **Sensitisation of key line ministries**

  A lack of sensitisation of the ministries which conduct agricultural programmes, projects or activities which are bound by the commitments of the Maputo and the Malabo Declarations – such as the Ministries of Finance and Agriculture – about the importance and usefulness of AgPERs may hinder increased budget expenditure in agriculture.

Recommendations for Anchoring AgPERs within NAIPs

NAIPs are designed to be detailed, multi-sectoral and multidisciplinary strategies, with corresponding fully-costed implementation plans, whose execution is expected to be undertaken through various sector ministries with the participation of key stakeholder groups. It is expected that a Malabo-compliant NAIP, being the central agricultural strategy document for the sector, will become the singular reference point during an AgPER. Under Commitment 1, on upholding the principles and values of CAADP, AgPERs should reflect a country-led and country- owned process and should involve the participation of key line ministries and stakeholders, while generating evidence that will be useful for reporting and strengthening of policy priorities and future planning. Under Commitment 2, on effective and efficient expenditure of the CAADP 10%, AgPERs should enable regular evaluation of national budgetary allocation to the sector, thereby measuring the effectiveness and efficiency of public spending in the sector in alignment with one common sector strategy and implementation plan: the NAIP. In addition, AgPERs should also:

- showcase progress made towards compliance with the 10% CAADP target;
- strengthen evidence-based investment and policy rationale for appropriate expenditure levels and prioritised composition;
- provide the information required for the compilation of reports in compliance with the Malabo Declaration of 2014;
- support preparation and presentation of annual budget proposals to the Ministry of Finance.

Under Commitment 7, on mutual accountability for results and impact, AgPERs will be useful for strengthening policy dialogue, joint sector reviews and generally for holding governments, donors and other stakeholders in the sector accountable for their commitments.

The role of women and youth in agriculture along commodity value chains cannot be over emphasised. AgPERs can assist in identifying expenditure gaps and informing policy priorities aimed at strengthening the participation of women and youth in gainful agribusiness activities.

In order to achieve the objectives of the Malabo Declaration, and to undertake Malabo-responsive AgPERs, it is essential to note that NAIPs should be financed through a country's central budgeting system. NAIPs must be seen to contribute to the national development plans of countries while simultaneously reflecting national agriculture policies and, ultimately, enabling attainment of the national long-term vision. NAIPs should not be perceived as stand-alone documents for the purposes of resource mobilisation and as a reference for sector priorities: they must play a key role in genuinely informing AgPERs.

For AgPERs – and indeed, NAIPs – to be successful, it is also important that finance ministries be convinced of the 'opportunity costs' of public spending, as well as being fully informed about existing funding gaps in the sector. It is said, after all, that the composition of total expenditures across regions reflects the priorities of governments. For example, the top three most prioritised sectors for Africa in 2005 were education, defense and health – see also Table 1 – confirming that rates of expenditure on agricultural GDP remain low in Africa.[11]

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11 Fan *et al.* (2009). *Public Spending for Agriculture in Africa: Trends and Composition* ReSAKSS Working Paper No.28.

AgPERs have the potential to support ministries of agriculture to present budgets to their respective ministries of finance, but only if they are a deliberately integrated component of NAIP implementation, review and reporting which fully captures agricultural expenditure. AgPERs should, therefore, be made a requirement as an accompaniment to JSRs and to the Biennial Review reporting process. They should be conducted annually and integrated into existing processes, with the planning department of the agricultural ministry taking the lead in verifying the quality and plausibility of data needs and using sources that collect data regularly. In order to ensure that AgPERs effectively contribute to Malabo Commitments, meanwhile, it is essential to build human, institutional and other capacities at levels.

