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Five out of ten?

Assessing progress towards the AU's 10% budget target for agriculture

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Executive Summary

Agriculture is the engine of growth of most African economies, contributing on average about 30 per cent to the continent's GDP. It accounts for 60-90 per cent of employment and 25-90 per cent of export earnings.¹

Getting the farming sector right is key to Africa's ability to overcome poverty. However, although the value of agricultural output has increased by 2.5 per cent per year in Africa over the past four decades, per capita production over the last 20 years has declined by 2 per cent a year.²

In an effort to revitalize this key sector, a number of visionary and strategic initiatives have been mooted. After the African Union's adoption of New Partnership for Africa's Development (NEPAD) in July 2001, heads of state committed themselves to a new programme to revitalize agriculture and reduce hunger – the Comprehensive Africa Agriculture Development Programme (CAADP).

CAADP is defined as a strategic framework to guide country development efforts and partnerships to reach a higher path of economic growth through agriculture-led development. Unfortunately, as this report shows, countries have made limited progress towards meeting the CAADP commitments:

- Only seven out of Africa's 53 countries have reached their commitment to spend 10 per cent of their national budgets on agriculture by 2008 (see Table 1). There are almost as many states that have *reduced* their spending as have increased it.
- Eleven countries have reached CAADP's target for 6 per cent annual agricultural growth. Average growth rates in the sector are now 4-5 per cent, an increase over the 3.6 per cent rate before the CAADP commitments.
- The target to double the annual spending on agricultural research and development has also been missed, as has the commitment to increase fertiliser use from 8kgs to 50kgs per hectare by 2015.
- Governments are still far behind on other CAADP targets such as the attainment of food security, integration of farmers into the market economy and improve access to global markets, achieving more equitable distribution of wealth through more equitable access to land, physical and financial resources, and knowledge, information and technology, establishing dynamic regional and sub-regional agricultural markets and practice environmentally sound production methods and develop a culture of sustainable management of natural resources (see box 1).
- After five years of implementing CAADP, only one country (Rwanda) is on course to fulfill its
 obligations under the high-level agreement. Rwanda has, in fact, aligned its national priorities with
 those of CAADP agricultural framework.

Our research suggests that the biggest single reason underlying CAADP's failure is lack of sufficient political will among African governments, which perpetuates their bias toward urban elites and other key interest groups. Small-scale farmers continue to be virtually invisible to African decision-makers. Additionally, the failed models of agricultural liberalization, privatization of land and export-led growth promoted over the past 25 years by the World Bank, WTO and other champions of free market policies have badly undermined state capacity to promote agriculture, including through the disastrous dismantling of supply management systems and other state supports to smallholder farmers.

Table 1: Percentage of national budget spent on agriculture, 2004-07

10% or more	5-10%"	Less than 5%"
Ethiopia	Benin	Botswana
Madagascar	Chad	Burundi
Malawi	Mauritania	Cameroon
Mali	Nigeria	Central African Republic
Niger	Sao Tome & Principe	Congo
Senegal	Swaziland	DR Congo
Zimbabwe	Uganda	Cote D'Ivoire
	Zambia	Djibouti
		Guinea-Bissau
		Kenya
		Lesotho
		Liberia
		Mauritius
		Namibia
		Rwanda
		Seychelles
		Sierra Leone
		Togo

Source: NEPAD Secretariat, Agriculture Unit, 'National compliance with 2003 African Union Maputo Declaration to allocate at least 10% of national budget to agriculture development: 2007 draft survey report', October 2008

Donors are also failing to meet their part of the CAADP commitments. Specifically, half of the US \$251 billion total investment agreed in the CAADP framework is supposed to come from official development assistance (ODA) or private investment, amounting to US \$8.9 billion a year. Although aid to African agriculture has doubled from US \$1.05 billion in 2002 to US \$2.15 billion in 2007, this is still four times less than what donors promised to deliver through CAADP.

