



Fertile ground

How governments and donors can halve hunger
by supporting small farmers

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Executive summary

Empowering local farmers to produce more food for local markets is the bedrock of global food security. Small farmers, the majority of whom are women, are responsible for 90 per cent of the food grown in Africa and produce about half the world's food supply. They are determined, resourceful and incredibly hard-working. Given a chance, they could quite literally grow their way out of poverty and hunger.

However, perverse policies mean that only a tiny fraction of their potential is being used. Indeed, about three-quarters of the hungry people in the world are small farmers and the rural landless – a sad indicator of the mess agriculture is in. Structural adjustment reforms during the 1990s sharply reduced poor farmers' access to knowledge, credit and inputs, while climate change, soil degradation and biodiversity loss have made their job tougher than ever. Unsurprisingly, smallholder productivity has stagnated, while many developing countries have become dependent on food imports.

The food crisis in 2008 showed exactly how unreliable and costly imports can be, but experts have since warned that food shortages and price volatility will only get worse in years to come. Belatedly, world leaders have started to acknowledge that the dismantling of public support to developing country agriculture was a mistake. After a decades-long decline, both governments and donors are starting to re-invest in agriculture. Spending by African governments on agriculture actually doubled between 2000 and 2005.

Yet this report shows that recent budget increases stop well short of what is needed to reverse the growing crisis of poverty, environmental degradation and hunger gripping the countryside. Too few governments are

meeting the African Union target of allocating 10 per cent of their budgets to agriculture, and none is prioritising support to the women farmers whose role lies at the heart of food security.

This report is based on extensive research and interviews with several hundred farmers, the majority of them women, carried out by ActionAid staff and consultants in Uganda, Kenya and Malawi throughout the last third of 2009. It is complemented by an extensive global literature review, and our study also benefited from interviews with government, donors, academic and civil society staff in the three countries.

Throughout the report we analyse the level and quality of current government and donor spending in areas of critical importance to women and men smallholder farmers.

METHODOLOGY

ActionAid employed consultants and its own staff to conduct an extensive global literature review of work on agriculture and to conduct fieldwork with several hundred farmers, the majority women, in Uganda, Kenya and Malawi. Fieldwork took place in August–November 2009. In Uganda, interviews and focus groups were held with individual farmers and farmer groups in villages in Pallisa District, 100km from Kampala. In Malawi, the field research took place in Salima District in the centre of the country, and Machinga in the south. In Kenya, fieldwork involved research in three districts of western Kenya – Trans-Nzoia, West Pokot and Kakamega. The analysis also benefitted from interviews with government, donor, academic and civil society staff in the three countries.

“It feels like life is getting tougher and tougher for every season. The rains have become unpredictable. Last season the drought hit my crops and I only managed to get one and a half bags of millet, half a bag of soya and one and a half bags of sorghum, from over two acres planted. I do not dare to sell even one grain. I am worried that our food reserves will not take us through to the next harvest.”

Anamaria Nsomera, small farmer, Uganda

Anamaria Nsomera

Anamaria Nsomera, 62, lives in Pallisa District, Uganda. A widowed farmer, Anamaria provides for six grandchildren. She cannot recall receiving any government support for her agricultural livelihood.

PHOTO: VIBEKE QUADE/MS ACTIONAID DENMARK



Recent research shows that growth in agriculture can make twice the impact on poverty as growth in other sectors, both through its direct impact on raising the incomes of the large numbers of the poor who live in rural areas, and through the strong links between agriculture and other parts of the economy. If, for example, Malawi achieves the African Union target of 6 per cent annual growth in agriculture, an additional two million Malawians will be living above the poverty line in 2015.

Encouragingly our research found that, where promises to support smallholders are being kept, the results are very good indeed.

For example, through a combination of targeted input subsidies, public procurement and expanded social protection, Malawi has put a decisive end to years of recurring famine, reducing the number of people requiring food aid from over 4.5 million in 2004 to less than 150,000 in 2009.¹

In Uganda, the re-invigoration of extension services helped farmers diversify their crops, and households receiving these services are reportedly enjoying better food security and higher incomes.

Badly degraded land in western Kenya has been rehabilitated through sustainable farming, and not only have maize yields doubled but diversification into fruits has increased incomes (as well as demand for labour), while vegetable growing has improved household nutrition.²

As promising as they are, however, interventions such as these have only gone part of the way to filling the huge gaps left by the chaotic withdrawal of public support from agriculture in the 1980s and 1990s. Women farmers in particular are getting only a tiny fraction of the support they need to thrive. They are desperately short of credit, technical advice, relevant research, appropriate infrastructure

and technology, secure and adequate land holdings, and other public goods.

Research shows that with the same access to land and inputs, African women produce 20 per cent more than men; yet African women own only one per cent of the land in Africa and receive only seven per cent of extension services and one per cent of all agricultural credit. The eradication of gender discrimination is one of the key ways to increase the supply of food, especially in Africa, but our research shows that women farmers are not getting support from governments and donors.

In Uganda, for example, women receive only 9 per cent of agricultural credit; in Malawi only 7 per cent of female-headed households receive extension support (compared to 13 per cent for male-headed); in Kenya, private sector extension services target farmers with better quality land and who grow high value crops, who tend to be male farmers.

Making a living from the land is getting harder, thanks to intensifying droughts and soil degradation, growing commercial pressures on land, and increasing price volatility in liberalised markets. Food production per person in Africa is 10 per cent lower today than it was in 1960.³ With climate change set to further devastate yields – reductions of up to 50 per cent are predicated over the next decade in some developing countries – the need for large-scale investment in small-scale agriculture has never been more urgent.

We identify five shortfalls that must be addressed urgently:

- **Neither governments nor donors are spending enough on agriculture.** Governments in Africa are spending only around 6.6 per cent of their national budgets on agriculture, or little more than US\$15 per

year for every rural inhabitant. Donor support to African farming has fallen from 15 per cent of total aid budgets in the 1990s to only 4.2 per cent in 2006. By contrast, during the Green Revolution era, Asian governments allocated as much as 15 per cent of their budgets to agriculture. With 75 per cent of the world's poor people living in rural areas, and agriculture making up a third of national income in poor countries, the current level of investment is simply too low.

- **Agriculture budgets fail to focus on the people who do most of the farming – smallholder women farmers.** Although women constitute the majority of farmers in most countries and produce most of the locally consumed food in developing countries, nearly all agricultural policies ignore the needs of women.
- **The things that would help poor farmers and women the most – such as rural credit and agricultural research focused on smallholders – are the most under-resourced.** Low-cost, ecologically sustainable and climate-resilient methods of increasing productivity are being neglected in favour of costly, chemical-intensive approaches that often benefit richer farmers most, and can do environmental damage.
- **Donors are using resources poorly by failing to uphold the aid effectiveness commitments of the Paris Declaration of 2005.** Donor addiction to multiple projects reinforces and perpetuates capacity gaps in agriculture ministries.
- **Ministries of Agriculture are ill equipped to spend existing resources effectively.** Few are fit for purpose after years of neglect and under-resourcing, and many are in dire need of reform.

RECOMMENDATIONS

ActionAid believes that by scaling up support to smallholders to at least US\$40 billion per year globally, world leaders can deliver a 50 per cent reduction in hunger and poverty by 2015 – the most fundamental of the UN Millennium Development Goals (MDGs).

At the UN Millennium Review Summit this year, supporting women farmers must be the focus of coherent, well-costed national plans to make a five-year breakthrough against hunger, backed by allocation of at least 10 per cent of the government budget to agriculture. For their part, donors must commit to underwriting all credible national plans for halving hunger, covering any shortfall beyond developing country governments' own budgetary effort.

As a top priority:

1. Governments must develop robust and costed national “breakthrough” plans for halving hunger by 2015 through a massive scale-up of public goods provided to women farmers and other smallholders.
2. Governments and donors must fully finance such plans by increasing their budgetary allocations and aid disbursements. The UN estimates that at a minimum, an additional US\$40 billion per year is required globally, while the International Food Policy Research Institute estimates that more than US\$20 billion per year will be needed to achieve MDG1 in sub-Saharan Africa alone. Recognising that even a 10 per cent budgetary allocation by low-income countries will cover only part of the investment needed, donors must make a guaranteed upfront commitment to closing the gap, so that the ambitious efforts required to halve hunger become operationally practical.

3. The focus of public investment should be shifted to low-cost, sustainable techniques and the research and extension needed to support these. Such techniques reduce climate risk and are most likely to benefit women and poor farmers.

Despite bumper crops, the food price crisis that began in 2008 is set to continue, exacerbated by oil prices, climate change, and growing demand for more resource-intensive and biofuel crops in wealthier countries. For smallholder farmers in developing countries, who currently buy more food than they are able to produce, this could spell disaster. Poor people do not go hungry because there is not enough to eat; they go hungry because they are not able to produce enough and cannot afford to buy food. Governments and donors must act now to reduce the vulnerability of poor farmers, or risk further increases in hunger.

The exchange rates used in this report are:
US\$1 = 1,966 Ugandan shillings (Shs)
US\$1 = 79 Kenyan shillings (KShs)
US\$1 = 146 Malawian Kwacha (K)
US\$1 = 0.683 Euros (€)

Introduction: A future without hunger?

This year, world leaders will meet to discuss the Millennium Development Goals, which include a pledge to halve hunger and poverty by 2015. They will gather in the knowledge that more people than ever before are going hungry, and that food price hikes and shortages are set to worsen as climate change intensifies.

Over 200 million additional people have been pushed into hunger in the past three years as a result of the food and financial crises; the UN estimates that one billion people now go hungry. The sad truth is that over half the hungry people in the world are small farmers, producing food for their families on plots of two hectares or less, while a further 25 per cent are the rural landless, dependent on farm wages. The vast majority of small farmers are women, who receive little or no support from their governments or donors.

Over the past 25 years, as a result of well-documented World Bank and International Monetary Fund liberalisation, but also due to the political marginalisation of small farmers and the rural poor, government and donor support to agriculture in developing countries has all but dried up.⁴ The trend began with the 1981 World Bank's *Berg Report* which argued that government interventions in the market were distorting food prices and reducing incentives to produce more.⁵

The *Berg Report* was correct to point out that government intervention was often inefficient (e.g. badly run state extension services) and in some cases was actually making the rural poor worse off (e.g. price controls to ensure cheap food for city-dwellers). However, the report was one-sided in its assessment: it largely ignored the positive functions of state involvement in overcoming the multiple market failures facing poor farmers. Parastatal marketing boards,

for instance, were major providers of seasonal credit to smallholders, and together with national grain reserves (buffer stocks) they also enabled farmers to manage price risks, an essential function similar to the one played by commodity futures exchanges in rich-country agriculture. What's more, Berg got it badly wrong in assuming that the private sector would fill the gaps left when such institutions and services were dismantled, freeing peasants to benefit from a plethora of market opportunities. In fact, the cure was worse than the disease.

Nearly 30 years on, the impact of structural adjustment reforms is still being felt. However, governments and donors are finally acknowledging that the private sector alone will not deliver food security or create thriving rural economies. Although our research discovered continuing ambiguity and conflict as to the optimal level and type of state involvement, consensus is growing that governments have a crucial and necessary role to play in enabling smallholders to increase their productivity and incomes. What is more, public investment in agriculture is increasingly recognised as the key to ending hunger and poverty.⁶

While there are an estimated 800 million smallholders cultivating 400 million farms of less than two hectares, these farms support up to two billion people, or a third of humanity, and produce half the world's food (rising to as much as 90 per cent in Africa).⁷ Nevertheless, nearly all farmers and farmworkers are net food buyers who do not grow enough to feed themselves, and as a result they make up about three-quarters of the world's hungry.

Beyond directly benefiting the billions who depend on smallholder farming or farm wages, investing in agriculture has enormous payoffs for society as a whole. Growth in agricultural

“This land used to be instrumental in helping us survive and feed our children. This is unfortunately no longer the case. The land has become bare, leading to low yields. We last had rains in April this year. The long drought has caused a lot of suffering, pain and anguish. People who used to have three meals a day can hardly afford a meal a day.”

Constance Namusisi, smallholder farmer, Uganda

output (agricultural GDP) is more than twice as effective in reducing poverty as growth in other sectors, meaning that agriculture is also a long-term path out of poverty.⁸ Detailed modelling of individual countries' growth options by the International Food Policy Research Institute suggests that raising productivity and incomes

in the agriculture sector is the cheapest and most practical way for most African countries to meet the UN goal of halving poverty and hunger in the next five to ten years. Because agriculture is such a big part of developing country economies and has so many positive links to other sectors, this investment would

BOX 1: THE CRISIS – HUNGER AMIDST A BUMPER CROP

One billion people going hungry is the highest number ever recorded. Some 100 million more people were pushed into hunger in 2009 as a result of the financial and food crises; this followed increases of 75 million in 2007 and 40 million in 2008.⁹

One in three people living in sub-Saharan Africa is now undernourished, as are 642 million people in Asia.¹⁰ Most of the hungry are women and girls.¹¹ Hunger destroys bodily health and thereby deprives poor people of their most important asset: the capacity for physical labour. In infants and young children, it causes permanent brain damage and lifelong ill health. Undernourishment and malnutrition are the direct cause of five million child deaths every year.

Despite record global harvests in 2008 and 2009 and falling global prices, local food prices have declined only slightly in many countries (and in several countries began to rise again in late 2009-10).¹² While an aggregate food shortage is not the cause of the current hunger crisis, raising smallholder productivity is essential to tackle it: by increasing the incomes of a large majority of the poorest, most food insecure people, reducing food prices on local markets to a more affordable level, and insulating poor people who are net food buyers from global price shocks.

In the medium to long term, food supplies remain highly vulnerable thanks to the impact of climate change and water scarcity, population growth, and demand for biofuels. Re-runs of the 2007-2009 food and hunger crisis could become commonplace unless local food production is significantly strengthened in developing countries. IFPRI for instance forecasts that if crop yields in sub-Saharan Africa increase only marginally in the next decade, poorer African countries may find themselves unable to pay for increasingly costly food imports and the continent is likely to experience a 50 per cent increase in the number of malnourished children by 2020.¹³

The international community has reacted to the food and financial crises with various high-level international meetings and reports, together with pledges of increased aid to developing countries. The G8 states have pledged to mobilise up to US\$22 billion for agriculture, and the World Bank itself has committed to spending US\$12 billion in the next two years (up from US\$4 billion in 2008). The UN's High-Level Task Force on the Global Food Crisis has called on donors to increase aid to agriculture from 3 per cent to 10 per cent of all aid within five years, saying that US\$25-40 billion a year is needed.

also generate sufficient economic growth to fundamentally reduce aid dependence.

Some donors and many southern governments have recently begun to provide a badly needed increase in resources for agriculture, but ActionAid's research shows that the financing gap remains enormous, particularly in the areas that are critical to women and other poor farmers.

This report analyses government and donor spending on agriculture, involving extensive

work in three countries – Uganda, Malawi and Kenya – and a comprehensive literature review of many others over the past 10 years. It shows, first, that donors and developing country governments are still shortchanging farmers, and second, that funding is scarcest for the services that have the potential to make the greatest impact on poverty and hunger.

At worst, hunger is actually being exacerbated by policies that have placed essential services such as extension and credit beyond the reach of women and other poor farmers. A newer,

BOX 2: SUSTAINABLE AGRICULTURE FOR POVERTY REDUCTION

Numerous studies show that sustainable agriculture can increase yields significantly, particularly in resource-poor areas or where poorer farmers have been using relatively low levels of agro-chemical inputs with traditional farming methods.¹⁴ Sustainable agriculture is particularly good for mitigating and managing environmental risks (pests, droughts, etc.). Farmers say they value the increased stability of yields achieved through sustainable approaches as much as the increased volumes.