		Agriculture	Education	Health	T&C	Social Security	Defense	Other
Sub Saharan Africa	1980	7.1	14.4	4.9	11	2.9	19.7	40.1
	1990	5.5	14.5	4.5	4.5	2.5	17.1	51.5
	2000	3.8	14.1	6.7	4.7	5	8.8	56.9
	2005	6.3	15.4	8.1	5.8	2.8	6.5	55.1
Africa	1980	6.4	12.2	3.7	6.3	5.7	14.6	51
	1990	5.4	15.1	3.9	4.1	7.1	13.7	50.7
	2000	4.7	17	6.8	3.9	6.1	9.4	52
	2005	5	17.9	6.5	3.7	5.6	8.1	53.1
Asia	1980	14.9	13.8	5.3	11.7	1.9	17.6	34.8
	1990	12.3	17.4	4.3	5.2	2.4	12.9	45.5
	2000	6.3	16.9	4.3	3.8	6.4	8.3	54
	2005	6.5	17.9	5.4	4.5	8.7	7.9	49.1
Latin America	1980	7.7	10.4	5.8	6.8	23.6	6.1	39.5
	1990	2.1	7.9	6.1	2.6	21.8	5	54.4
	2000	2.5	14.8	7.6	2.6	36.4	4.6	31.6
	2005	2.5	14.3	8.4	2.4	36.6	3.8	32

Figure 1: Percentage breakdowns of public expenditure, by continent, 1980–2005 (%). *Source: Fan et al. (2009). Public Spending for Agriculture in Africa: Trends and Composition ReSAKSS Working Paper No.28.*

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Dr. Nalishebo Meebelo

Reviewed by: IFPRI/ReSAKSS

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-1-928527-06-0

Date: June 2019

Performance Assessment Frameworks to Guide the Implementation of the CAADP Malabo Declaration

Background and Context

The *Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods*, adapted by African Heads of State and Government at the 23rd African Union (AU) Summit in 2014, repositioned agriculture as a priority on the continental development agenda. The Declaration contains seven key commitments that guide the implementation of the *Comprehensive Africa Agriculture Development Programme* (CAADP).

Performance assessments are linked to commitment number 7 of the Malabo Declaration: *Mutual Accountability for Actions and Results*. They are also linked to the biennial reporting on progress, which is tracked against the general CAADP Results Framework (*see Knowledge Note: Biennial Review*). The Framework recognises the importance of evidence-based planning and implementation in the pursuit of agricultural transformation. It also recognises the importance of benchmarking and review as a means of strengthening monitoring, evaluation and mutual accountability for actions and results. In the context of formulating the second generation of National Agricultural Investment Plans (NAIPs), Performance Assessment Frameworks are seen as tools that ensure mutual accountability for policy actions by state and non-state players and a solid basis for M&E systems.

Main Challenges Related to Performance Assessments

One of the main challenges faced by countries during the first ten years of CAADP was to ensure that NAIPs were firmly embedded in country planning and budgeting systems, as well as to ensure that they were effectively implemented and regularly reviewed.

KEY MESSAGES

Implementing NAIP activities requires good management, implementation and regular monitoring of progress using appropriate sectoral Performance Assessments Frameworks. These frameworks will facilitate cross talk and discussions between levels – vision, operations, tactics etc. – and between stakeholders (such as decision makers and implementers, public and private stakeholders, national and grassroots levels, fund providers and users, services provider and users. Strong M&E and mutual accountability systems as part of this framework will enhance the likelihood of NAIP activities being implemented as planned by stakeholders.

In most countries, the policy framework starts with a long-term vision which is broken down into a sequence of medium-term multi-sectoral plans; these, in turn, give rise to the timeframe, the orientation and the targets for all medium-term sectoral plans. Examples are Malawi Vision 2020[1], Zambia Vision 2030[2], Uganda Vision 2040[3]. In case the overall policy framework does not provide a coherent plan for agriculture, it becomes problematic to effectively coordinate, implement and monitor activities in the sector, especially since achievement of Malabo Declaration targets depend on various agriculture-related programmes.

Furthermore, if the planning framework does not offer a comprehensive base for M&E, it becomes difficult to use a clear matrix of outcome indicators with which to assess the

1 Malawi National Economic Council, March 1998.

2 Government of Zambia, December 2006.

3 Uganda National Planning Authority, April 2013.


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sector's performance, as well as to link plans with budgets to allow the NAIP implementation be part and parcel of the national budgeting process. This prevents government funding for NAIP implementation from being reflected in the Medium-Term Expenditure Framework (MTEF)[4] and being part of the regular annual budget process.