The failure of African governments and donors to invest in the agricultural sector means the unnecessary perpetuation of crippling levels of malnutrition. In 2006, an estimated 212 million Africans (about 30 per cent of the continent's population) were hungry. Their numbers swelled by more than 10 per cent in 2008 due to the food price crisis and the FAO predicts a similarly large increase is predicted in 2009 thanks to the financial crisis. If these trends continue, most countries will not realize the UN Millennium Development Goal (MDG) target of halving the number of people who suffer extreme poverty and hunger by 2015. Only 14 African countries are on course to achieve this goal. The rest will need to do even more than the CAADP targets require in order to half hunger in the next five years.

It is only with increased strategic investment in agriculture, and more particularly in agrarian reform and ecologically friendly smallholder production systems, that Africa can transform its dire food security situation. All of the seven countries spending more than 10 per cent of their budgets on agriculture have achieved reductions in the proportion of hungry people. What is more, investment in the farm sector has a very high multiplier effect, owing to its backward and forward linkages with other sectors of the economy such as manufacturing and services among others.

Improving the *quality* of government and donors' spending on agriculture is just as critical as increasing the amount, and in this respect the CAADP framework must be strengthened. All government and donor

iii IFPRI (2008) present the following countries: Algeria, Botswana, Burundi, Cameroon, DRC, Egypt, Gabon, Liberia, Mauritius, Nigeria, Rwanda, Sierra Leone, Tanzania, Uganda, and Zambia.



ⁱ A different list from IFPRI (2008) comprises of: Burkina Faso, Cape Verde, Chad, Ethiopia, Mali, Malawi and Niger.

ii IFPRI (2008) present the following countries: Benin, Equatorial Guinea, Ghana, Guinea, Kenya, Lesotho, Madagascar, Mozambique, Senegal, Sudan, Gambia, Tunisia and Zimbabwe.

spending on agriculture should be guided by the right to food principles set out in the UN's Voluntary Guidelines on the Right to Food. For any government, eradicating hunger is not an option but a duty enshrined in international human rights law. African governments are therefore obliged to take positive actions to identify vulnerable groups and to implement policies to ensure their access to adequate food by facilitating their ability to feed themselves. The Special Rapporteur also points out that rich donor countries have an obligation to re-examine, with a view to its modification, any policy which has been proven to have a negative impact on the right to adequate food.

Since 80 per cent of Africa's people come from poor farming families cultivating less than two hectares, of paramount importance is a shift in policy focus to small-scale farmers. The increased investments that CAADP seeks to mobilize should be concentrated on boosting production of staples for local consumption rather than focusing effort and attention on export crops. In addition, CAADP should promote suitable, low-input farming technologies controlled by the farmers, rather than expensive, high-technology 'solutions' patented by multi-national corporations. Developing and protecting local knowledge and technology that can be locally controlled (such as local seed varieties, local soil and water management techniques, manure-based fertiliser, etc.) is part and parcel of a shift in focus to small farmers. CAADP targets might undermine such an approach, such as the target for a six-fold increase in fertiliser use, should be reconsidered, and if necessary revised.

Finally, CAADP is unlikely to meet its own goals unless a concerted effort is made to reverse deep-rooted and growing inequalities in access to and control over land, water and other resources. Indeed, there is a risk that some of CAADP's own initiatives, such as investment in rural infrastructure, could accelerate dispossession of the poorest. National strategies must include agrarian reforms to put more land in the hands of women and the poorest; to recognise and integrate positive customary traditions into national law; and to devolve management of land rights to the rights holders.

Industrialised countries need to significantly improve the quality and quantity of their agricultural aid and stop tying aid to market liberalization and/or privatization conditions. They need to drop targets and incentives for agro-fuel production and consumption that are driving the conversion of African farmland to fuel crops instead of food, and they need to address the monopoly power of massive agribusiness companies which distort prices at the expense of Africa's farmers.