Reduced need for expensive agro-chemicals saves money for poor farmers and cuts their need for credit. The wider variety of crops grown improves nutrition and resilience to weather shocks and other stresses, ensuring a food supply (and income source) that is both stable and diverse. The benefits of investing in sustainable farming are likely to be equal to or greater than investment in conventional, chemical-intensive agriculture.¹⁵

Ecological benefits include retaining more moisture in the soil (key in rain-fed

agriculture), increased soil fertility, reduced erosion, improvements in the water table (ensuring more water in the dry season), increased biodiversity, less pollution from nitrates and phosphates, and lower energy use. Additionally, sustainable techniques can capture more carbon in the soil than conventional farming, reducing carbon emissions.

Sustainable agriculture is knowledge-intensive, improving the capacity of farmers to innovate, experiment and solve their own problems.¹⁶ The stress on local resources instead of high-value external technology and inputs can reduce the well-known phenomenon of 'capture' of benefits and resources by men (although the increased labour intensity of sustainable methods may fall disproportionately on women). Emphasis is placed on community management of natural resources and formation of cooperatives and marketing groups. This helps to link smallholders to government institutions and to markets, reducing their isolation and giving them a stronger voice.

“As local farmers who are also widows with a large number of children, we feel we should be given priority when allocating the benefits.”

Rose Gabeya, small farmer, Pallisa District, Uganda

worrying trend is the emphasis of governments and donors alike on promoting and subsidising increased use of commercial hybrid seeds and chemical pesticides and fertilisers, despite convincing evidence that sustainable technologies that require minimal use of commercial inputs can raise yields at lower cost and lower risk to poor people.

We will be analysing spending on areas prioritised by smallholder farmers and agricultural experts as likely to help them improve their productivity the most. These include extension services (which provide advice and training to farmers), rural credit (which offers essential loans to allow farmers to invest in their farming), agricultural research and development (which develops new crop varieties and technologies), and the provision of farming inputs (which can boost productivity and overcome market failures in the short term, but should not displace investments with a longer term pay-off, such as research).

Above all, governments and donors must start supporting those who do most of the farming – women. Few governments have agriculture budget lines that support women farmers specifically, and women are largely invisible in both government and donor agriculture policies designed to improve productivity.

While producing 60-80 per cent of food in developing countries, women still have little control over, or access to, agricultural resources.¹⁷ They currently own only 1 per cent of the titled land in Africa and receive only 7 per cent of extension services and 1 per cent of all agricultural credit.¹⁸ Agricultural policies that exclude more than half the rural population – the primary producers of food – are nonsensical.

BOX 3: THE RIGHT TO FOOD

Everyone has the right to be free from hunger, and this right is perhaps the most fundamental of all. Governments are responsible for ensuring that no one goes hungry, especially the poorest and most vulnerable, and almost all have signed up to UN agreements protecting this right.

States must enshrine the right to food in law and anyone – woman, man or child – denied their right to food must have access to justice and redress. Legislation should be enacted and implemented in accordance with the UN's Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security, established in 2004.

Table 1: Overview of agriculture and hunger in Kenya, Uganda and Malawi

	Kenya	Uganda	Malawi
Poverty	<ul style="list-style-type: none"> – 35 million population; half live in poverty – 7.5 million in extreme poverty – 10% of population controls 42% of wealth 	<ul style="list-style-type: none"> – 31% of population live in poverty – farm households average income US\$235 per year 	<ul style="list-style-type: none"> – 13 million population; 40% live in poverty – income of richest 10% is 8 times greater than poorest 10%
Hunger	<ul style="list-style-type: none"> – over 10 million suffer chronic food insecurity – 1.8 million children chronically undernourished – 16% of adult males suffer iron deficiency 	<ul style="list-style-type: none"> – over 8 million food insecure – 38% of children aged five and under show stunted growth – 22% of children underweight 	<ul style="list-style-type: none"> – 275,000 households in need of emergency food aid in March 2010 – 46% of under-5s show stunted growth – 20% of under-5s underweight
Agriculture	<ul style="list-style-type: none"> – provides 24% of GDP directly, 27% indirectly – employs 80% of population 	<ul style="list-style-type: none"> – provides 24% of GDP – employs 73% of total population 	<ul style="list-style-type: none"> – provides 38% of GDP – provides livelihood for 85% of population
Small-scale agriculture	<ul style="list-style-type: none"> – 4 million smallholder farmers – produce 75% of agricultural output – produce 70% of marketed produce 	<ul style="list-style-type: none"> – 3.6 million rural households 	<ul style="list-style-type: none"> – 2.4 million farming households – smallholders produce 75% of food – smallholders contribute 70% of agricultural GDP
Women farmers	<ul style="list-style-type: none"> – carry out over 70% of agriculture-related activities – manage up to 40% of smallholder farms 	<ul style="list-style-type: none"> – make up 70% of smallholder farmers – make up 90% of the agricultural workforce – contribute 70-75% of agricultural GDP – when farming independently (in female-headed households), have less than half as much land as male farmers 	<ul style="list-style-type: none"> – make up 69% of farmers – 24% of rural households female-headed. – represent an increasing proportion of all farmers and labourers

Sources: Recent government and donor documents

Hunger, poverty and inequality are intertwined.

If you are a woman living in rural poverty, then you and your family are most likely to go hungry.

If your children do not have enough to eat, they are unlikely to be in school or have access to healthcare. Research shows that their children are also likely to be trapped in poverty. If world leaders are serious about ending poverty, they must scale-up support to women and smallholder farmers.

Five problems with agricultural spending

Jane Chima, a smallholder farmer in Rumphi District, Malawi, belongs to the Coalition of Women Farmers and the ActionAid-initiated Women's Forum. She joined both groups to learn how to improve her yields.

PHOTO: GRAEME WILLIAMS/PANOS/
ACTIONAID



Between 1980 and 2005, funding for agriculture from most national governments and donors all but dried up. In 1984, agriculture received 16 per cent of total aid, but by 2006 it had fallen to less than 4 per cent – in absolute terms it halved during this period. After years of willful neglect under structural adjustment programmes, agriculture is now firmly back on the agenda, and many governments and donors have finally started increasing spending on agriculture, particularly in Africa under the aegis of the Comprehensive Africa Agriculture Development Programme (CAADP).

To make maximum impact on poverty and food security, it is critical that this investment responds to the needs and priorities of the smallholder farmers who grow over 50 per cent of the world's food and as much as 90 per cent of the food produced in Africa. This report identifies five major problems with current government and donor agricultural spending:

- Neither governments nor donors are currently spending enough on agriculture.
- Agriculture budgets fail to focus on the people who do most of the farming – smallholder women farmers.
- The things that would help poor farmers and women the most – such as extension services, agricultural research focused on smallholders and rural financial services – are the most under-resourced. Cheaper, ecologically sustainable methods of increasing productivity are being neglected in favour of conventional chemical-dependent approaches that may benefit richer farmers most, and can have high environmental costs.
- Donors are using resources poorly by failing to uphold the aid effectiveness commitments of the Paris Declaration of 2005.
- Ministries of Agriculture are ill equipped to spend existing resources effectively.

1. Neither donors nor governments are spending enough

Smallholder agriculture has the potential to get African countries on track to halve poverty and hunger by 2015 and set them on course for broad-based growth. But far higher levels of spending are needed to unlock this potential.

Governments in developing countries have very constrained budgets, with low levels of tax revenue and insufficient aid, and currently spend relatively little of their available funds on agriculture. From 2000 to 2005, African governments nearly doubled their agricultural spending, but still allocated it only around 5 per cent of their national budgets – about US\$8.7 billion in 2005.

In the same period, donor aid to agriculture in Africa stalled at around US\$1 billion per year, falling beneath 4 per cent of total aid to Africa. In the past few years African governments have increased their spending on agriculture to an average of 6.6 per cent. This is good, but experts agree it is not enough. By contrast, countries in Asia spent 8.5-11 per cent of national budgets on agriculture over much of the last 10 years, and as much as 15 per cent during the Green Revolution period.¹⁹

AFRICAN UNION STRUGGLES TO MEET AGRICULTURE COMMITMENTS

In the 2003 Maputo Declaration, African heads of state committed themselves to implementing a new programme to revitalise agriculture and reduce hunger through the Comprehensive Africa Agriculture Development Programme (CAADP). As of early 2010, 12 countries had signed national compacts that align national priorities with the CAADP agricultural framework. The good news is that most African states have surpassed the CAADP target of achieving 6% annual growth in agriculture, reaching an average of 6.5% in 2007.²⁰

But there is a way to go before CAADP achieves its goals:

- Only eight of Africa's 53 countries reached their commitment to spend 10% of their national budget on agriculture by 2008. Only two countries hit the target as a result of their CAADP commitments, while almost as many (Burkina Faso, Niger, Guinea, Senegal, Ethiopia, Mali and Ghana) have reduced their spending as have increased it.
- Existing CAADP national plans remain at best partially funded by donors. For example, despite being lauded as exemplary by donors, Rwanda's CAADP plan faces uncertainty with an annual shortfall of US\$350 million that the government has urged donors to fill predictably.²¹
- In order to halve poverty and hunger by 2015, the International Food Policy Research Institute estimates that African governments need to more than double spending on agriculture to over US\$22 billion per year (in constant 2007 dollars).²² This scale of increase is unachievable without massive increases in donor support as well as government budget allocations.

ActionAid field research in three African countries starkly illustrates the scale of the challenge. People in Uganda, Kenya and Malawi are going hungry and many more are suffering the effects of malnutrition. Ending hunger requires not only the political will demonstrated in Malawi, but long term investment in comprehensive support.

UGANDA – FALLING SHORT

"Allocating funds for agriculture at only 4-5 per cent of the budget leaves many people vulnerable to food insecurity. This is a failure of the obligation to fulfil [the right to food]." Food and Agriculture Organization, 2009²³

Since 1991, the Ugandan government has

“There is great promise for small-scale farmers, in terms of intensity and in terms of competing; it’s just a matter of the support that they don’t get.”

Professor Judi Wakhungu, Executive Director, African Center for Technology Studies

Table 2: Percentage of government expenditure allocated by sector ²⁴

	Africa			Asia		
	1990	2000	2005	1990	2000	2005
Agriculture	5.4	4.7	5.0	12.3	6.3	6.5
Education	15.1	17.0	17.9	17.4	16.9	17.9
Health	3.9	6.8	6.5	4.3	4.3	5.4
Defence	13.7	9.4	8.1	12.9	8.3	7.9

allocated just 2-4 per cent of its national budget to agriculture.²⁵ In 2008/09, the sector received Shs 223 billion (US\$113 million), amounting to just 3.8 per cent of government spending. Budget plans envisage increasing this to 4.4 per cent in 2009-10 and 4.6 per cent in 2010-11.²⁶ Thus Uganda will still be less than half way towards meeting the 2003 Maputo target of allocating at least 10 per cent of its national budget to agriculture.²⁷

Worse is that the government has no plans to increase spending to 10 per cent of the budget. The main agriculture ministry – the Ministry of Agriculture, Animal Industries and Fisheries (MAAIF) – states in its current draft strategy that, “clearly, the agriculture sector is unlikely to get 10 per cent of the national budget any time soon”.²⁸

Uganda has been pursuing a cross-departmental strategy for promoting agriculture in its Plan for the Modernisation of Agriculture (PMA), put in place in 2001. The PMA aims to transform subsistence farmers into commercial farmers through coordinated interventions in seven areas: agricultural research, advisory services, agricultural education, rural financial services, marketing and agro-processing, natural resource management and rural infrastructure.

The PMA accounted for 10-11 per cent of government spending from 2001 to 2004,²⁹

increasing to 13-19 per cent in the three years 2005 to 2008.³⁰ This is, however, not comparable to agricultural spending as such: the Ministry of Energy and Minerals Development has been the largest spender of funds under the PMA, which also includes spending by the Ministry of Education and Sports, and of Tourism and Industry.³¹

KENYA – PLANNING TO MISS THE TARGET

“As a country we are barely investing in the [agriculture] sector. The lack of resources means that the actors are not focused on strategic objectives because these are not achievable.” Senior Kenyan civil servant, 2009³²

Current spending levels are well below historical standards – Kenya spent 10 per cent of its budget on agriculture in the first decade after independence (1965-75) and 7.5 per cent in 1980-89. Structural adjustment and the declining role of government led to a collapse of spending to just 3 per cent during 1990-2000, which rose to 3.7 per cent between 2000 and 2005.³³ Kenya allocated KSh 24 billion (US\$312 million) to agriculture in 2008-09, amounting to 4.1 per cent of the government budget.³⁴ Government plans are to increase the budget to 5.2 per cent of spending in 2011-12. This is despite the government’s own recognition that there is an “insufficient budgetary allocation to the agricultural

sector,” which has “reduced human resources and service delivery by government institutions”.³⁵

Doubling the current budget share of agriculture from 5 to 10 per cent could lift 1.5 million people above the poverty line by 2015. In order to achieve the MDG1 target of halving poverty and hunger by 2015, an even more ambitious plan for agriculture would be needed.³⁶

MALAWI – POLITICAL WILL, BUT STILL NOT ENOUGH RESOURCES

“We will remain committed to ensuring that our current food production levels increase further to sustain the country’s food self-sufficiency.”
Bingu wa Mutharika, President of Malawi.

Malawi is now one of Africa’s highest spenders on agriculture. In 2009/10, Malawi allocated K33.5 billion to agriculture (about US\$218 million), amounting to 13 per cent of the government budget.³⁷ Spending has averaged 13 per cent since the government of Bingu Wa Mutharika was elected in 2004, promising to re-prioritise agriculture in what is one of Africa’s poorest countries. This investment has delivered in terms of short-term productivity gains. It’s a different picture today, but only five years ago the FAO warned that Malawi was in the grip of the worst food crisis for more than a decade³⁸ and the World Food Programme was requesting food aid for a third of the population (over 4.5 million people).³⁹

The vast majority of this budget funds Malawi’s subsidy programme (see section on Malawi’s subsidy programme, page 34) which has dramatically – but perhaps temporarily – improved national food security by providing input support to smallholder farmers.

The government’s Growth and Development Strategy for 2006-11 – the overarching policy

for addressing poverty and the MDGs – has a budget of K635 billion (US\$4.3 billion). It is unclear how much of this will go to agriculture, but of the funds allocated to six ‘key priority areas’, 13 per cent is directly allocated to agriculture and food security, suggesting that without a significant increase in support from donors, current budget levels will be maintained.⁴⁰

However, an agriculture sector-wide approach developed in 2009 proposes spending an average of US\$333 million in each of the next four years on agriculture and food security – taking agriculture’s share of the budget to about 20 per cent.⁴¹

This is consistent with estimates from the International Food Policy Research Institute that Malawi needs to invest two to three times more in agriculture in order to halve hunger and poverty by 2015.⁴² The Institute estimates that increasing spending to sustain agricultural growth in line with the CAADP 6 per cent target would keep two million people out of poverty.⁴³ Yet such a large increase in spending is clearly unfeasible for a country as poor as Malawi, so this plan is unlikely to get off the ground without substantial donor commitments to underwrite Malawi’s shortfall.

SPENDING REDUCES HUNGER....

Studies have shown that agriculture-led growth in most countries is more than twice as effective in reducing poverty as industry-led growth.⁴⁴

- All eight African countries that spent more than 10 per cent of their budgets on agriculture during 2004-07 have achieved reductions in the proportion of hungry people over the past decade, such as Ethiopia (63 per cent to 46 per cent from 1995 to 2005) and Malawi (45 per cent to 29 per cent).
- Conversely, of the 18 countries spending

“I have heard of NAADS but I have not seen much that it does. I feel that widows like me should be helped, but it is not the case. The seeds that I grew all withered due to long drought. I pray for the day when we shall get improved seeds like groundnuts, maize and sorghum.”

Victoria Ddundu, smallholder farmer, Uganda

Evelyn Mwafulirwa, 50, is a member of the Coalition of Women Farmers and the Women's Forum in Zatepeta village, Rumphi District, Malawi. “There's no difference between the women who [farm] on their own and women with husbands. They make as much money as one another. At first, the women were shy when taking on responsibilities, they were afraid of the men, but that's gradually changed.”