A second challenge noted during the first era of CAADP is that countries struggled to create an environment that enabled private sector development, and NAIPs were hardly perceived as engines to increase volumes of private investment in the sector[5]. Performance assessments could help track and address this gap.

Countries were also found to have limited capacity for data and knowledge management to support the M&E and mutual accountability systems. Developing a data and knowledge management system, together with targeted capacity strengthening activities, will ensure that the information and knowledge generated are considered during the formulation and policy dialogue concerning the successful implementation of second-generation NAIPs.

Recommendations for Anchoring Performance Assessment Frameworks within NAIPs

In order that Malabo commitments can be achieved, countries must ensure that National Agricultural Investment Plans (NAIPs) are aligned to the Malabo Declaration, are part and parcel of the planning and budgeting frameworks for the agriculture sector and are implemented on time in line with their plans. Regular progress reviews can be instrumental in this pursuit.

Successful formulation of NAIPsrequires an incremental policy framework. This includes a long-term vision which captures the big picture. The vision is implemented through a series of realistic medium-term plans (MTP or MTEF) in which priorities are addressed and financed in sequence, addressing Malabo goals and targets rather than spreading available resources too wide and too thinly.

It is recommended that the agriculture plan (or NAIP) that is developed in line with national priorities and global frameworks emerges as a single plan that presents a clear agenda to stakeholders (including development partners), both within the sector and across sectors. This plan is the foundation for resource mobilisation and efficient utilisation. Where this agriculture plan is clearly articulated with a consensus around prioritised programmes, coordination towards achieving Malabo goals becomes feasible even beyond the scope of the Ministry of Agriculture and beyond activities of the NAIP, since other ministries and partners relevant to Malabo are included.

It is recommended that NAIPs have the exact same timeframe as the MTEF. This is likely to make financial planning of NAIPs more comprehensive, predictable and reliable in terms of public funding mechanisms.

In addition to the considerations suggested above, good NAIPs should also strive for the following:

- NAIPs should facilitate private-sector engagement and thriving by advocating sound laws, policies, legislative and administrative procedures. The enabling the environment for the private sector investment is paramount to achieving Malabo goals and targets. The level of organisation within the private sector,

4 The MTEF is a process of rolling, annual three year-expenditure planning. It sets out the medium-term expenditure priorities and hard-budget constraints against which sector plans can be developed and refined.

5 Continental Agribusiness Strategy Framework Document, May 2017.

and its capacity to influence policy, planning and implementation processes should also be enhanced.

- Mainstreaming gender concerns (recognising the crucial role of women and young people in rural development) will ensure that all agricultural indicators that can be gender disaggregated are also gender sensitive. Furthermore, all NAIP programmes and sub-programmes should be reviewed with consideration for their recognition of gender issues. Legal and regulatory gaps should be identified, corrected, and strategies formulated across priority value chains. A gender budget statement should also be prepared and attached to every NAIP annual budget *(see Knowledge Note: Women Empowerment)*.
- Countries should have their own instruments for monitoring NAIP implementation and deepening mutual accountability amongst stakeholders. Some of the mechanisms for this include:
  - Conducting Joint Sector Reviews (JSR) and JSR-like forums which engage all stakeholders in policy dialogue and ensure ownership, accountability and transparency of the NAIP implementation and monitoring process.
  - Institutionalising a mutual accountability framework as a tool for the government and its partners (including development partners) to hold each other accountable for results. An example of this would be a mutual framework between the government and development partners which is based on both the Government Performance Assessment Framework and the Donor Performance Assessment Framework, as follows:
    - A Government Performance Assessment Framework may be a matrix of selected outcome indicators which is used by development partners to assess the government's performance for budget support conditionality. Development partners use these agreed indicators as a basis for their own M&E purposes. The framework sets the agenda for the work of the Agriculture Sector Working Group.
    - A Donor Performance Assessment Framework may be the government's framework for assessing and discussing the progress of donors relative to their commitments. The framework reviews the performance of bilateral and multilateral donors against a set of established indicators on the quality and volume of development assistance to countries.
  - Institutionalising performance contract schemes at the sector level. In Rwanda, for instance, one exemplary practice is the use of performance contracts as tools for monitoring programme indicators. This can lead to adjustments in strategies, as well as the monitoring of individual performance indicators which may lead to personnel changes. In order to support effective implementation of the NAIP, performance contracts, both at individual and multi-sectoral levels, could be linked to the sectoral plan and the MTEF and made result-oriented, such that:
    - Both kinds of contracts are broken down to the task level and hold each ministry responsible for its tasks in relation to the target indicator agreed upon for given activities.
    - The ministry responsible for monitoring should receive reports on ministerial and joint performance contracts on a regular basis so that gaps can be identified early and corrective action taken when necessary. Ministries that perform well can negotiate for more resources, while poor performance can interrupt fund flow.
  - Institutionalising transparent channels of communication of progress and challenges in order to facilitate the fine tuning of NAIP agenda and strategies.