Considering the dire state of food insecurity in Africa and additional burden imposed by the impact and magnitude of the current food and financial crises **ActionAid calls on African governments to**:

- Develop and make public a timetable with specific timeframes showing clear targets and benchmarks towards realizing their commitment to spend 10 per cent of the national budget on agriculture as well as other CAADP commitments.
- Outline how they are going to better prioritize the needs of small-scale farmers in their agriculture strategies. Governments must ensure that small-scale farmers have increased access to basic inputs such as affordable credit, traditional improved seeds and, if absolutely necessary, fertilisers.
- Agree additional targets within the CAADP framework to reduce inequality in landholding through agrarian reform, and to promote and protect local seed varieties and other forms of local knowledge.
- Invest much more in the 'basics' such as rural infrastructure (e.g. smallholder irrigation schemes, storage facilities, roads, local market centre's, transport & telecommunication services, etc), rural education and public extension/training services to farmers, as well as taking greater steps to secure more equitable access to land and water, especially for women. These should form part of a clear and coherent national right to food strategy and its agricultural policy in which farmers organizations and civil society organizations are involved.
- Provide in time support to small-scale farmers organizations rather than opposing them.
 Government must actively seek out farmers' views too often they are ignored or marginalized in policy planning.

Make state intervention both smarter and more efficient.

Similarly, donors should:

- Commit to doubling the *share* of agriculture within total aid from 5 to 10 per cent, while also delivering on the Gleneagles timetable for doubling the total *volume* of aid to Africa. This is line with the '10 for 10' proposal, whereby African governments should achieve 10 per cent agricultural spending at the same time as donors spend 10 per cent of their aid on agriculture.
- Transform their aid programmes to prioritize the needs of small-scale farmers. The danger is that some donors will pay lip-service to this need given the international attention and demand on them to do so. Donors need to state or outline how their agricultural aid programmes will change to accommodate these demands.
- Donors should further demonstrate how they have or intend to move away from promoting inappropriate policies of agricultural trade and market liberalization.
- Drop targets and incentives for agro-fuel production and consumption that are driving the conversion of African farmland to fuel crops instead of food.
- Step up funding for home-grown agricultural research agenda, geared towards improving productivity of small-scale farming in Africa, particularly, the Least Developed Countries. The entire group of 50 Least Developed Countries received only \$22 million worth of aid funding for agricultural research in the period 2003-05. In particular, research for low-input and organic farming techniques needs to be increased significantly.
- Address the colossal power exercised by agribusiness corporations in the global food system. All
 donors should be required to demonstrate how they are going to ensure a fairer system for smallscale farmers, and how they are going to regulate large corporations.

CAADP's vision is bold, necessary and achievable. In the context of the food and financial crises, it is also incredibly urgent. ActionAid hopes that this report will assist governments, legislators and citizens to identify practical ways to accelerate progress toward the CAADP targets and to remove obstacles in the way. By combining increased investment with right to food principles, and promoting sustainable, low-input agricultural development, CAADP can enable the present generation to realise their right to food without compromising the ability of future generations to realise their own.

1. Introductory Background on African Agriculture and the Food Price Crisis

1.1 The importance of agriculture in Africa

Agriculture is the backbone of Africa's economy, providing the main source of income for 90 per cent of the population. Around 70 per cent of Africans, and 80 per cent of Africa's poor people, live in rural areas and depend mainly on agriculture for their livelihood. Agriculture accounts for 30 per cent of Africa's GDP and exports, and 60 per cent of its labour force. Notwithstanding a myriad of problems the sector faces; it still remains a vital pillar of Africa's development due to the multi-functional roles it plays in the economic, social, cultural and environmental spheres. Developing the full potential of Africa's agricultural sector requires concerted efforts from African leaders, donors, private sector and civil society.