PHOTO: GRAEME WILLIAMS/PANOS/
ACTIONAID



less than 5 per cent, seven saw increases in the proportion of undernourished people, while seven saw reductions (one experienced no change, while hunger figures are not available for the other three).⁴⁵

....SO WHY ARE GOVERNMENTS SPENDING SO LITTLE?

The biggest single reason is that governments haven't made spending on agriculture a budget priority, often in response to pressure from the World Bank and the International Monetary Fund (IMF), but also because of the political disempowerment of poor people in rural areas.⁴⁶

Ugandan NGOs note that the government's commitment to developing the agricultural sector is “more lip service than actual funding”, and that the government is simply not committed enough to addressing the plight of farmers.⁴⁷

In many countries, the agriculture sector has languished in the shadows and fallen prey to capture by political and interest groups – if farmers are listened to at all, they tend to be large-scale and export-orientated, while small-

scale farmers are often invisible to decision makers. The development of budget plans is often the preserve of macro-economists with little input from farmers' groups, parliament, academic institutions or women's organisations.

The rollback of the state from the agriculture sector during past decades of structural adjustment has also played a role. While now recognising that the private sector alone will not meet the needs of poor farmers, these cutbacks have left governments with weak and isolated agriculture ministries, poor policies and a lack of agricultural expertise. Many state agriculture institutions struggle to spend the budgets they are allocated, fostering a vicious circle of underinvestment and neglect.

Other reasons for low government spending include conflicts and political instability in some countries, meaning governments have to work within short election timeframes. The benefits of agricultural investments can be slow to materialise – for example, it can take 10 years or more to develop new crop varieties.

2. Invisible women

Women constitute the majority of farmers in most countries yet almost all agricultural policies assume farmers are men, and rural women's voices seldom influence policy or budget decisions. It is a scandal that women farmers have been virtually ignored and discriminated against by governments and donors: despite producing up to 80 per cent of food in Africa, women own only 1 per cent of the land in Africa, receive only 7 per cent of extension services and 1 per cent of all agricultural credit.⁴⁸

Women farm either within male-headed households or as heads of household themselves. The latter make up 42 per cent of all rural households in southern Africa and 35-40 per cent in parts of Asia.⁴⁹ Women farmers produce 60-80 per cent of the food in most developing countries and are the main producers of the world's staple crops – rice, wheat and maize – that provide 90 per cent of the food consumed by the rural poor.⁵⁰

Within households, women usually play the primary role in ensuring family nutrition and food security. Moreover, women's role in agriculture is increasing. Women comprise most of the farm labourers in Africa and Asia and their numbers are rapidly growing.⁵¹

Since many men are migrating to cities, women are taking over more farms and more of the tasks traditionally carried out by men – such as land preparation – in addition to their more traditional tasks of planting, weeding and harvesting. This is what is sometimes referred to as the 'feminisation' of agriculture.⁵² As Nayenga observes: "Approximately one third of all rural households in sub-Saharan Africa are now headed by women, most of whom tend to be young, less educated and with less land and capital than their male counterparts." In Uganda, for instance, nearly 40 per cent of female-headed

households lack formal education compared to only 10 percent of male-headed households, and they have less than half the amount of land held by male-head households.⁵³

This means that hundreds of millions of women farmers are eking out an existence on a small plot of unfavourable land, with insecure tenure, little irrigation and access to few inputs such as seeds or credit, and thus they are seeing low, stagnant yields.

Agricultural policies that exclude primary producers of food are nonsensical. The eradication of gender discrimination is one of the key ways to increase the supply of food and reduce hunger, especially in Africa. It is estimated that, if women farmers in Africa had the same access as men to land, inputs and education, they would increase their farm productivity by up to 20 per cent more than men with the same resources.⁵⁴

Men and women farmers interviewed by ActionAid all agreed that women use land more productively than men. In Kituti village in the Pallisa district of Uganda, a women farmers' group gave the reason that women spend most of their time in their garden, work harder than men and are more focused on feeding their family.⁵⁵

Focusing agricultural policies on women means overcoming discrimination in access to existing resources, but also introducing new services and technologies that respond to the specific needs of women farmers. Much of what women farmers told us they need – such as extension, credit and affordable inputs – is the same as what men need, and the policy challenge is simply designing and targeting these goods and services in ways that enable women to benefit equally. But some of the

“I appeal to local leaders and civil rights groups to intervene so that women who are vulnerable like me can benefit from government programmes.”

Magdalena Sana, smallholder farmer, Uganda

constraints facing women farmers are gender-specific and require separate interventions (see box 4).

A 2009 Institute for Development Studies survey in Uganda reported male farmers as saying the biggest barriers to increasing agricultural production were transport, marketing constraints and the lack of credit, whereas women mentioned the time needed to look after their families, prepare food and work on their husbands' gardens – making labour-saving technologies a priority for them.⁵⁶

In some communities, men and women farm separate plots, whereas in other communities they produce different things; 'high-value' outputs such as cattle and coffee may be recognised as belonging to men, while chickens and vegetables belong to women. Typically, 'women's' crops do not receive research and extension support.

And while inequality in rights to land and water is a huge constraint for all smallholders, for women the effects of socio-economic injustice are compounded by gender discrimination embedded in customary law and cultural practices, making it far harder for them to gain access to and control over land than men.

Women farmers must be helped to increase their productivity so that they can boost their families' food security and produce a surplus to sell in local food markets.⁵⁷ Support to women farmers' own organisations is also crucial if they are to engage in and influence local and national policy making.⁵⁸

WOMEN FARMERS IN GOVERNMENT BUDGETS

Gender-responsive budgeting is an emerging tool for determining the different impact of expenditures on women and men, but is rudimentary or non-existent in most countries.⁵⁹

BOX 4: WOMEN FARMERS FACE MORE OBSTACLES THAN MEN, OFTEN DIFFERENT ONES⁶⁰

Women farmers tend to have:

- little or no access to credit, which is often constrained by a lack of collateral (usually land), being seen as too high-risk or being excluded from cooperatives
- smaller and less fertile land holdings than men, while actual rights over land are often restricted by national laws and socio-cultural structures.⁶¹
- less access to extension services, which tend to be tailored to men and commercial crops rather than staples principally grown by women; only 15 per cent of the world's extension officers are women, much less in some individual countries
- a greater domestic workload than men – involving caring for children, cooking and cleaning and long hours collecting water and fuel – which is growing as environmental degradation intensifies
- little access to appropriate technologies, where women in particular tend to use traditional hand-held hoes while ploughs and irrigation equipment designed for small farmers is often suited more to men and too heavy or otherwise inappropriate for women
- less access to local markets to sell their produce due to time constraints, little access to market information or lack of transport.

In the three countries under analysis, there are barely any budget lines devoted to supporting women farmers specifically, and nebulous 'gender mainstreaming' receives scant funds:

- In Malawi's agriculture spending, there is a single budget line that targets women specifically, for 'agricultural gender roles and support services', which is part of the extension budget. It amounted to K52 million (US\$357,082) in 2008-09 – 3 per cent of the (very small) extension budget and 0.2 per cent of the total agriculture budget. The government allocated K819 million (\$US5.6 million) towards gender mainstreaming activities across the entire government in 2007/08, most of which was funded by donors.⁶²
- In Kenya the only mention of women in the agriculture budget is a 'mainstreaming gender' budget line for 2008-12, which is allocated KShs 1 million (US\$13,000), amounting to 0.007 per cent of spending.⁶³
- In Uganda there are no noticeable agriculture budget lines supporting women farmers specifically and it is unclear how much the government is spending on gender mainstreaming.

All three governments have plenty of policies on paper supposedly promoting gender mainstreaming. Malawi has a gender policy, passed in 2000, and a national gender programme launched in 2004. Its Ministry of Agriculture has developed a gender and HIV and AIDS policy, and its new agriculture sector-wide strategy paper calls for mainstreaming gender. But the strategy considers women overwhelmingly in relation to HIV and AIDS and nowhere are women farmers explicitly targeted by agricultural policy or recognised as deserving of primary attention in agriculture policy.

Malawi's flagship anti-poverty strategy, the Malawi Growth and Development Strategy, also calls for gender mainstreaming and recognises that women are marginalised in Malawi – but then proceeds to continue to marginalise women by not mentioning them in the agriculture policy section.⁶⁴ The gender and HIV and AIDS policy recommends, among other things, promoting agricultural research and extension services to introduce more time and labour-saving technologies for women,⁶⁵ but it is unclear what resources are going to this – although it will not be much, since the research budget is so low.

The Kenyan government's new strategy for agriculture – the agricultural sector development strategy, a draft of which ActionAid has seen – barely mentions women farmers. In a separate section on gender it says the government will "develop a gender policy for the agricultural sector to ensure women's empowerment and mainstreaming of needs and concerns of women, men, girls and boys in all sectors of development".⁶⁶

It is, perhaps, amazing that Kenya has not hitherto had a gender strategy for the agriculture sector, given that the government recognises that farmers are overwhelmingly women. There is a clear danger that gender mainstreaming will remain fine words. Indeed, the government has already said it was going to mainstream gender in agricultural policy in its strategic plan of 2007 – and then failed to mention women or gender at all in the 19-page budget that was attached to the plan.⁶⁷

The failure to pay attention to women farmers is due to a number of factors. Fundamentally, as Govind Kelkar points out, "not being landowners is... part of the reason why women are not perceived as 'farmers' even when they

“To be able to sustain ourselves we need improved seeds that are drought resistant. As small-scale farmers we need small start up capital to purchase farm inputs like tools and fertilisers.”

Constance Namusisi, smallholder farmer, Pallisa District, Uganda

do much of the farm work”.⁶⁸ Statistics on women’s yields, women’s technology adoption rates and women’s use of inputs are rarely reported, and there is invariably a lack of sex-disaggregated data, increasing the invisibility of women.⁶⁹ Lack of data perpetuates the prejudice, entirely unfounded in empirical fact, that women farmers are less efficient than men.⁷⁰

What’s more, policy processes remain overwhelmingly male domains. In Malawi, for example, “there remains a great deal of gender imbalance” embedded within cultural norms that “impact all levels of staff” in the agriculture sector.⁷¹ Women are allowed to participate little, if at all, in the design of policy, and many lack the education that might allow this.

An evaluation of Uganda’s PMA in 2005 found that participation in research and technology development was dominated by men.⁷² In most countries, women farmers are rarely involved in setting policies in national strategies and budgets, while gender-related targets are generally absent from them. Only some countries’ national development strategies contain a substantial discussion of gender-related issues in agriculture.⁷³

WOMEN FARMERS AND CREDIT

Only 9 per cent of all credit in Uganda goes to women.⁷⁴ Commercial banks regard agriculture as risky, and women as especially risky, since most do not practice commercial agriculture. When women do access loans from microfinance institutions, they are usually very small amounts that are inadequate for investment, yet still have to be serviced on a weekly basis. Some microfinance institutions require spouses to co-sign loan forms, limiting women’s decision-making capacity over how to use the loan.⁷⁵

A study in several regions of Uganda found that farmers cite shortage of capital and credit as their single biggest constraint to improving farming – 45 per cent of farmers highlighted this factor.⁷⁶ ActionAid’s interviews revealed how this issue is affecting women farmers. In Kituti village in Uganda, not one of the 16 members of a women’s farmer group had a loan; neither did any of the 40-strong women and men’s group in Buseta 2 village.

Both groups said that there was nowhere to get a loan but that, even if there were, banks would require too high interest payments and also collateral, such as proof of land ownership, which discriminated against women. When the group in Buseta 2 was asked how many would take out a loan to improve farming if available, nearly all the men and some of the women said yes, provided the loan conditions were good.

In Malawi, men and women are almost equally disadvantaged when it comes to credit: 11 per cent of women-headed households have access to credit, compared to 14 per cent of men-headed households. Women do want loans – only 7 per cent say there is no need. But they cite lack of knowledge of lenders and a belief that they would be refused as the biggest reasons for not applying for loans. Most credit provided to women farmers comes from relatives, neighbours or NGOs; less than a fifth of women with loans have them from the government-backed Malawi Rural Finance Corporation.⁷⁷

WOMEN FARMERS AND AGRICULTURAL RESEARCH

Agricultural research and development tends to ignore the needs of marginal farmers, especially women, and bypasses their knowledge of traditional farming methods and indigenous plant varieties. In most countries,

research focuses mainly on increasing yields of commercial crops on high-input farms with little funding for the staple or secondary crops grown by women, such as vegetables, millet and sorghum, which often provide most of the family's nutritional needs.⁷⁸

Developing low-input farming and labour-saving technologies appropriate to women are critical agriculture policies needed to end hunger. Yet little appears to be invested in this area by most governments. In Uganda, the PMA steering committee notes that:

“Agricultural research does not emphasise time and labour saving technologies... currently, high priority areas of agricultural research do not adequately respond to women's technological needs... There is a relatively low adoption rate of the technology being developed amongst the low income subsistence farmers (especially the women) due to access, skills and opportunity and affordability issues.”⁷⁹

The Ugandan government is failing to act on what it knows, which is that “rural women spend around 170 hours per month (eg, a full time job) in household chores. This means that they have little time for increasing their hours in income-earning farming activities, which may be a factor increasing rural poverty”. The government also recognises that almost all farmers rely on the hand hoe, which when used for land preparation is “very laborious and time consuming”. Yet the government's most recent agriculture strategy paper says next-to-nothing about developing new labour-saving technologies.⁸⁰

In Malawi, surveys show that women work 40 hours per week compared to 30 for men, and spend seven times longer (3.5 hours for women compared to half an hour for men) daily on

household chores, without including the time spent looking after children. Three-quarters of Malawian women regularly collect water and spend an average of one hour 15 minutes doing so, while one fifth collect firewood, which takes one and a half hours.⁸¹

Emily London, a farmer with the Tiyende Pamodzi women's cooperative in Mphungu village of Salima district, says women spend eight hours a day on their land and do five hours of housework and childcare. By contrast, men work four to five hours a day on the land and then have time off, and many men have two wives.

She and other farmer group members all say they need a variety of labour-saving tools, such as wheelbarrows, motorised water pumps or shovels for applying organic compost manure and other locally developed techniques. Although's Malawi's agriculture sector plan does commit to developing labour-saving technologies, there is no specific budget line or output indicator for this.

AID: PRIORITISING WOMEN FARMERS?

It is impossible to establish precisely from aid statistics the extent to which agricultural aid supports women farmers, as sex-disaggregated statistics on aid spending are generally not collected or remain very patchy. The available evidence suggests that women receive little priority and are certainly not the overriding priority in donors' agriculture projects: donor's own documents suggest that less than half of aid-funded agriculture projects specifically target either men or women, for example:

- analysis prepared for the Food and Agriculture Organization's gender sourcebook suggests that gender issues are explicitly incorporated into less than 10

“I know NAADS is a government programme initiated to help the poor and vulnerable people to earn more and get better lives, but getting this support is like hell. I still fail to understand what criteria are used to select beneficiaries.”

Magdalena Sana, smallholder farmer, Pallisa District, Uganda

per cent of official development assistance directed towards agriculture⁸²

- OECD statistics show that, of US\$12.9 billion agricultural aid disbursements in the six years 2002-07, only US\$1.7 billion (13 per cent) was reported by donors as including a focus on gender⁸³
- also using OECD statistics, 23 per cent of agricultural aid to Kenya is focused on gender concerns, 10 per cent for Uganda and 26 per cent for Malawi.⁸⁴

Recent research by Unifem on aid (not just agricultural aid) finds that donors generally do not do any tracking of gender in their country reports

and do not set aside a specific amount of money to allocate to gender-related purposes (and that where these existed, they were very small).⁸⁵

When donors do focus on women, it is more likely to be through support to social sectors, rather than through support to their roles as farmers or small entrepreneurs. Although donor agriculture project documents often mention gender issues, this recognition remains largely paper-based, and no donor appears to have a strategy of overwhelmingly targeting women farmers in their agricultural aid. There is virtually no direct funding for women farmer organisations.

Grace Akurut, 35, weeds her orange garden in Pallisa District, Uganda. The government's National Agricultural Advisory Services provided citrus seedlings to a number of farmers in her district.