Measuring Progress in the Malabo Biennial Review

The Malabo Biennial Review measures how well a country is putting in place reliable mutual accountability systems under category 7, as follows:

Malabo Commitment	Commitment Performance Category	Objectives	Indicator	Target value
7 Mutual Accountability for Actions and Results	7.1 Country capacity for evidence-based planning, implementation and M&E	Countries to increase capacity to generate, analyse and use data, information, knowledge and innovations.	7.1 Index of capacity to generate and use agriculture statistical data and information.	63
	7.2 Peer review and mutual accountability	Put in place mechanisms and systems to recognise and appreciate Member States' achievement of commitments.	7.2 Existence of inclusive institutionalised mechanisms and platforms for mutual accountability and peer review.	100%
	7.3 Biennial agriculture review process	Institutionalise the use of the Biennial Review to serve mutual accountability platforms, facilitate experience sharing among African countries on agricultural development issues and promote lessons learned regarding performance and the Malabo Declaration.	7.3 Country Biennial Report submission.	100%

Further Information

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

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Reviewed by: IFPRI/ReSAKSS

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-1-928527-07-7

Date: June 2019

The CAADP Biennial Review - Measuring Progress and Keeping Accountability in Agriculture

Background and Context

In 2003, the AU Assembly of Heads of State and Government adopted the Maputo Declaration on CAADP, setting broad targets of 6% annual growth in agricultural GDP and allocating at least 10% of public expenditures to the agricultural sector. The leaders signalled their intentions to achieve these targets through collective action across the continent, focused on improving agricultural planning and policies, scaling up investment to implement these plans and policies and harmonising external support for African-owned plans.

About ten years later, in June 2014 in Malabo (Equatorial Guinea), the AU Heads of State and Government adopted seven Commitments in the Declaration on Accelerated Agricultural Growth and Transformation (ref: Doc. Assembly/AU/2(XXIII)). These Commitments, designed to achieve transformation by 2025, comprise: (i) recommitment to CAADP principles and values, (ii) enhancing investment finance in agriculture, (iii) ending hunger by 2025, (iv) halving reducing poverty by half, by 2025, through inclusive agricultural growth and transformation, (v) boosting intra-africa Africa trade in agricultural commodities and services, (vi) enhancing resilience of livelihoods and production systems to climate variability and other related risks, and (vii) mutual accountability to actions and results.

Specific to the seventh Commitment on mutual accountability to actions and results, Heads of State and Government committed (i) to conduct a biennial Agricultural Review Process involving tracking, monitoring and reporting on implementation progress, (ii) to foster alignment, harmonisation and coordination among multi-sectorial efforts and multi-institutional platforms for peer review, mutual learning and mutual accountability, and (iii) to strengthen national and regional institutional capacities for knowledge and data generation and management that support evidence-based planning, implementation, monitoring and evaluation.