The multi-functional role played by the agricultural sector in Africa in terms of its contribution to national and household food security, rural employment, income generation, government revenue (exchequer), foreign exchange earner, provision of agro-industrial raw-materials and conservation of bio-diversity cannot be over-emphasized. This figure is in contrast to the single-digit contribution to GDP by the highly subsidized and specialized agricultural sectors of Europe and US where less than 4 per cent of the population is dependent on farming as a means of livelihood.

Box 1: GUIDELINE 8E Sustainability; 8.13

States should consider specific national policies, legal instruments and supporting mechanisms to protect ecological sustainability and the carrying capacity of ecosystems to ensure the possibility for increased, sustainable food production for present and future generations, prevent water pollution, protect the fertility of the soil, and promote the sustainable management of fisheries and forestry.

Source: Voluntary Guidelines to support the progressive realization of the right to adequate food in the context of national food security Adopted by the 127th Session of the FAO Council November 2004 FAO – UN Rome, 2005

Box 2: GUIDELINE 8C Water; 8.11

Bearing in mind that access to water in sufficient quantity and quality for all is fundamental for life and health, States should strive to improve access to, and promote sustainable use of, water resources and their allocation among users giving due regard to efficiency and the satisfaction of basic human needs in an equitable manner and that balances the requirement of preserving or restoring the functioning of ecosystems with domestic, industrial and agricultural needs, including safeguarding drinking-water quality.

Source: Voluntary Guidelines to support the progressive realization of the right to adequate food in the context of national food security Adopted by the 127th Session of the FAO Council November 2004 FAO – UN Rome, 2005

Most agricultural production and staple foods in Africa come from small-scale low-income farmers, who face a bewildering set of obstacles while trying to eke out a decent livelihood on less than two hectares. Examples of constraints/challenges facing small-scale farmers include, but are not limited to the following:

- Millions of farmers rely on increasingly degraded, less productive land, many working on smaller plots while landholdings are concentrated in the hands of rich farmers or corporations.
- Only 4 per cent of farming land in Africa is irrigated, meaning that small-scale farmers are largely dependent on rain-fed agricultural farming system. Often small-scale farmers are at the mercy of

- the increasingly erratic weather. This situation is most serious in countries that rely on a single, short rainy season.
- Most smallholder farmers use only basic farming techniques, relying on family labour, recycled seeds and a hoe, making productivity increases difficult, while they possess inadequate crop drying and storage facilities, meaning that much of their crop is lost after harvest.
- Farmers in many rural areas also face problems that prohibit them from selling their produce at good prices. Food markets are often dominated by exploitative private sector traders and middlemen who pay low prices for produce at farm gates.
- Transport infrastructure is often poor in remote areas, with many roads rendered impassable during the rainy season. This coupled with the 2007/08 soaring costs of fuel has, further constrained the ability of farmers to buy and/or sell crops in local markets and increased their dependency from previously mentioned actors.
- Government extension services, such as training and support to smallholders, are generally weak
 and often non-existent, especially in more remote rural areas. In many countries, there are few
 affordable credit facilities that suit the needs of small-scale farmers. This means that farmers'
 ability to invest in crop and/or land improvement for purposes of increased yields in food and
 agricultural production is seriously curtailed. HIV/AIDS is exacting a huge toll on farming
 communities and food security in some countries. HIV/AIDS related deaths often lead to loss of
 labour and farming knowledge.
- All these obstacles are much greater for women, who produce 60-80 per cent of the food in Africa, yet are systematically discriminated against. Women farmers in Africa own a tiny percentage of land and receive only around 5 per cent of extension services (see box 4).

Box 3: Guideline 8; (sustainable agriculture) 8.1

States should facilitate sustainable, non-discriminatory and secure access and utilization of resources consistent with their national law and with international law and protect the assets that are important for people's livelihoods. States should respect and protect the rights of individuals with respect to resources such as land, water, forests, fisheries and livestock without any discrimination. Where necessary and appropriate, States should carry out land reforms and other policy reforms consistent with their human rights obligations and in accordance with the rule of law in order to secure efficient and equitable access to land and to strengthen pro poor growth. Special attention may be given to groups such as pastoralists and indigenous people and their relation to natural resources.