PHOTO: JAMES AKENA/ACTIONAID



3. Inadequate government and donor investment in services that matter to small farmers

Governments and donors are not adequately focusing their agriculture budgets and policies on providing key services to small farmers. Here we analyse government and donor spending on four key areas which farmers themselves told us are among the most important in tackling hunger and increasing productivity. These are:

- extension services, which provide advice and training to farmers
- rural credit, which provides loans to allow farmers to invest in their farming
- techniques to boost productivity, including the use of external inputs, but also better environmental management and locally available inputs
- agricultural research and development, which can develop new crop varieties and technologies for smallholder farmers.

UGANDA

The Ugandan government's main departments for promoting agriculture are the Ministry of Agriculture, Animal Industries and Fisheries (MAAIF), the National Agricultural Research Organisation – responsible for promoting agricultural research and development, and the National Agricultural Advisory Service – responsible for extension

services. Uganda's PMA involves spending by over a dozen government departments on seven policy pillars (see Table 3).

The key points about Uganda's budget are:

- infrastructure (mainly roads and energy) receives the biggest allocation of funds
- expenditure on extension services is relatively high (compared to Malawi, Kenya and several other countries)
- the proportions allocated to credit and research are very low (and the latter is projected to halve)
- there are no budget lines for the provision of inputs, such as fertiliser, since Uganda has no formal government subsidy programme.

MALAWI

In Malawi, the Ministry of Agriculture and Food Security (MOAFS) is responsible for agricultural spending.

Malawi's Growth and Development Strategy for 2006-2011 provides a breakdown of only some planned spending. Of the K10.3 billion (US\$70.5 million) earmarked for agriculture and food security across a number of government ministries (excluding the subsidy programme),

Table 3: Breakdown of Uganda PMA spending⁸⁶

	2005/06	2006/07	2007/08
Total spending (Shs billion)	380 (US\$193 million)	543 (US\$276 million)	773 (US\$393 million)
of which (%)			
1. Research and technology	7	5	4
2. Agricultural advisory services	23	20	21
3. Rural finance	4	3	4
4. Agro-processing and marketing	2	2	2
5. Agricultural education	2	2	2
6. Natural resources management	4	4	3
7. Infrastructure	23	36	40
Other – policy and institutional	30	23	18

US\$1 = 1,966 Ugandan Shillings

“You can recall that during the nineties under the SAPs, there was a recommendation by the World Bank that we reduce the workforce... at the moment we have about 60 extension staff [for] a population of 400,000.”

Wycliffe Amarati, Deputy District Agricultural Officer, Pokot Central, Kenya

Table 4: Breakdown of Malawi's MOAFS budget ⁸⁷

	2007/08	2008/09	2009/10
Total agriculture budget (K billion)	K26.1 (US\$179 million)	K32.2 (US\$221 million)	K32.5 (US\$223 million)
of which (%)			
Admin and support services	12	12	5
Extension services	7	6	7
Research and technology generation	3	2	3
Nutrition and food security	71	72	78
Others	7	8	8

US\$1 = 146 Malawian Kwacha

around a third goes to irrigation, 14 per cent to research and promotion of farming technologies, while only 1 per cent is allocated for extension and just K22.4 million (US\$153,000) (less than 1 per cent) to facilitating access to credit.⁸⁸

Key points about Malawi's budget (see Table 4):

- most spending is devoted to the country's input subsidy programme, included in the 'nutrition and food security' budget line
- spending on research, extension and credit is exceedingly low.

KENYA

In Kenya, it is hard to establish a breakdown of allocations to the four key areas since spending is spread across six different ministries. The government is drawing up a new agricultural sector development strategy,

but the document is not yet finalised and a full breakdown of this budget has not yet been made public. Table 5 gives a breakdown of spending for the Ministry of Agriculture, the largest of the six ministries.

Key points about Kenya's budget:

- a relatively high proportion of funds is allocated to research and the provision of inputs, resulting from Kenya's subsidy programme (see below)
- credit receives a very small proportion of funds
- extension services also receive a low allocation (although the budget figures in Table 5 may be a little misleading; actual spending might be higher since other parts of the budget could be also providing extension services, and the figure given above is detailed in the budget as 'improving extension services').

Table 5: Kenya Ministry of Agriculture budget breakdown ⁸⁹

	2008/09	2011/12
Total spending (KShs billion)	13.3 (US\$173 million)	27.7 (US\$360 million)
of which (%)		
Research and development	10	8
Enhancing access to credit	1	1
Provision of inputs/procurement of fertiliser	17	9
Improve extension services	5	8
Others (including funding for a fertiliser plant)	67	74

US\$1 = 79 Kenyan Shillings

“No extension officer has ever come to recommend to us the varieties of maize seeds that suit our soils and environmental conditions. We see them walking around taking their notes, but they never engage with us.”

William Kiprop, smallholder farmer, Kenya

William Kiprop, 32, a smallholder farmer in Kitale District, Kenya. William is a member of Ngoma, an ActionAid Kenya and farmers' initiative to improve the production, processing and marketing of maize and dairy produce in the Rift region, Kenya.

PHOTO: FREDERIC COURBET/PANOS/
ACTIONAID



EXTENSION SERVICES – POOR COVERAGE, POOR QUALITY

Extension services are vital in providing advice and training to poor farmers to improve food production and household income. Farmers can improve their productivity by accessing training or information on the best farming techniques, on new, higher-yielding crop varieties and low-input technologies, or on what crops are likely to produce most profit next season. In fact, extension services often make a bigger contribution to reducing poverty and hunger than any other agriculture sector investment. Yet the quality of these services in many countries is poor, as ActionAid field research has documented.

Furthermore, donors such as the World Bank are getting it wrong when it comes to extension – largely because of their fixation on agriculture for economic growth rather than food security. Governments in all three countries, with World

Bank and other donor support, are promoting part-privatised extension services that include an increasing role for private sector service providers. These are supposed to be ‘demand-driven’, ie, responsive to what farmers ask for, but they also sometimes require poor farmers to pay for services.⁹⁰

These policies are not all bad, but they have gone too far in reducing the state's role in leading the provision of extension services that are accessible to the poorest farmers, especially women. They also fail to recognise that one function of extension services is to share cutting-edge knowledge and practices that farmers themselves may not be aware of, for example advances in low-input methods and organic agriculture.

ActionAid's analysis shows that there are various ways extension services can be effectively provided.⁹¹ In the past, many state-run services

were decimated by draconian World Bank-induced cutbacks in state spending.⁹² It is true that many services were centralised and top-down, and costly and inefficient, and public-private partnerships can be better in providing services than inefficient governments. But ActionAid believes that governments should play a greater role in providing services than is currently being pushed by the World Bank. There are three problems with the current approach:

- increasing reliance on the for-profit private sector has meant in practice that governments have reduced their oversight of services. Although the Bank is not opposed to a government role in extension, it promotes policy focused on ‘economically active’ farmers, which excludes the poorest and many women farmers
- the requirement for some farmers to pay for services, as in Uganda, excludes many from accessing them⁹³
- many of the poorest farmers are not able to ‘demand’ services adequately, and are not organised in farmer groups; they require direct support by government. This is especially true of women farmers.

A useful study by two prominent academics of the extension system in Kenya concludes that “private extension provision is generally skewed towards well-endowed regions and high-value crops. Remote areas and poor producers, especially those growing low-value crops with little marketable surplus, are poorly served.”

The impact is particularly acute for women farmers who are typically assigned marginal lands. In most cases, the study noted, “private extension is not a substitute for public extension”; private providers should operate in areas where they have strong incentives to do so and allow the public sector to provide services where the private sector is unable to.⁹⁴

BOX 5: WOMEN FARMERS AND EXTENSION SERVICES

Women farmers are widely discriminated against in access to extension services. In Malawi, only 7 per cent of female-headed households receive any kind of advice from extension workers; this compares to 13 per cent of male-headed households.⁹⁵

A senior Ministry of Agriculture official responsible for extension estimates that 15 per cent of frontline extension workers are women, and says that men are not trained specifically to reach women farmers. She told ActionAid researchers: “We don’t have enough money to reach women farmers. We have to operate within a small cake. In practice, it’s easier to reach men farmers. If we have a meeting in a village, then it’s easier to reach women and men, but if the meeting is in town, we’ll reach more men because of women’s triple role [responsible for farming, child-care and food]. Men have been trained much more in Malawi than women.”⁹⁶

Demand-driven extension services in Malawi

The Malawi government’s extension service policy, drawn up in 2000 with strong World Bank input, promotes “demand-not-supply-driven services” and calls for “commercialising and privatising extension services where possible”.⁹⁷ In practice, the extension service has little private sector involvement, but it also suffers from major under-investment by the state. Thus it is the worst of both worlds, and it is farmers who suffer.

Helping farmers to develop ‘farming as a business’ – to make a surplus in profits and become commercial farmers – has been a

core donor approach to agriculture, to which governments also subscribe. The approach is vital in enabling farmers to escape subsistence farming. But the lack of adequate government funding of extension services is holding this back.

Donors are not without blame. A senior Ministry of Agriculture official responsible for extension policy said: "Our version of demand-driven services is different than the World Bank's. Ours is working together with the farmer and deciding services and advice jointly. The World Bank version is that the farmer should come and demand. If there's anything I don't like, it's how the World Bank is pushing us on demand-driven services. We know the farmers, they don't. Look how our system has collapsed. Our system died. We keep on regressing by listening to external forces. We want more government intervention in extension and building the capacity of the farmer, then they'll be empowered farmers who know what they want. If donors want to help us, let them listen to us."⁹⁸

Extension services in Uganda – the poorest farmers are losing out

Uganda's extension service has undergone various changes over the years and is the subject of widespread political debate, largely over balancing the cost and quality of services against the respective roles of government and private sector.

The decision to introduce the National Agricultural Advisory Services (NAADS), a 'farmer empowerment' approach with a private sector-serviced extension system, in 2001 has had some positive impacts. During the programme's first six years, farmers accessed 5,000 privately-delivered agricultural advisory services, covering 70 different enterprises, and 15,000 'technology demonstration sites' were set up. Most farmers in NAADS groups have adopted improved crop varieties; although the evidence on whether yields

have improved significantly is mixed.⁹⁹

However, the cost to poor farmers of part-privatised extension services introduced in 2001 was high, with many poor farmers receiving poorer quality services than previously, and others unable to pay even the registration fees necessary to be eligible for the scheme.

The government restructured NAADS in 2007, appointing government officers to play the main role in service provision, although still working alongside private sector providers. At the same time, it began providing inputs (such as livestock) at supposedly lower prices to farmers as part of the NAADS package. The World Bank and other donors have reluctantly gone along with the reintroduction of government officers in this primary role, but remain opposed to the provision of inputs, arguing that NAADS should be solely about providing advice and training.¹⁰⁰ In ActionAid's view, the result is a messy compromise of largely inappropriate privatisation policies and ineffective state intervention in input markets. Despite the strengths of the NAADS approach to extension, poor farmers are continuing to lose out.

To analyse the impact of NAADS on farmers, ActionAid has ongoing research and monitoring work in Pallisa district, 100 kilometres from Kampala, which has a population of over half a million people, around 90 per cent of whom are farmers. In November 2009, ActionAid researchers spoke to four NAADS farmer groups in Buseta sub-county. This fieldwork and an analysis of secondary literature reveals a list of problems with NAADS.

Fewer farmers reached

By 2008, 42,000 farmer groups had registered under NAADS covering 746,000 households, according to the World Bank.¹⁰¹ This amounts

Magdalena Sana, 56, has not benefited from Ugandan government schemes to help small farmers, because they are too difficult to access.

PHOTO: JAMES AKENA/ACTIONAID



Magdalena is a 56-year-old widow who takes care of her own children and 20 grandchildren. She does not benefit from NAADS. “I thought the programme was initiated to help the poor and vulnerable people like me,” she says. After drought left her hens and ducks dead, Magdalena has struggled to pay school fees for her children, and some of her grandchildren and younger children now work to survive.

“I know NAADS is a government programme initiated to help the poor and vulnerable people to earn more and get better lives, but getting this support is like hell. I still fail to understand what criteria is used to select beneficiaries... If this government programme really is geared towards assisting the poor and vulnerable, I do not understand why I cannot get it,” says Magdalena.

to around 21 per cent of Ugandan farm households, but this compares to 29 per cent of households being visited by an extension worker in 2000, the year before NAADS began, according to government figures.¹⁰² Thus extension service coverage has declined in Uganda under NAADS. The funds allocated to NAADS, even though they have increased in recent years, are not enough to reach all farmers. In Buseta sub-county for example there are eight NAADS groups with around 320 members – this is likely to be less than 10 per cent of all farming households.

Exclusion of the poorest

NAADS is not even an attempt to reach all farmers; rather, the aim is to reach the ‘economically active poor’, defined as subsistence and semi-commercial farmers with access to productive assets and some skills and knowledge and, therefore, less prone to hunger. Extension services under NAADS are only offered to farmer groups, and the majority of poor farmers are not organised in groups.

Farmers are also less likely to belong to NAADS groups if they farm less than two acres of land and live in remote areas.¹⁰³ Also, farmer groups that want support under NAADS must register and pay a fee, which amounts to 2 per cent of the cost of services; research by ActionAid and the Uganda Debt Network found that this fee is too high for many of the poorest farmers.¹⁰⁴

The problem with the ‘demand-driven’ approach

Many farmers able to articulate their demands have benefited from NAADS. But others, notably poorer and women farmers, often have no expectation of receiving support or experience of communicating their needs. Many lack information on market opportunities

A report by the FAO notes that since NAADS is the only government advisory service available, and that farmers have to pay to use it, the government is “failing to comply with its obligation of non-discrimination” and thus failing in its obligations to promote the right to food.¹⁰⁵ The same concern might also apply to the donors encouraging the programme. The FAO calls for eliminating the matching funds and fee requirements.

and the types of technologies being developed by national and local research stations, including low-input agriculture techniques. For them, regular visits by extension workers are needed, but in all the villages where ActionAid conducted its research in Pallisa, farmers said that extension officers never visit; in one village, known as Buseta 2, farmers say they do not even know who the local extension officer is. In this village, only three out of 40 people said they produce enough food for the whole year.¹⁰⁶ Farmers overwhelmingly say they want extension officers to visit them to provide information on improving farming and animal feeding.

Quality of private service providers

According to the World Bank, 86 per cent of farmers rate NAADS training useful compared to 79 per cent for government extension.¹⁰⁷ This is a small difference, but also contradicts the widespread recognition in Uganda that both private and government service providers offer poor quality services.¹⁰⁸ The PMA steering committee notes that “private service providers of agricultural advisory services are mainly driven by profits rather than ensuring equity goals”.¹⁰⁹ An independent evaluation in 2005 concluded that the traditional extension service managed

“Being in a group has enabled me to learn modern farming technologies as I can easily access fertiliser and extension workers’ services. Being in the Coalition of Women Farmers means meeting many women, we share our experiences, and learn to be better farmers.”

Regina Chinguwo, smallholder farmer, Malawi

by the government “in non-NAADS sub-counties provided a more diverse range of technologies to farmers, and was more responsive to the needs of the poorest groups”.¹¹⁰

Better performance under NAADS?

The NAADS approach requires farmers to organise themselves in groups that select which ‘enterprises’ (crops or projects) they will focus on and then demand advisory services from extension officers. But the successful groups under NAADS are mainly those which existed before the programme began.¹¹¹ Figures provided by the government and World Bank claiming that NAADS groups perform better than non-NAADS groups can therefore be misleading. There is some evidence of the high participation of women in NAADS groups, averaging around 60 per cent of farmers.¹¹²

In Kituti village, a women’s farmer group said that half a dozen of their members had been trained by extension officers in applying manure, weeding and spraying, and that their farming had improved since.¹¹³ Another NAADS group, however, in neighboring Katiryo village, said that they had not benefited since the extension officer was rarely at his office and was hard to contact. Of the 30-strong group of women interviewed, five members had once had training, which was useful, but said that this had little impact on their productivity.¹¹⁴

Given that the country has over eight million people who are food insecure, the need to refocus NAADS services on the poorest farmers is urgent. By ending the diversion of public spending into inputs benefiting group leaders and well-connected farmers, substantial resources could be freed up to expand extension to many more households and abolish fees.