KEY MESSAGES

- **The Biennial Review Report is a powerful instrument for advocacy at the continental, regional and national levels for triggering the necessary policy actions for agricultural transformation in Africa by 2025.**
- **It is not only a reporting exercise to the Heads of State and Government Summit, but also a learning exercise that is important for countries in using the findings of the report to adjust their NAIP implementation, to achieve better results in improving livelihoods and to create shared prosperity for their citizens through agricultural transformation.**
- **The Inaugural Biennial Review Report informed Member States and all stakeholders that there is a need to mobilise more resources for technical and financial support from public and private sectors to achieve the goals and targets of the Malabo Declaration by 2025 through the implementation of CAADP.**
- **There is a need to improve data collection, data analysis and data management systems for agricultural statistics in order to strengthen M&E systems and to improve evidence-based planning and accuracy of implementation.**

The CAADP Malabo country process makes provision for strengthening mutual accountability at national level in order to inform the Biennial Review (BR) process and to assess Member States' progress towards achieving agricultural transformation by 2025 (See also Knowledge

Note: Country Process). Therefore, the domestication of the Malabo Declaration is important so that countries plan into their NAIPs activities that clearly implement mutual accountability and the Malabo Declaration Biennial Review.

Challenges in Carrying Out Successful Biennial Review at Country Level

The CAADP performance evaluation system – now described as the Biennial Review – is based on a balanced scorecard approach. The result is the African Agricultural Transformation Scorecard (AATS), which scores all African countries in peer-to-peer, metric comparisons of performance. The AATS also includes a report designed to stimulate improvement through appropriate policy and programming interventions.

The commitment to mutual accountability ensures review and dialogue on the implementation of the entire National Agriculture Investment Plan (NAIP) through national Agriculture Joint Sector Reviews (AJSRs). AJSRs are all-inclusive and widely-owned processes at country level. Outcomes of the JSRs inform the Biennial Review Report.

In order to facilitate the BR data collection process, the AU has developed reporting tools for collecting data on forty-seven (47) performance indicators, including: (a) Technical Guidelines that provide the profile of each indicator along

with detailed calculation and computing methods, (b) a Country Performance Reporting Template which is used by the Member State to collect data required for the country report preparation, based on the guidance provided in Technical Guidelines, and (c) the Technical Notes, which exhibit the benchmarking methods for evaluating Member State progress in terms of being 'on track' or 'not on track' for a specific target of the Malabo Commitment. During every BR cycle, the AU trains national experts on these tools.

Country overall progress for implementing the Malabo Declaration for Agriculture transformation in Africa

Against the 2017 Benchmark of 3.9 out of 10 which is the minimum score for a country to be on track for implementing the Malabo Declaration, countries which score (out of 10) appears in "green" are ON TRACK, and countries which score appears in "red" are NOT ON TRACK for the 2017 reporting exercise to the Jaunary 2018 AU Assembly.

Algeria	Angola	Benin	Botswana				
n.a	2.1	4.3	4.4				
Burundi	Burkina Faso	Cameroon	Cabo Verde				
4.7	4.2	2.1	4.6				
Central African Rep.	Chad	Comoros	Congo	Côte d'Ivoire	DR Congo	Djibouti	Egypt
2.4	2.2	n.a	2.8	3.5	1.4	3.2	3.4
Equatorial Guinea	Eritrea	Ethiopia	Gabon	Gambia	Ghana	Guinea	Guinea-Bissau
3.6	n.a	5.3	2.9	3.1	3.9	3.3	n.a
Kenya	Lesotho	Liberia	Libya	Madagascar	Malawi	Mali	Mauritania
4.8	3.7	0.9	n.a	3.1	4.9	5.6	4.8
Mauritius	Morocco	Mozambique	Namibia	Niger	Nigeria	Rwanda	Rep. A. Saharawi
5.0	5.5	4.1	4.1	3.5	3.4	6.1	n.a
São Tomé & Príncipe	Senegal	Seychelles	Sierra Leone	Somalia	South Africa	South Sudan	Sudan
1.5	3.8	4.0	1.5	n.a	4.1	n.a	1.9
Swaziland	Tanzania	Togo	Tunisia	Uganda	Zambia	Zimbabwe	2017 Benchmark
4.0	3.1	4.9	1.7	4.4	3.6	3.2	3.9

Table 1: Africa Agriculture Transformation Scorecard (2018).

During the first cycle, 47 of 55 AU Member States submitted data for Biennial Review – see Figure 1. However, an average of only 74% of the required data was provided by them – see Figure 2 – and, out of the 47 countries, only 20 were found to be on track to achieving the Malabo Commitments by 2025 – see Table 1.

Main Challenges

During the 2017 Biennial Review, several challenges were encountered:

- Many countries were found to have poor data systems, often being unable to collect key data accurately.
- The data availability and quality for some indicators that are not widely used or were new indicators, such as those covering resilience to climate change, post-harvest loss and women's empowerment in agriculture, was wanting;
- Harmonisation of data management methodologies across countries – ie. ensuring that all countries are reporting on the same thing – was found to be a challenge.
- The scorecards approach, used to analyse and summarise data, was unknown to some technical experts and researchers.
- At national, regional and continental levels, most stakeholders struggled to collect and analyse data on time, as well as struggling to organise stakeholder validation of reports. These challenges were mainly due to limited financial resources.

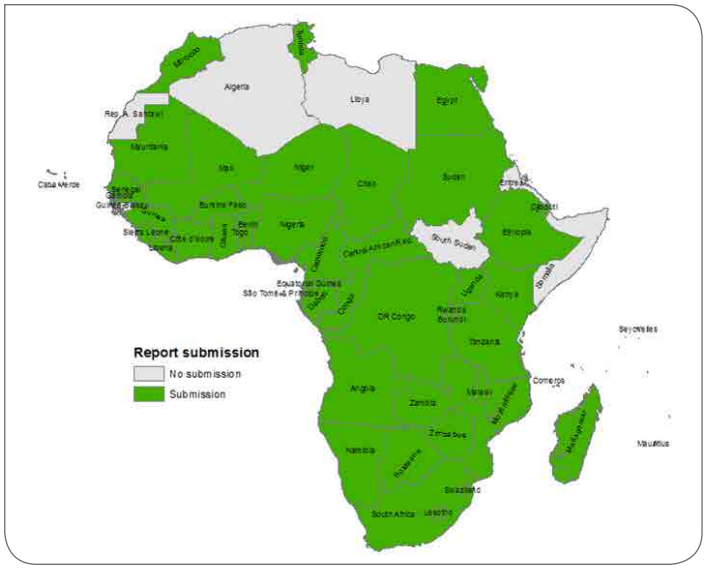

Figure 1: Biennial Review Report submission map, 2017

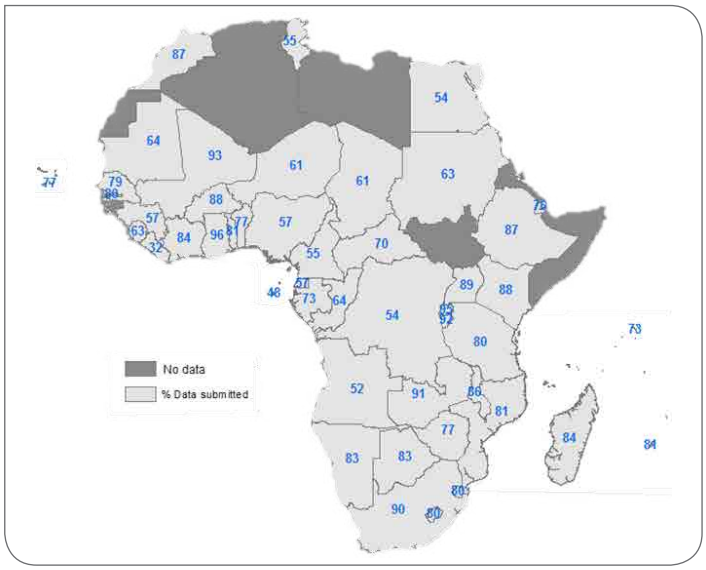

Figure 2: Data submission map in the 2017 BR.