Extension services in Malawi: massive challenge remains

In Malawi, government spending on extension has collapsed over the past decade. In 1996-98, the government allocated 67 per cent of agricultural spending to extension, this now stands at just 6-7 per cent. The government acknowledges that Malawi has ‘weak’ extension services, and says this is partly due to reductions in the number of staff due to the impact of HIV and AIDS.¹¹⁵ It also says that ‘major investments’ are needed, but current spending plans are restricted to increasing the number of motorcycles and bicycles.¹¹⁶

The figures speak for themselves:

- Only 13 per cent of Malawi’s farmers receive government extension services.¹¹⁷ In some districts the proportion is even lower – just 3 per cent in Salima and 11 per cent in Machinga.¹¹⁸
- The ratio of extension workers to farming households is just 1:3,000¹¹⁹ compared to the Ministry of Agriculture’s recommendation of 1:500. In Machinga district, the Assistant District Agricultural Development Officer told ActionAid that there were 34 extension workers in the district covering a farm household population of 115,000 – a ratio of 1:3,380.
- The service is plagued by staff shortages – the Department of Agricultural Extension Services has vacancy rates of around 60 per cent at district level.¹²⁰

Smallholder subsistence farmers also require training in credit management, organic composting, cash crop and livestock management, group formation and dynamics, and irrigation skills, which extension workers rarely provide. One problem is the quality of training offered to extension workers – 84 per cent of those interviewed reported not being

satisfied with their own level of training.¹²¹

Farmer groups interviewed by ActionAid say that the government's subsidy programme needs to be accompanied by much more extensive farming advice through the extension service. Women farmers in the Ngolowindo cooperative near Salima town, who collectively farm 17 hectares of land, say that extension officers now rarely visit them and estimate that the local extension worker covers around 2,000 households. The farmers say that extension services have become worse in recent years; veterinary officers who used to visit them no longer do so.¹²²

Farmers in several villages near Salima town complained to ActionAid researchers that while hybrid maize seeds provided under the Malawi government's subsidy programme increase their yield, the maize rots quickly and is attacked by a weevil (known locally as Namkafumbwe). Much of the harvest is lost and advice is needed on storing the maize and combating the weevil. The one extension officer in the district lives only a few kilometres away from these villages, and has the answer, but struggles to pass this information onto farmers. (see Ruster Mkandawangi's case study, page 31).

ACCESS TO INPUTS – THE PRIORITY FOR FARMERS

To increase food security and productivity, boosting yields is key. Despite convincing evidence that low-input and organic methods, using locally available inputs and better environmental management techniques, can achieve sustained yield increases at low cost and low risk, such 'sustainable' practices remain desperately under-researched and under-incentivised. Therefore, the use of more agro-chemicals is the only practically available way for most farmers to increase yields.

However, for multiple reasons, in most African countries such inputs remain extremely expensive relative to the profits that small farmers can realise from their use. There are two main ways to overcome this – by promoting free markets in the hope that competition will drive down prices, or by government intervention, notably subsidies (or some combination of both).

The problem is that many governments are promoting neither of these strategies well. Establishing competitive markets requires the provision of adequate advice and training to promote farming as a business, ensuring farmers can access credit to invest in future production, and ensuring that there are markets for farmers to sell surplus production in, at good prices. None of these requirements is in place in many countries.

Input subsidy programmes are now being reintroduced in many countries (Kenya, Tanzania, Rwanda, Mali, Ghana and Senegal) to provide or expand fertiliser subsidies. Such programmes have an important role to play in kick-starting agricultural development, particularly where farmers are trapped in a vicious cycle of low yields, vulnerability to shocks, and low and insecure income – meaning they struggle to find funds to invest in increasing production.

However, over the longer term, other investments can make a greater lasting impact on agricultural productivity, contribute more to poverty reduction and respond better to the looming challenges of climate change.

- No matter how sophisticated the targeting, it is very difficult to stop subsidies being hijacked by better-connected, wealthier people – from traders and officials to

Ruster Mkandawanji, government extension officer in Mnema, Salima District, Malawi, with his family.

PHOTO: MARK CURTIS/ACTIONAID



RUSTER MKANDAWANJI

Ruster Mkandawanji, the government extension officer for Mnema section in Salima district, improves the agricultural knowledge of local farmers. For example, he explains that the weevils attacking local maize crops can be killed by using an acteric dust sold at a subsidised price of K100 (US\$ 0.69) for 200 grammes, enough to treat eight 50 kilo bags of maize. Many farmers are simply unaware of this treatment.

The problem is that Ruster rarely sees most farmers. He has to cover 2,321 farming

households in 37 villages. “Even if I work every day, I can still visit each village less than once a month,” he says. He explains that extension officers are meant, according to government policy, to cover 500 households, but there is a staff shortage. To cover this area Ruster has a bicycle, and the furthest village is 10 kilometres away. In other areas, Ruster says extension officers have to cycle more than 20 kilometres, and most earn just K20,000 a month (US\$137). Ruster’s own house is dilapidated and crumbling.

BOX 6: DONORS AND SUBSIDIES

The World Bank and other donors, after vehemently opposing input subsidies, notably for fertiliser, in the 1980s and 1990s, now often accept such programmes. They still argue that it is better to promote the development of private markets and warn that the cost of sustaining subsidy programmes is high, but recognise that they can benefit farmers provided they are targeted at those who need them, and are ‘market-smart’ (ie, do not crowd out private sector suppliers), cost-effective (ie, cost no more than alternative policies) and temporary (ie, that there is an exit strategy in place).¹²³

In Malawi, the World Bank tolerates the government’s subsidy programme in recognition that the government is fully committed to it, but does not directly fund it, continues to press the government for reforms and would prefer the government to develop an exit strategy for the programme.¹²⁴

A World Bank official told ActionAid that the subsidy programme was “probably not worth it” in that the costs of producing the extra maize under the subsidy programme were higher than could be achieved by other policies.¹²⁵ Officials from the Bank told ActionAid that the government is asking donors for more resources for the subsidy programme, but they are refusing to provide them.¹²⁶

commercial farmers. This is a major dilemma, since transferring large amounts of public money to people who do not need it leaves poor farmers worse off: the money spent on subsidies they did not receive is money not spent on things that would have helped them.

- Spending on ‘public goods’ such as extension, research, drip irrigation, and rural roads can’t be so easily captured by the better-off and better-connected as the provision of private goods for individual use, such as fertilisers. Public goods also typically lead to greater long-term increases in productivity and incomes.
- Many poor farmers simply sell fertiliser and seed vouchers for cash, meaning that the subsidy becomes just another form of social grant or cash transfer. While there is ample justification for cash transfers to the rural poor, the need for social protection could potentially be met in more efficient ways that are less prone to the leakage and corruption problems facing input subsidies.
- With fertiliser and seed subsidies, the long-term benefits of the ‘good’ being provided are questionable, particularly if there is no comparable investment in support and incentives for sustainable agriculture. Use of improved seed and commercial fertiliser is extremely low in much of Africa, and there is room for increase, but they should not be seen as silver bullets. Indeed, synthetic fertiliser typically delivers diminishing returns and rising costs of production as pest and disease problems multiply and nutrient uptake falls. Research in India shows that responsiveness to agro-chemicals falls 2-7 per cent per year, requiring heavier applications and creating a vicious and expensive cycle.¹²⁷

Governments, as in Malawi and Kenya, are right to recognise that poor farmers need extensive public support to intensify production. But they are getting it wrong by focusing this support almost exclusively on costly commercial inputs that deliver diminishing returns to society as well as to farmers, and are prone to private capture by the non-poor.¹²⁸

“It makes a great difference. It produces 75 per cent more. It helped me harvest seven 50 kilogramme bags of maize, better than last year. When the subsidy wasn’t here, there was more hunger than now. Now there’s something.”

Patuma Asani, Ndindi village, Salima, Malawi, explains the benefits of fertiliser coupons.

Patuma Asani and Zakharía Friday (left), headman in Nkhundi village, Salima, Malawi.

PHOTO: MARK CURTIS/ACTIONAID



ZAKHARIA FRIDAY

In Nkhundi village, 30 kilometres north of Salima, village headman Zakharía Friday estimates that many farmers’ production has increased fivefold since the introduction of the subsidy. He cites several farmers who used to produce only six 50 kilo bags of maize who with the coupons produced 30. Women

farmers in nearby Kapuzira village say that using fertiliser helped them produce 40–50 kilo bags of maize, compared to 3–4 bags without fertiliser. The market price of fertiliser is an unaffordable K5,400 (US\$37) per 50 kilo bag; under the subsidy programme, the price is K500 (US\$3).

Malawi's subsidy programme

The government of Malawi instituted a new subsidy programme in 2005-06, targeting over 1.5 million maize farmers and, until the 2009-10 season, 200,000 tobacco and other cash crop farmers. The programme shows that when provided with appropriate public supports, smallholders can greatly increase food production and their family's food security.

The basic rationale for the programme is that most small farmers in Malawi could not afford sufficient quantities of artificial fertiliser at market prices in order to produce a surplus.¹²⁹ Eligible farmers are provided with two coupons which are used to buy 50 kilos of fertiliser and a small bag of hybrid seeds at a subsidised price. Part-funded by several donors, including the EC, DFID, UNDP and Norway, the government claims to have reached over half of Malawi's 14 million population through the subsidy programme.¹³⁰

However, the programme now accounts for over 60 per cent of Malawi's entire agriculture budget – in 2009-10, K20.91 billion (US\$143 million) out of a total budget of K33.5 billion (US\$230 million).¹³¹ Most of the costs are for procuring fertiliser, which has continued to increase in price since the programme's inception – one reason why the government is exploring alternatives such as organic compost and intercropping.¹³²

To assess the impact of the subsidy programme, ActionAid undertook an extensive literature review and conducted field research in two districts, Salima in the centre of the country and Machinga in the south.

The good news is that the subsidy programme, combined with good rains and the reinstatement of public grain reserves

which procure a guaranteed amount from smallholders every year, has massively boosted food security nationally. After years of being a net importer of maize, the country's staple food, Malawi has achieved surplus national maize production since 2006, when the subsidy programme was introduced.¹³³

Surpluses of 1.3 million tonnes were achieved between 2005-06 while maize production in 2007-08 was double that of 2004-05 – 3.2 million tonnes compared to 1.6 million tonnes.¹³⁴ The proportion of households reporting a major shock from high food prices decreased from 79 per cent in 2004 to 20 per cent in 2007.¹³⁵

There is some evidence that productivity has increased, though estimates differ. According to World Bank figures, maize productivity has increased from 1.45 tonnes per hectare in 2004-05 to 1.8 tonnes per hectare in 2005-08;¹³⁶ government figures state that productivity is only 1.2 tonnes per hectare.¹³⁷

Maize prices have also fallen during the period of the subsidy programme, a key success when most farmers are net buyers, rather than sellers, of maize – although yields and therefore prices have also been influenced by good rains.

Since farmers now spend less on food, the programme is enabling them to spend more on other items.¹³⁸ There is also evidence that the programme has stimulated local businesses in rural areas, and created new job opportunities, as well as helped Malawi achieve impressive agricultural and general economic growth in recent years.¹³⁹

Outstanding challenges

However, the programme could benefit small farmers more than it currently does and is in need of reform if it is to be sustainable over the long term.

Esnart Issa is a member of an ActionAid-supported farmers' club in Tilime, Malawi, which provides advice on new technology, irrigation and how to increase yields.

PHOTO: GRAEME WILLIAMS/PANOS/
ACTIONAID



“CAN GOVERNMENT REALLY LISTEN TO WHAT I AM SAYING?”

“I rejoice that I get the coupons that enable me to buy subsidised fertiliser and seed,” says Esnart Issa who, since the programme started about three years ago, is able to feed her family. “My grandchildren no longer go to school on empty stomachs. They are happy children with happy smiling faces – this makes me happy.” Esnart, like many other women farmers, is the head of her household following her husband’s death and is responsible for her family’s wellbeing. She is also able to sell excess maize which provides much-needed income.

When asked how the government could

improve the programme, Esnart is doubtful that the government could listen to her, but says, “I suggest that the fertiliser access points could be made more accessible for people and that fertiliser should always be readily available, at all times. I would also be happy if more deserving persons – the poorest – could be targeted. I would also suggest that the coupons could be distributed in a timely way and that the government could bring back all the extension workers that were there in the past, as they play an important advisory role in our farming. This would improve our yields.”

Thabu Chidimba, 37, in the irrigated fields she tends with other women in Gongona village, Rumphi District, Malawi.

PHOTO: GRAEME WILLIAMS/PANOS/
ACTIONAID



“WE SUPPORT ONE ANOTHER AND MOST IMPORTANTLY, GROW ENOUGH FOOD TO EAT”

Thabu Chidimba is a 37-year-old farmer, responsible for five of her own children and 12 others. She has benefited from membership of the Coalition of Women Farmers, which has introduced training on organic composting. A few years ago Thabu didn't have enough land to cultivate, or money to buy fertiliser, and struggled to feed the children in her care. Now armed with knowledge about her right to land ownership, and the skills to make her own compost, Thabu is able to feed the children she looks after, and send them to school. She says: “I'm going to concentrate on making compost now because it helps me produce good results.”

Malawi's Ministry of Agriculture and Food Security set up a national taskforce in 2007 to promote the use of organic manure for better soil and increased crop productivity. The taskforce works with NGOs and farmer organisations through pilot programmes and public awareness campaigns that highlight the role of organic fertiliser, alongside the government's subsidy scheme. Despite the launch of a national campaign in April 2009, the taskforce has identified lack of funding as a key barrier to more farmers using organic composting techniques.

“We encourage women and girls to get involved in farming because they’re the ones most affected by hunger.”

Nellipe Ntete, smallholder farmer, Malawi

Impact of the subsidy programme on other agricultural services

A major problem with the subsidy programme is that few funds are left within the agriculture budget to devote to areas that could promote more sustainable long-term gains such as extension, research and credit.

Farmers interviewed in this research decry the absence of adequate credit and extension services to improve their farming. The Malawian government’s spending on these areas is inadequate to promote a long-term solution to food insecurity without the existence of the subsidy programme. Without these critical services, the subsidy programme risks reinforcing farmers’ dependency on agro-chemical handouts, as well as their environmental vulnerability.

Targeting

Deciding who receives coupons is largely left to village headmen, who in many cases favour men and better-off households.¹⁴⁰ Estimates suggest that between 30-40 per cent of subsidised fertiliser purchases are by farmers already buying fertiliser at market prices, who also tend to be wealthier and have larger landholdings.¹⁴¹

Although many of the poorest farmers receive coupons, not all are capable of benefiting from, or want to use, fertiliser, either because they lack physical energy or because their landholdings are too small. Some are unable to afford even the subsidised price or the cost of transport to collect it; some sell their coupons in order to buy food.¹⁴²

Thus there are different problems: first, wealthier farmers should not be receiving coupons because they do not need them, and in principle, they should buy their own inputs

BOX 7: VOTES FOR WOMEN

Kapuzira village, 30 kilometres north of Salima, consists of 79 farming households each with 2-6 acres of land planted with maize and other food crops, as well as cotton and tobacco; 32 of the households received subsidy coupons in 2009, most of which went to men as the head of household. ActionAid asked a focus group of 39 of Kapuzira’s farmers – roughly half men and women – whether men or women, or neither specifically, should be targeted to receive the coupons in the government programme. After much discussion and debate, a final vote showed 30 saying women should receive the coupons, compared to seven for men, with two saying either.

The reason given by men was that women can be trusted more to use the coupons to apply fertiliser (and not sell it), and that their responsibilities to feed their families means they are more ‘serious’ and ‘responsible’ in improving food production and work longer on their land.