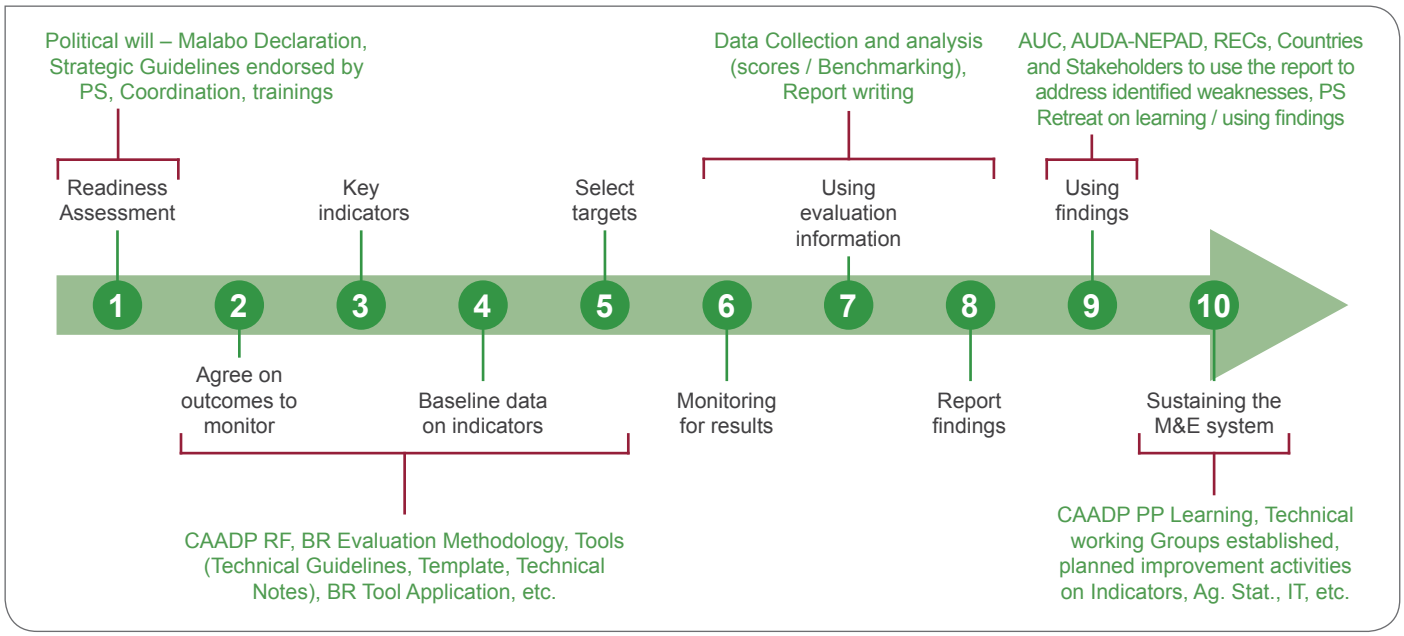

Figure 3: 10 Step Results-Based Monitoring for achieving the Malabo Commitments
Adapted from the International Programme for Development Evaluation Training (World Bank and University of Bern 2018)

Recommendations for Anchoring the Malabo Declaration Biennial Review within NAIPs

The Biennial Review (BR) process measures performance of a country's Malabo-compliant NAIP. The process is designed to maximise the use of BR Report findings to strengthen in-country evidence-based planning and adaptive implementation. By triggering positive peer pressure for good performance amongst countries, it can drive faster implementation of CAADP. The process should be integrated as part of the national M&E system to measure performance in implementation of CAADP.

Measuring Progress on Reporting and Mutual Accountability

Malabo Commitment	Commitment Performance Category	Objectives	Indicator	Target value
7 Mutual Accountability to Actions and Results	7.1 Country capacity for evidence-based planning, implementation and M&E	Countries to increase capacity to generate, analyse and use data, information, knowledge and innovations.	7.1 Index of capacity to generate and use agricultural statistical data and information.	63
	7.2 Peer review and mutual accountability	Put in place mechanisms and systems to recognise performance of Member States.	7.2 Existence of inclusive institutionalised mechanisms and platforms for mutual accountability and peer review.	100%
	7.3 Biennial agriculture review	Institutionalise the use of the Biennial Report to serve mutual accountability.	7.3 Country Biennial Report submission (BR).	100%

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Published by: African Union Commission - Department for Rural Economy and Agriculture (AUC-DREA) and African Union Development Agency – NEPAD

Prepared by: Maurice Lorka, AUC

Designed by: Twaai Design

Supported by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

ISBN-Number: 978-1-928527-08-4

Date: June 2019