The farmers also believe that women produce more food than men on the same area of land. In another vote, 13 out of 20 farmers (again, half women and half men) thought this, with six saying men produce more and just one saying they produced the same. This view accords with some academic evidence suggesting women farmers are, on average, more productive than men when given a level playing field.

“I would love to get improved seed groundnuts which I have heard yield better, but I can not afford them. The variety that we grow is no longer yielding and takes a long [time] to mature.”

Anamaria Nsomera, smallholder farmer, Uganda

since they can afford them. On the other hand, some of the poorest farmers indicated that although they appreciate the subsidy, a number of factors prevent them from fully benefiting from it, such as the small size of their landholding (which points to the need for land reform), or lack of livestock.

For this group, the government of Malawi must develop better strategies that would address the deeper structural causes of poverty. The government introduced improved targeting guidelines in 2008/09, to increase transparency and to require beneficiaries to be confirmed by members of the community at public meetings.¹⁴³ But the guidelines are not always implemented and there is still lack of clarity at local level as to who should receive the coupons.

Targeting women

There are no government efforts to specifically target women or to monitor their access to the subsidy programme, even though women comprise the majority of farmers. Women are less likely to receive fertiliser coupons than men: an evaluation of the 2006-07 subsidy programme found that 54 per cent of all female-headed households received no coupons, compared to 43 per cent of male-headed households.

Redemption of coupons is also more difficult for women because their child-care responsibilities limit the time they can spend away from their homes queuing for fertiliser.¹⁴⁴

Emily London, aged 33, one of 70 farmers in the Tiyende Pamodzi women's cooperative in Mphungu village, Salima district, says: “The majority of people who get the coupons are men. We [women] are the ones who work in the field. And we don't sell them.”

And in Nkhundi village, village headman Zakharia Friday deliberately targeted 10 women rather than their husbands to receive the coupons. “I didn't want to give to the men because I thought they would sell them to drink beer. So I gave them directly to the women. I didn't trust the men to use the coupon properly,” he said.

Corruption and patronage

There is some evidence of coupons being allocated to friends of the village head and other ‘leakages’. Liana June, a farmer from Selemani village in Machinga district said: “Some of the challenges that face the programme are delays in the distribution of coupons, and favouritism by the village heads that are entrusted with the coupon distribution. These end up favouring their friends and relatives and they keep more coupons for themselves either for buying more fertiliser or for selling to realise more cash.”

Absence of markets for selling

Farmer groups interviewed by ActionAid in Salima and Machinga all complain that, although they have increased food production, the absence of either local markets or guaranteed good prices means they are unable to sell their surplus.

In Nyambalo village, north of Salima town, a group of 10 women farmers in the Tasilira cooperative, who all received coupons, say that their food production has increased but that they are selling maize to local vendors at very low prices – K25 (US\$0.17) per kilo. The Malawi government does set a minimum price for maize but there is incomplete compliance with this and there are few enforcement mechanisms or penalties.

Reverse subsidies in Uganda?

When asked what they wanted most from

government services, a group of 30 women in Katiryo village replied: oxen, ploughs, tractors, seeds, wheelbarrows, improved breeds of cattle, fertiliser, pesticides, sprayers and herbicides. The group recognised inputs could only be provided at a cost to the government but said they needed them to help get them started.¹⁴⁵

Unfortunately, the government's provision of inputs to farmers under NAADS is being badly implemented. They tend to be provided to just one member in each group – usually the chairperson or another farmer holding a leadership position – who is usually the best-off. Other farmers have to wait their turn, which may take years. The inputs are provided as loans, and farmers usually pay back only 70 per cent of the cost, but the price at which the inputs are provided is routinely much more than on the open market.

Farmers complain that the reason for this is that government officials inflate the cost and sometimes pocket the difference. In Katiryo village, women farmers were offered a cow under NAADS for Shs 1 million (US\$500), four times the local market price. Chickens were offered at Shs 10,000 (US\$5.09) when they could be bought for Shs 3,000 (US\$1.53). Some farmers are forced accept these costs since, without access to other loans, it is the only way to acquire these goods.¹⁴⁶

RURAL CREDIT – ‘ALMOST NON-EXISTENT’

Without access to loans at low interest rates, farmers are unable to invest in future production, expand their farming or take a risk and diversify into producing new crops. Yet if there is a credit crunch in the developed world, there exists a full-blown credit crisis in rural areas of the developing world.

Governments are failing to invest resources in providing credit to farmers, while private banks are not lending in sufficient quantities; NGOs and informal lending fill some of the gap, but nowhere near enough. The result is a massive gap in funding for agriculture that is locking millions of farmers in a poverty trap.

Although it is widely recognised that state-run banks were inefficient and largely failed to reach the poor,¹⁴⁷ the private sector on its own cannot do the job either. The costs and risks of providing small loans to poor rural people are very high, and if a principle of full cost recovery is applied then finance institutions will end up charging unaffordably high interest rates, if indeed they enter the market at all.

Governments have a role to play in establishing and supporting farmer associations (which can reduce the risks and transaction costs entailed in lending to individual farmers); providing microfinance institutions with resources for staff training, systems development, product revisions and branch expansion; providing capital through subsidised and commercial loans for lending to rural borrowers; and loan guarantee schemes (another form of subsidy). Indeed, access to financial services should be seen as a public good and governments should allocate resources to ensure that poor farmers, especially women, are able to borrow affordably.

In Kenya, the Ministry of Agriculture's Strategic Plan for 2008-12 recognises that "inadequate credit to finance inputs and capital investment is a main cause for [sic] low productivity in agriculture" and that it is "impossible for most farmers to access credit" – but then allocates just KShs 110 million (US\$1.4 million) to enhancing access to credit in 2008-09 – 0.8 per cent of the Ministry's budget.¹⁴⁸

The credit programmes that exist in Kenya reach only a small number of farmers:

- The Agricultural Finance Corporation (AFC) was set up by the government at independence to provide long-term credit but has been plagued by mismanagement.¹⁴⁹ The government says it has recently recapitalised it and has disbursed loans totalling KShs 5 billion (US\$65 million), but this is to just 27,000 farmers.¹⁵⁰
- The AFC lends only to farmers with more than five acres and clients are required to raise 20 per cent of the project cost.¹⁵¹ The rural mobile banking programme of Kenya's commercial Equity Bank, which received donor support at the set-up and pilot stages, scaled up to 40,000 new customers in 120 villages within a few years.

The government's Kilimo Biashara programme, launched in 2008 as part of an input subsidy

programme, provides farmers with loans at a 10 per cent interest rate and is aimed at "better-endowed enterprise-oriented farmers".¹⁵² The programme is much needed but has so far reached only 36,000 farmers, according to government figures.¹⁵³

In Malawi "credit is almost non-existent now", a World Bank official informed ActionAid.¹⁵⁴ The most recent government survey shows that only 14 per cent of households in rural areas have loans, though the figures are 5 per cent in Salima and 13 per cent in Machinga.¹⁵⁵ Malawi's Growth and Development Strategy for 2006-2011 earmarks K10.3 billion (US\$70.5m) for agriculture and food security (excluding the subsidy programme), within which a tiny figure of K22.4 million (US\$153,000) (less than 1 per cent) is allocated to "facilitating access to credit, equipment and technology to assist in value creation".¹⁵⁶

BOX 8: DONORS GIVE (VIRTUALLY) NO CREDIT TO FARMERS

Donors have provided minimal aid directly to agricultural credit in recent years, amounting to just US\$64 million to all countries in 2007, according to OECD figures.¹⁵⁷ This amounts to just 1 per cent of all agricultural aid. In the years 2003-07, donors allocated a tiny US\$7.3 million in aid to 'agricultural financial services' to Kenya, but nothing to Uganda and Malawi.¹⁵⁸

The OECD's 'policy guidance' for donors notes: "For the past two decades... most donors have provided very little funding for rural finance and as part of structural adjustment programmes many partner countries [sic – developing countries] have ended their substantial involvement in this area of activity. This has left a vacuum in the supply of seasonal credit for small

producers... In much of the developing world today, the inability of poor rural households, particularly female members, and enterprises to access credit on competitive terms to invest in new economic opportunities means that their incomes are lower than they need to be."¹⁵⁹ In other words, donors know there is a shortage of agricultural credit but failed to take steps to support governments to address this.

A review of 262 World Bank agricultural aid projects to Africa between 1991 and 2006 found that precisely none were free-standing rural credit projects while only 38 had some credit or financial services activities. Even then, many of these were part of structural adjustment loans, intended mainly to develop the private financial sector.¹⁶⁰

A senior MOAFS official told ActionAid researchers that the key area for the government to invest in was credit. “There’s no credit budget line in the ministry any more. People would become independent if they had access to credit. The government could play a bigger role in beefing up savings and credit organisations and help increase their capitalisation.”¹⁶¹

AGRICULTURAL RESEARCH AND DEVELOPMENT – UNDERFUNDED AND WEAK

Investing in agricultural research and development (ARD) is vital for imparting knowledge to farmers and developing improved crop varieties and techniques to increase yield, manage water or use natural resources sustainably in what are often very fragile environments. The CAADP programme makes ARD one of four priorities, and commits African countries to double their annual spending on agricultural research within 10 years – to US\$4.6 billion by 2015.¹⁶²

Although there are no publicly available figures assessing progress towards this goal, ActionAid’s analysis of the three countries under review suggest that this is simply not happening. Developing countries as a whole spend just 0.5 of their agricultural GDP on research and development.¹⁶³ This failure is likely to continue to lock many countries into low yields, and worse, leave them unprepared to cope with the massive effects of climate change on rainfed agriculture in the next 10 to 20 years.¹⁶⁴

The failure to spend adequately on ARD flies in the face of the evidence that good ARD expenditure has high returns, on average 40-50 per cent.¹⁶⁵ In Uganda, investments in agricultural research can improve productivity substantially – for each additional shilling

invested, 12 shillings can be returned.¹⁶⁶ The International Food Policy Research Institute notes that increased investment in research is also vital in Kenya, where increased land demand has forced smallholder farmers to transfer inappropriate technologies into new environments. A combination of effective research and extension services is found to provide the greatest returns to spending – for every million Kenyan shillings (US\$13,000) spent on ARD, an additional 103 people could be lifted above the poverty line.¹⁶⁷

- In Uganda, government spending on research is low and falling. In 2000-03, research accounted for around 20 per cent of sectoral spending,¹⁶⁸ but is now projected to fall to just 7 per cent by 2010. The ratio of agricultural research to agricultural GDP grew from 0.06 per cent in 1990 to 0.71 per cent in 2000 but is still well below the Maputo Declaration target of 1 per cent, and considerably lower than the average ratio for Africa.¹⁶⁹ A government publication calls for greater public investments in methods to improve soil fertility, disease and pest control, irrigation, basic storage and post-harvest technologies.¹⁷⁰
- In Malawi, spending on ARD is very low at around 2 per cent of the agriculture budget, a proportion which has been static in the past five years. Over a longer time-frame, the allocation to ARD has significantly declined – it stood at 8 per cent during 1996-2000 and 7 per cent during 2001-04.¹⁷¹ The government says that ‘major investments’ are needed and that these will come from the sector-wide strategy plan¹⁷² – however the plan is unclear on how much will be spent on research, and there are no signs this will actually be more than the current allocation.
- In Kenya, the government allocated KShs

2.7 billion (US\$ 35 million) to the principal research institute (KARI) in 2008-09, which amounts to 11 per cent of the agriculture budget. Government plans envisage spending KShs 3 billion (US\$39 million) in 2011-12, or around 8 per cent of the budget.¹⁷³ The World Bank notes that over the last decade, Kenya's ARD spending has averaged 2.6 per cent of agricultural GDP, which is higher than the sub-Saharan average of 0.62 per cent, but still "far too low to produce significant changes in agricultural development".¹⁷⁴

There have been some recent successes in ARD work. Uganda's National Agricultural Research Organisation is often highly regarded for producing technologies for improving crop productivity, and claims to have developed over 200 improved varieties for cereals such as maize, legumes and root crops, and to have disseminated over 70 strategies for the control of poultry and livestock diseases.¹⁷⁵ The Malawi government says its research service has approved 17 new technologies to be used by farmers.¹⁷⁶

Figures obtained by ActionAid showing the budget breakdown of Uganda's National Agricultural Research Organisation, the country's principal research institution, show that nearly a third of the organisation's entire expenditure is accounted for by import taxes and VAT on donor-funded imports, mainly machinery and vehicles – Shs 7 billion (US\$3.5 million) out of a Shs 24.6 billion (US\$12.5 million) budget. After salaries have been paid, just over Shs 3 billion (US\$1.5 million) is left for actual research projects.¹⁷⁹

However, overall, all three countries' ARD programmes are weak, especially in designing research for the real needs of small farmers – particularly the 'low-value' crops typically grown by women – and in actually disseminating technology for use by them.

Sustainable agriculture given short shrift

There is a close connection between lack of investment in appropriate research and extension, and continuing donor and government focus on conventional agricultural intensification through increased use of synthetic fertilisers and bio-technology. The recent World Bank/UN-sponsored IAASTD global assessment concludes that investing in sustainable and agro-ecological farming practices makes agriculture more resilient, adaptive and capable of eliminating hunger and rural poverty in the long term, while also increasing yields – albeit more slowly than through conventional means.¹⁷⁷

Sustainable approaches, which require lower use of external inputs and greater labour intensity, are also far more cost-effective for poor farmers, and frequently reduce risk (although care needs to be taken that increased labour requirements don't fall disproportionately on women). Poor farmers value the fact that yields from sustainable farming are more secure and predictable, as well as larger.¹⁷⁸⁹

Sustainable techniques have the added pay-off of improving climate resilience and reducing greenhouse gas emissions. However, they are knowledge-intensive, and require a shift in spending from emphasis on private goods such as input subsidies to public goods such as research and extension. Since women and the poorest farmers typically have far less access to inputs anyway, a shift in government spending

BOX 9: AID TO AGRICULTURAL RESEARCH AND DEVELOPMENT

Donors spent US\$5.7 billion on aid to agricultural research during 1998-2007, according to OECD figures. But only 13 per cent has gone to the 49 Least Developed Countries (LDCs) where hunger and poverty are deepest. The United Nations Conference on Trade and Development notes that “the low level of donor support for agricultural research in LDCs makes it very difficult for LDC governments to sustain sufficient public investment in agricultural research”.¹⁸⁰ In 2007, donors significantly increased their spending on ARD, to US\$712 million, but still less than a third was allocated to the LDCs.

Between 2003 and 2007 donors allocated US\$70 million to Kenya, US\$15 million to Uganda and US\$10 million to Malawi for ARD; this amounts to 10 per cent, 6 per cent and 4 per cent respectively of all agricultural aid to those countries.¹⁸¹

The G8 states claim to have disbursed over US\$900 million in spending on ARD during 2008 and the first half of 2009.¹⁸² The European Commission announced a new ARD strategy in December 2008 worth around €80 million (US\$117.7 million), most of which will go to the Consultative Group on International Agriculture Research (CGIAR – an international partnership for agriculture research).¹⁸³ DFID has also announced that it is committing £400 million (US\$640 million) to ARD, including forestry and fisheries, over five years.¹⁸⁴ It remains unclear what the money will be spent on, with general commitments to fund both traditional breeding and biotechnology.¹⁸⁵ The UK government has said that £150 million (US\$ 240million) of the £400 million (US\$640 million) will go to CGIAR and that “some of the money that we have made available to the CGIAR is being used to help provide research into possible new genetically modified crops”.¹⁸⁶

towards developing and promoting sustainable agriculture could be highly pro-poor. To date, however, experimentation with sustainable agriculture in Malawi, Kenya and Uganda remains small-scale.

4. Donors are failing to spend resources effectively

Donors have an essential role in helping governments plan and finance the ambitious agriculture investments needed to halve hunger and poverty. Donors are ‘extraordinarily influential’ in agriculture-based countries – for 24 sub-Saharan African countries, aid averages 28 per cent of agricultural spending.¹⁸⁷ Yet ActionAid’s research shows that donors are not working adequately with governments to support them in spending resources devoted to agriculture effectively.

Some of the blame lies with ineffective government policies, but much lies with donors themselves, who have historically played a key role in the marginalisation of agriculture ministries and now bypass them, citing poor administrative and policy capacity. After massive declines in aid to agriculture in the past three decades, donors must keep their promises to increase aid to agriculture, notably their recent pledge to mobilise up to US\$22 billion, and also to improve the quality of aid to agriculture in line with their Paris Declaration commitments.

DONORS’ PERFORMANCE AGAINST THE PARIS DECLARATION

The Paris Declaration on aid effectiveness agreed in March 2005 commits donors to respect developing country leadership over development policies (‘ownership’), to align their policies to developing country strategies (‘alignment’) and to better coordinate and complement their aid programmes (‘harmonisation’).¹⁸⁸

The Paris Declaration is welcome in itself, but does not address some key issues, such as the imperative of involving intended aid beneficiaries (ie, people) in aid design; rather, it is solely focused on relationships between governments.¹⁸⁹ It also sets no targets on gender equality, which is fundamental for progress in agriculture.¹⁹⁰

Donors claim to be improving the quality of their aid, including agricultural aid, partly as a result of the Paris Declaration. But a recent report by the Global Donor Platform for Rural Development (a group that donors themselves established in 2003) highlights some fundamental problems with current agricultural aid policy:

- It notes bluntly that “farmers and rural communities have been largely excluded from agricultural policy processes” such as PRSPs, sector-wide approaches and donor joint assistance strategies. “Stakeholder involvement... seldom moves beyond ‘window-dressing’ wherein CSOs and other actors are invited to the table but lack any real possibility of influencing events,” another Donor Platform report confirms.¹⁹¹
- “In spite of a generalised commitment to alignment and harmonisation, continued proliferation of donor-led processes, at both international and national levels, is a serious concern.” The paper points to the complexity of international aid processes, the growing role of non-Development Assistance Committee donors and other emerging donors, and proliferation/fragmentation as particular problems.
- It also states that sector-wide approaches “have accomplished little in terms of promoting a sector-wide policy process”, and have remained siloed within the confines of ministries of agriculture.
- The report also criticises governments and donors for the ‘mismatch’ between the importance of agriculture for the livelihoods of poor people and the actual focus of spending, saying that “policy priorities and budgetary allocations do not always reflect this”.¹⁹²

The World Bank recently noted (referring to all aid, not just agricultural aid) that “concrete actions to advance aid effectiveness are

“My biggest problem is that I do not have enough land. Also I don’t know why my maize, beans and cotton get pests and my harvest is so poor. The worst is that next season is likely to be similar to this one. I have no seeds left for planting.”

Edisa Were, smallholder farmer

Edisa Were looks after 11 children. Like most other marginalised women farmers in her area, she is unaware of the government’s National Agricultural Advisory Services programme, despite the fact it was set up to help farmers like her.

PHOTO: VIBEKE QUADE/MS ACTIONAID DENMARK



lagging”, and that there is “a lack of progress towards Paris targets”.¹⁹³

ActionAid’s analysis is that there are particular problems with the predictability and coordination of agricultural aid – both of which are Paris Declaration commitments – that are undermining food security in developing countries.

PREDICTABILITY

Despite donors’ pledges to increase aid predictability, only 45 per cent is delivered on schedule – most arrives early or late – if at all.¹⁹⁴ This makes it harder for developing countries to spend as planned and account for its resources to its citizens, reducing the value and impact of aid resources.¹⁹⁵ The results of such unpredictability are particularly acute in the agriculture sector, which is highly seasonal.

Country analysis confirms such problems:

Uganda

The predictability of aid flows from donors, “remains a challenge”, the Ugandan government notes.¹⁹⁶ Its 2008 public financial performance report states that there has been a “deterioration” in the predictability of budget support, which is rated ‘D’, the lowest rating. Government figures show that donors have disbursed 56 per cent, 146 per cent and 61 per cent of their budget support commitments (for all aid) in the last three financial years.

These deviations are explained by a mix of poor government and donor policy: government delays in complying with donor conditions and delays in securing parliamentary approval for loan components, and delays in

BOX 10: AGRICULTURAL AID TO UGANDA, MALAWI AND KENYA

Uganda

Donors provided 17 per cent of Uganda's total revenue in 2007-08.¹⁹⁷ Aid accounts for a third of Uganda's agricultural spending; this includes 68 per cent of expenditure of the main agricultural ministry (the MAAIF).¹⁹⁸ Donors have provided 60 per cent of the funds for the cross-government PMA between 2005 and 2008.¹⁹⁹ A senior aid official says that donors are prepared to spend around US\$200 million on agriculture in the next four years, once the government has plans in place.²⁰⁰

The World Bank is providing a US\$200 million Poverty Reduction Support Credit to support Uganda's Poverty Reduction Strategy Paper (PRSP) and has until recently been funding two agriculture projects – a US\$45 million project to support reform of NAADS and a US\$12 million project, which ended in 2009, to support agricultural research. The EU provided €80 million (US\$117.7 million) in aid for 'rural development' from 2003-07 and is providing €60 million (US\$88 million) for 2008-13, amounting to 14 per cent of its aid to Uganda over the period.²⁰¹

Malawi

Government figures show that donors provided US\$544 million in aid to Malawi in 2007-08 with DFID, the World Bank and the EC the largest donors.²⁰² Aid constituted 29 per cent of total government expenditure in both 2006-07 and 2007-08. Only 18 per cent of all aid is provided in the form of general budget support – the method preferred by government. General budget support is

provided by just four donors; by contrast a full 67 per cent of aid is in the form of projects provided by 17 different donors.²⁰³

Around US\$47 million – or 10 per cent of aid allocatable by sector²⁰⁴ – was for agriculture in 2007-08, the EC, Norway and DFID being the largest of nine donors to the sector. There are around 25 donor-funded agriculture and food security-related projects in Malawi.²⁰⁵ The EC has made agriculture and food security one of two priority areas for its aid to Malawi, and is providing €105 million (US\$154 million) to agriculture and food security out of €436 million (US\$641 million) total aid for 2008-13.²⁰⁶

Kenya

Kenyan government figures show that donors provided KShs 5.9 billion (US\$76.7 million) of the government's agriculture spending in 2008-09, amounting to 25 per cent of the agriculture budget. The projection for 2010-11 is that they will contribute KShs 7.4 billion (US\$96 million), or 23 per cent of agriculture spending.²⁰⁷ Agricultural aid to Kenya amounted to just 8 per cent of all aid to the country in 2008-09; most went to roads, irrigation and education.²⁰⁸ Over 40 per cent of agricultural aid is in the form of loans not grants.²⁰⁹ The EC is providing €99 million (US\$145 million) to agriculture and rural development over 2008-13, a quarter of its total aid to the country.²¹⁰ The World Bank's main agriculture project, approved in 2009, is a US\$82 million credit for the Agricultural Productivity and Agribusiness project, which supports improving research and extension.

some donors' internal procedures.²¹¹ Donor performance on disbursements of project aid is worse – averaging less than 50 per cent; the government also notes that “projects have distorting effects on budget allocations”.²¹²

Malawi

In Malawi the government and donors have drawn up a Development Assistance Strategy covering the period 2006-11, intended to promote the Paris Declaration principles. The document was frank in recognising various weaknesses on both the government and donor side. The government suffers from “weak leadership and poor technical capacity” in some sectors, as well as poor public financial management systems and lack of clear guidelines on the use of missions and technical assistance. Donors, meanwhile, often provide poor information on their activities, have not aligned their funding cycles to government procedures, and conduct individual monitoring exercises in parallel to government procedures, creating extra burdens on government.²¹³

In 2007-08, only one donor (Unicef) disbursed project funds within plus/minus 10 per cent of the projections provided to the Ministry of Finance at the beginning of the year. Overall, donor performance was worse than the year before, when three donors were within the 10 per cent band.²¹⁴ The government concedes, however, that “such poor performance may not be blamed solely on the donors”, and that in some cases the government's failure to meet conditions or make disbursement requests on time may contribute to this.²¹⁵

The Malawi government says that some donors provide different data to the Ministry of Finance than to the IMF during missions to monitor the macro-economic programme. Information provided by some donors to the

sector ministries is often significantly different to that provided to the Ministry of Finance, causing problems in budgeting.²¹⁶

As for donors using government procedures, the Ugandan government notes that while donors use government procedures in all their budget support, for project support the average use of government procedures is just 10 per cent. Overall, donors use government procedures for 47 per cent of all their aid, but their own procedures for 53 per cent.²¹⁷ One DFID official told ActionAid: “Donors don't trust the government system in its procurement policies. The government doesn't always use aid funds for the earmarked purposes. There are also transparency and accountability problems.”²¹⁸

COORDINATION

Agricultural aid programmes are particularly poorly coordinated among donors, a fact recognised in 2003 with the creation of the Global Donor Platform for Rural Development. Yet there is little evidence of major success in the agricultural sector. The OECD's 2008 survey notes that donors fielded more than 14,000 aid missions to the 55 countries studied. In Vietnam alone, this amounted to 752 missions in 2007 – more than three per working day.

Of these missions, less than one in five was coordinated with another donor. Only 47 per cent of all aid was delivered through common approaches such as sector-wide approaches, and in reality much of this aid still remains earmarked for specific donor projects.²¹⁹ In-country efforts to decentralise government policy-making and budgets have further complicated support to agriculture, with many donors now working directly with local and regional bodies and by-passing central government altogether.

ActionAid's country analysis shows that, although there have been recent steps to improve agricultural aid coordination, many problems remain.

- In Uganda, one problem with coordination arises from the still high level of project support to agriculture, which accounts for around half of agricultural aid to the country. Some donors, notably the US and Japan, are refusing to provide budget support, partly for fear of losing control over how the money is spent, and partly due to concerns that the government spends large pots of money inefficiently. Government officials say that budget support is most useful, and recognise that major reforms need to take place in the agriculture ministry, but are left in a no-win situation.
- In Malawi, agricultural aid is also mainly in the form of projects but a sector-wide agricultural strategy, which should improve

coordination, has been agreed and is awaiting finalisation. There is some urgency to this approach. Until now, donors have made widespread use of parallel project implementation units, which are set up outside government systems with terms of reference and salary structures normally set by donors. There are 51 such units in Malawi and at least four in the agriculture sector.²²⁰ This can mean duplication of reporting structures and management systems, while problems can also arise from ministry staff working as coordinators, but on government salary scales in charge of highly paid expatriate staff.

- In Kenya, donors are organised in a Harmonisation, Alignment and Coordination group, which has registered improvements in the coordination of agricultural aid in recent years. However, donors were still promoting over 30 separate projects just in the two largest agriculture ministries in 2008-09.²²¹



Women smallholder farmers in Chiranyama village, Rumphi District, Malawi.

PHOTO: GRAEME WILLIAMS/PANOS/
ACTIONAID

“We speak with one voice and encourage each other to work hard as we help each other in any way possible. As a result, I harvest more every year and hunger is no longer an issue in my family.”

Regina Chinguwo, smallholder farmer, Malawi

KEY DONORS NOT LEARNING FROM EXPERIENCE IN AGRICULTURE SECTOR

In efforts to improve aid effectiveness in recent years some key donors have produced a series of evaluations of their agricultural aid that have generally found its impact to be weak, unsustainable and lacking focus on the farmers most in need of support. Despite this, the signs are that they are not making the necessary changes to improve the focus and impact of their agriculture policies.

The World Bank: business as usual despite acknowledged failings

The World Bank has traditionally been the largest donor in the agriculture sector and plans to increase support by up to 17 per cent over the next three years. The Independent Evaluation Group of the World Bank undertook a major review of the Bank's aid to African agriculture from 1991 to 2006 and produced its report in October 2007.²²²

The report concluded that agriculture had been neglected by donors, but also that Bank projects “have not been able to help countries... develop a long-term strategic approach to address the basic factors that create food insecurity – that is to help countries increase agricultural productivity sufficiently to arrest declining per capita food availability”.²²³

The report also contained alarming information on the Bank's neglect of women farmers. It found that, despite the majority of farmers being women, none of the 71 project documents reviewed ever specified a farmer's sex. Of these 71 documents, only two specifically linked gender to agriculture objectives and had gender specific sub-components with indicators to measure the project's impact on women.²²⁴

This evaluation was followed by the Bank's *World Development Report 2008*, which sought to return agriculture to the heart of the global development agenda and demonstrate that the Bank had learnt from the failure of past policies. The Bank regards this report as its de facto agriculture strategy, and has since published an action plan (2010-12) which it claims builds on the report.

Sadly, the plan signals little change at the Bank. Despite plans to scale-up funding to between US\$6.2 and US\$8.3 billion annually, including through a new global trust fund for agriculture and food security, the focus remains solely on promoting economic growth through agriculture, rather than on food security.²²⁵ The Bank also continues to push its demand-driven model, which means that key agricultural services will remain beyond the reach of many smallholder farmers.

Women barely feature in the plan, beyond vague promises to integrate the Bank's gender action plan into its agriculture programme over the next three years.²²⁶ Agriculture was one of four sectors included in the Bank's four-year gender action plan (Gender Equality as Smart Economics) launched by World Bank President Robert Zoellick in 2007, and was supported by specific resources and tools developed by a gender and agriculture thematic group.

A recent review by the Bank's Independent Evaluation Group found that, while the Bank has been going backwards on gender overall, limited gains have been made in the agriculture sector.²²⁷ Specifically, the review found that more projects included a gender focus (up from 58 per cent to 71 per cent) and that the contribution and resources of the gender and agriculture thematic group was likely to have

been a significant factor. It is clear that future progress will depend on continued championing at the highest level, dedicated resources, and ongoing monitoring.

The European Commission

An evaluation of the EC's aid to rural and agricultural development covering the period 1995-2005 was published in June 2007.²²⁸ It concluded that EC aid, despite some successes, was "limited... fragile... or hardly visible," and that "interventions aimed at increasing agricultural production and yields tend to have positive results, but only in concise areas or regarding specific products... There is little information on impact [sic] of EC interventions on agricultural productivity and on producers' income."²²⁹ The report notes that integration of women in rural development programmes has improved, although there is still little indication that women themselves are involved in programme design.

In particular the review noted that, although EC aid had improved since the last evaluation in 1994, "the relevance of such programmes to reducing poverty at a general level is restricted by their poor efficiency. Thus even if used on a large-scale, they fail to achieve significant global impact." The review also noted that "the food situation has improved in visited countries but no formal links can be established between the EC interventions and this improvement".²³⁰

Some other recent EC evaluation reports of aid to particular countries and regions mention the performance of agricultural aid, showing mixed results:

- An evaluation of aid to Ghana claimed that the EC's rural development projects had increased access to safe water and sanitation, but have

been "less effective" in improving agricultural productivity and diversification.²³¹

- Agricultural aid to Tanzania has sometimes achieved "excellent impacts" notably in increasing productivity and access to credit, although "limited by the lack of a coherent rural development approach".²³²
- Aid to India is reported to have increased agricultural yields, "but failed to make a wider impact on the economic situation of rural poor [sic] and other groups in India". In particular "it was a challenge for most of the rural development and agricultural projects to reach the poorest of the poor in the targeted communities, and also to include women in income-sharing schemes". The evaluation concludes that: "despite positive results from some of the EC-financed projects... the impact of these projects is small when measured against the scale of the environmental and social challenges that India faces".²³³

In March 2010, the Commission announced a new EU policy framework to assist developing countries in addressing agriculture and food security challenges. This framework will be approved by EU Member States in May 2010.²³⁴ While the framework recognises the importance of smallholder farmers and women in tackling hunger, and the need to support to demand-led agricultural research, extension and innovation, it fails to set out concrete plans for EU support to these areas. ActionAid's view is that the Commission must put pressure on EU Member States to ensure that a rights-based approach and the right to food drives EU agriculture and food security policies, and that a long-term vision and pro-poor strategy for global food security is in place, supported by increased aid and technical support in agriculture and rural development.²³⁵

DFID: international leadership not reflected in the agriculture sector

The UK's Department for International Development is regarded as a leading international donor, with eradicating poverty its core mandate. Given its strengths, it is disappointing that the volume of DFID's aid to agriculture has been consistently low over the last decade (even when funding through general budget support is taken into account) and that its agriculture policy has not been linked to related policy areas such as food security, vulnerability or gender equality.^{236 237}

In 2009, DFID commissioned a review of its agriculture policy, which asked whether its 2005 policy was still relevant. The reviewers concluded that "the focus needs to be broadened from a narrow one on growth to something that encompasses the problems facing poor farmers more broadly".²³⁸

The reviewers pointed out that gender is not viewed as an area for direct intervention in agriculture by DFID, and noted that areas where agriculture overlaps with gender were not included in the review.²³⁹ It is telling that the paper's authors conclude that "...renewed emphasis could also be given to crucial crosscutting issues such as gender."²⁴⁰

Likewise, a July 2009 assessment of DFID's gender equality action plan notes some progress in health and education, but also that DFID pays scant attention to women in agriculture.²⁴¹ The plan talks extensively about the importance of service delivery in social sectors for women, but there is virtually no mention of women's role as small-scale farmers or how DFID could help target them.

As DFID itself says, "...we also need to make the increased focus on gender equity more

consistent across the organisation..." In ActionAid's view agriculture must be the next focus, given its importance to the world's poorest and most vulnerable people.

Possibly building on these reviews, the UK government's 2009 White Paper does include recognition of women and other vulnerable farmers, and commits the government to ensuring that agriculture and food security are given the highest international attention. Yet the White Paper is still skewed towards technological solutions for scaling-up productivity on commercial farms. This offers little promise for women smallholder farmers and those whose input, credit, research and extension needs are markedly different to those of larger scale commercial farmers.

5. Government failure to spend resources effectively

Within developing countries, ministries of agriculture often lack clear vision, are particularly weak and isolated, and often inefficient. Providing more resources to agriculture must go hand-in-hand with major institutional upgrading. Walter Odhiambo, senior agricultural economist at the African Development Bank, has written that “there are ample resources within countries that could be mobilised for agricultural and rural development and that what lacks [sic] are appropriate policies and strategies to mobilise resources”.²⁴²

ActionAid’s research has discovered a long list of issues for governments to address.

STRUCTURAL PROBLEMS

Governments often recognise the weaknesses of their agricultural ministries. The Ugandan government states that the poor performance of agriculture in recent years is partly due to “a sub-optimal MAAIF [Ministry of Agriculture, Animal Industries and Fisheries] structure; inadequate numbers and low skill levels of service personnel along with associated low personnel productivity; high transaction costs arising from the isolated and scattered location of MAAIF and its departments; weak coordination mechanisms with an inoperative management information system; a low sector budget allocation reflecting the low status of the ministry; and weak farmer institutions”.²⁴³ These problems are often compounded by a lack of transparency, meaning it is difficult for the public, parliament and even civil servants to effectively influence and scrutinise budgets and activities.

Weak coordination produces duplication of projects. Kenya’s Ministry of Agriculture concedes there has been “overlapping and duplication of roles, and coordination has been weak”, between the various ministries engaged

in agriculture.²⁴⁴ Uganda is pursuing various agriculture-related strategies – the Plan for the Modernisation of Agriculture; Prosperity For All and the Rural Development Strategy – which tend to have almost identical objectives with overlapping mandates, but with unclear and parallel implementation arrangements meaning duplication and waste.²⁴⁵

There are also sometimes discrepancies between priority areas identified in government policy plans and actual disbursements, meaning that budgets are not actually spent where governments say they will spend them.²⁴⁶ Governments often don’t know where to spend agriculture funds, in the face of competing priorities and conflicting advice from donors, academic institutes, the private sector, civil society groups and others.²⁴⁷

OVERLY CENTRALISED, TOP-DOWN DECISION MAKING

Some governments have decentralised agricultural decision making to local government level, so that decisions about priorities and funding can be made where the need is greatest. However, many budget and policy-making processes remain top-down, with little real involvement from farmers, especially women farmers.

Over 90 per cent of Malawi’s agriculture budget is spent by central government, leaving very little available to districts. The districts of Machinga and Salima, where ActionAid has conducted field research, received just K80 million (US\$549,356) and K100 million (US\$686,695) respectively in 2008-09.²⁴⁸ The government has acknowledged that the Ministry of Agriculture has a “top heavy and administratively bloated structure”, with each head office post supporting just five posts at district level.²⁴⁹

“The maize crop you see here, I planted the variety HB 624 and it is not doing well compared to this other plot with HB 614. The problem is, we are forced to take what is there, our preferences and choices notwithstanding.”

William Kiprop, smallholder farmer, Kenya

The cooperatives and producer organisations that used to give small farmers some organised voice in policymaking either no longer exist or have been much weakened in most countries. In their absence, governments ‘consult’ farmers on their own terms. In Malawi for instance, farmers are supposed to input into annual budgets by expressing their opinions to frontline agriculture workers, who then incorporate those views into district implementation plans. However, civil society groups have long pointed out that farmers’ views are rarely reflected in these plans.

Kenya, with its long history of farmer cooperatives, is a partial exception. The Kenya National Farmers’ Union has increasing influence over government policy, but this is still limited. Parliamentary oversight over budget formulation is weak, while surveys reveal that over half of Kenyans are not even aware of the district development committees that coordinate development activities at sub-national level.²⁵⁰

An evaluation of Uganda’s PMA in 2005 concluded that at local level, “the annual planning process... appears a top-down exercise dominated by technicians and political leaders, with farmers in a passive role”.²⁵¹ Women, in particular, were severely constrained in participating in PMA planning, due to inappropriate timing and duration of meetings, which conflicted with their childcare or domestic work responsibilities. ActionAid’s own research shows that women commonly face these barriers to influencing agriculture policy and spending.²⁵²

Compounding this is the long-standing problem in some countries of patronage politics, whereby presidential and cabinet policy and funding has often favoured certain groups and

agriculture production systems, rather than being explicitly pro-poor.²⁵³

UNDERSPENDING OF EXISTING BUDGETS

The agriculture funds that actually reach poor farmers are far less than the budget figures suggest. Most ministries fail to spend the money they are allocated:

- In Uganda, around one third of agriculture-related budgets are unspent; actual spending has in recent years varied from 57-79 per cent.²⁵⁴ The Ministry of Finance, one of the largest recipients of funds under the government’s PMA, disburses 53-75 per cent of the funds allocated to it.²⁵⁵
- In Malawi, the disbursement rate for development projects (ie, spending that does not include ongoing recurrent costs such as salaries), and which are mainly donor-funded, averaged 40-60 per cent in 2007-08.²⁵⁶
- Kenya’s actual spending rate for development expenditure averaged 66 per cent across the six ministries responsible for agriculture in 2006-07.

This under-spending is due to various factors, notably late donor disbursements, bottlenecks in government and donor procurement processes, and inadequate capacity to implement programmes.²⁵⁷ The Ugandan government says that the erratic release of funds from donors partly explains its own poor disbursement rates.

An independent evaluation in Uganda found that, while countries such as Germany and the UK disbursed all their aid commitments, the World Bank, the International Fund for Agricultural Development and the African Development Bank all had disbursement rates of less than 50 per cent, leading governments to discount the value

of aid by up to 30 per cent when planning future activities.²⁵⁸ Much of this money is delayed, but some simply never turns up.

LITTLE CAPITAL/DEVELOPMENT SPENDING

While ministries, research institutes and extension services need staff, they also need resources to carry out their roles effectively. Currently, most funds spent on agriculture comprise recurrent expenditure (mainly salaries) rather than development or capital expenditure (funds spent on projects that could improve extension services, develop infrastructure for agriculture, or on agricultural research):

- In Uganda, less than 20 per cent of the MAAIF's budget is capital spending. But of that small amount, which is all provided by donors, some 45 per cent is unspent because of late donor disbursement or delays caused by administrative requirements. This means that the amount of money actually spent was just Shs 7.15 billion (US\$3.6 million) in 2008-09, around US\$1 for each of Uganda's roughly 3.6 million farm households. Furthermore, the government notes that all the capital spending goes through around 30 projects, presumably government-run, many of which are "hangovers from ancient projects kept going to facilitate field activities".²⁵⁹ Some other MAAIF projects "have had the same outputs year after year and often these do not show what the project is actually doing or intends to do".²⁶⁰
- In Malawi, just 23 per cent of the agriculture budget is capital spending: K7.3 billion (US\$50 million) out of a total agriculture budget of K32.2 billion (US\$221 million) in 2008-09 – the rest is recurrent expenditure (mainly consisting of the subsidy programme).²⁶¹ Of the K7.3 billion, K6.2 billion (US\$42 million) is funded by donors,

BOX 11: HIGH SALARY COSTS

Salaries comprise a large proportion of recurrent agriculture budgets, indicating not that individual salaries are high (they are often pitifully low) but that staff often have very little money to spend carrying out research, delivering extension services or consulting with farmers to develop robust national agriculture plans.

In Kenya, salaries amounted to around 30 per cent of total agriculture spending in 2008-09²⁶². In Uganda, MAAIF notes that the wage to non-wage expenditure ratio in the ministry is "very high", in some departments reaching almost 80 per cent, "which indicates insufficient operational funds for a programme to function effectively".²⁶³ Travel costs, within Uganda and abroad, account for 23 per cent of MAIFF's recurrent budget after salaries have been deducted.²⁶⁴

meaning the government itself is funding just K1.1 billion (US\$7.6) of development spending from its own budget.²⁶⁵ In 2007-08, the proportion of development spending was even less – 23 per cent (K4.9 billion out of a total budget of K21 billion – equivalent of US\$34 million out of US\$144 million).²⁶⁶

- In Kenya, development spending amounted to KShs 9.2 billion (US\$120 million), or 28 per cent of the agriculture budget in 2008-09, of which 65 per cent was funded by donors.²⁶⁷ The Ministry of Agriculture notes that "the low level of the development budget has been cited as a major constraint to overall agricultural production and performance".²⁶⁸

CORRUPTION

Despite evidence that types of corruption are less prevalent in agriculture than other sectors,

ActionAid's research shows it still affects the scale and quality of government support to smallholder farmers.²⁶⁹ As mentioned above, input subsidies are especially vulnerable to corruption since they create multiple opportunities and incentives to defraud the system. The Food and Agriculture Organization identifies tracking and analysing government budget expenditure as an essential tool in advancing the right to food, not least because public monitoring reduces the risk of corruption.²⁷⁰

Women smallholder farmers are particularly affected because they have less income to purchase alternative agriculture support services where these are not provided because of leaks or corruption in the agriculture system, and likewise have less money to pay for bribes where these are imposed.

Senior researchers and aid officials interviewed for this study believe that significant proportions of the agriculture budget in Kenya and Uganda simply go missing.²⁷¹ ²⁷² An analysis of Ugandan government agriculture projects by the Economic Policy Research Centre in Kampala revealed

Reports by Uganda's Auditor-General, by the Parliamentary Public Accounts Committee and in the media all testify to the continued misuse of public resources, including in agriculture.²⁷³ Corruption also remains a major problem in Kenya, despite improvements made by the Anti-Corruption Commission. A senior civil servant told ActionAid researchers that there is 'widespread pilferage' compounding the 'gross inefficiencies' in the agriculture sector ministries.²⁷⁴ The greatest avenues for corruption are during the procurement and supply of goods and services and at the point of service delivery.²⁷⁵

'leakages' of project funds varying from 4 to 69 per cent.²⁷⁶ In the study of funds and inputs transferred from central government to eight districts around the country, less than 10 per cent of animals intended to benefit farmers were actually provided. Four districts spent nearly all the funds officially allocated to them, but three districts spent less than 30 per cent.²⁷⁷

Janet Atai, 54, a chicken farmer in Aitaritoi village, Pallisa District, Uganda, with chickens given to her as part of the National Agricultural Advisory Services programme.

PHOTO: JAMES AKENA/ACTIONAID



Conclusion and recommendations

ActionAid believes that by scaling-up support to smallholders to at least US\$40 billion per year globally, world leaders can deliver a 50 per cent reduction in hunger and poverty by 2015 – the most fundamental of the UN Millennium Development Goals.

At the UN Millennium Review Summit this year, supporting women farmers must be the focus of coherent, well-costed national plans to make a five-year breakthrough against hunger, backed by government allocations of at least 10 per cent of the budget to agriculture. For their part, donors must commit to underwriting all credible national plans for halving hunger, covering any shortfall beyond developing country governments' own budgetary effort.

The focus of public investment should be shifted to low-cost, sustainable techniques that reduce climate risk and are most likely to benefit women and poor farmers.

IN DEVELOPING AND IMPLEMENTING NATIONAL PLANS TO HALVE HUNGER BY 2015, GOVERNMENTS SHOULD:

- **Enable and finance the systematic involvement** of women and smallholder farmers in agricultural policy making.
- **Collect and provide comprehensive sex-disaggregated data** in the agriculture sector that is timely, accessible, available and comparable.
- **Strengthen financial management in agriculture ministries**, including by upgrading budgeting, procurement and management systems. Empower national anti-corruption agencies, parliaments and audit offices to step up scrutiny and enforcement; and fully implement freedom of information laws.
- **Increase the levels of domestically generated resources** (tax) that are

gathered and allocated to agriculture.

- **Develop a more pro-poor and pro-women balance of policies for agriculture development**, including through increased spending on extension and research, supporting sustainable techniques for increasing yields, expansion of rural financial services, and measures to overcome constraints specific to women farmers.

FOCUS ON WOMEN FARMERS

- The growing burden of unpaid work must be addressed. Improved investments in infrastructure along with greater investments in labour-saving technologies are needed, especially as environmental degradation intensifies. Expanding early childhood education or paying welfare benefits directly to mothers would have dual benefits for both women and children.
- Research and development must focus on developing improved varieties of the crops grown by women, including those hitherto largely ignored, and involve women in research design, for example through participatory plant breeding.
- Extension services must be targeted specifically at women (untargeted services will benefit men) and involve their participation; this should include training more female extension officers but also training male officers to meet the needs of women farmers and equip them with communication skills and transport to reach often remote women farmers.
- Women need more secure tenure and increased access to land. Governments must redistribute land to women. In addition they must eliminate all policies and practices that discriminate against women in matters of land rights. Where law reforms have been passed, these need to be effectively implemented.

- Governments must ensure that rural women can access financial services, including credit at all levels, at interest rates that are affordable to smallholder women farmers.
- Women farmers and farmworkers must be involved in the design of all such programmes and services.

IN SUPPORTING NATIONAL PLANS, DONORS SHOULD:

- Keep their promises to increase overall aid and improve the quality of aid as per the Paris Declaration and Accra Agenda for Action. Ensure that no credible national plan for investing in agriculture goes unimplemented for want of funds.
- Immediately ensure that all aid is on budget, while over the mid to long term working towards providing budget support directly to governments alongside support to public and parliamentary budget scrutiny.
- Provide multi-year, predictable and guaranteed flows, without attaching conditionalities other than those necessary to meet fiduciary responsibility, and provide accurate and timely public information on these flows.
- Support countries' efforts to strengthen their tax systems, including through international efforts to improve tax transparency and cooperation, so that countries can increase their revenue base and spending on agriculture.
- Provide direct support to women farmers' groups and smallholder farmer organisations, and to governments to improve the gender impact of their policies and spending through the use of tools such as gender budgeting and collection, and monitoring of sex-disaggregated data.

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Cover photo: Regina Jackson, 35, is a member of the Simatwa farmers' group, West Pokot, Kenya. Like other farmers in the group, she cultivates a small piece of land, producing kale, spinach, managu, cow peas, tomatoes and onions.

Photo: Frederic Courbet/Panos/ActionAid

“My biggest problem now is the back-breaking exercise of watering the vegetables using buckets in the morning and evening. If I can get a water pump, pipes, rubber and other irrigation equipment I can produce more vegetables for my household and [for] sale in schools.”

Regina Jackson, a smallholder farmer in Simatwa village, West Pokot, Kenya

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