Source: Voluntary Guidelines to support the progressive realization of the right to adequate food in the context of national food security Adopted by the 127th Session of the FAO Council November 2004 FAO – UN Rome, 2005

Box 4: Guideline 8; (Land) 8.10

States should take measures to promote and protect the security of land tenure, especially with respect to women, and poor and disadvantaged segments of society, through legislation that protects the full and equal right to own land and other property, including the right to inherit. As appropriate, States should consider establishing legal and other policy mechanisms, consistent with their international human rights obligations and in accordance with the rule of law, that advance land reform to enhance access for the poor and women. Such mechanisms should also promote conservation and sustainable use of land. Special consideration should be given to the situation of indigenous communities.

Source: Voluntary Guidelines to support the progressive realization of the right to adequate food in the context of national food security Adopted by the 127th Session of the FAO Council November 2004 FAO – UN Rome. 2005

The above constraints are further exacerbated by the fact that almost all African governments have not invested sufficiently in agriculture and did not focus their policies on providing key services and support to small-scale farmers. The share of agriculture in national budgets in Sub-Saharan Africa declined from 7 per cent in 1980 to 5.3 per cent in 2004. Quality of spending has all too often been poor. State intervention policies have by and large failed to proactively develop the emergence and consolidation of sustainable small-farmer agricultural system.

The consequences include over-dependence on rain-fed agriculture, unclear and inequitable land and water use policies, poor infrastructure, high cost of farm inputs, inadequate and in some cases lack of extension services, inconsistent and incoherent policies (development verses trade policies), and high poverty levels.

Currently, the sector remains the most researched and documented yet comparably little appears to have been done from the wealth of information available to transform livelihoods and welfare of its citizenry, particularly, the rural population who constitute the majority. According to the Population Division of the Department of Economic and Social Affairs of the United Nations (2007) in 2010 about 62.7 per cent of sub-Saharan population will remain living in rural areas. ⁶ Hunger, poverty and malnutrition still persist more than forty years after attainment of self-government and independence in most African States. The sector and sub-sector specific research findings into problems that have for decades plagued the growth and performance abound; unfortunately, this is just how far it goes. Implementation of study recommendations and translating them into policy statements and, particularly, actions often seems to be plagued with several difficulties.

Lack of political will amongst political elite, policy makers and government implementing institutions (and a corresponding lack of political power amongst small farmers and women) is perhaps the key cause for the sector's dismal performance and growing food insecurity. The same political elites have also agreed to and sometimes actively promoted aggressive trade liberalization, which has further undermined small farmers and increased dependence on food imports.

These internal factors have been exacerbated by several external factors such as climate change caused by excessive Northern emissions; volatile commodity prices; ineffectual governance and management of this sector globally; and dwindling donor support and donor-imposed privatization and liberalization programmes. World Bank/IMF Structural Adjustment Programmes (SAPs) of the 1980s and 1990s notoriously 'rolled back' the state's role in agriculture and rural development. SAPs saw the exit of government from provision of essential services needed by farmers - supposedly paving the way for private sector actors to step in. The vacuum so created by governments' exit impacted negatively on small-scale farmers as private sector never moved in to occupy the vacuum space. Policy experts blamed governments for not instituting a proper exit-entry plan to facilitate private sector movement into provision of services previously provided by governments. Consequently, farmers' access to markets, inputs and extension services diminished or collapsed. Most African countries lacked the institutional foundation such as good infrastructure, diversified rural economy and/or even a fledgling private sector to support a rapid liberalization and privatization agenda. An analysis for DFID notes that most African countries' per capita agricultural GDP fell throughout the reform period in the 1980s and 1990s. In the last ten years, however, performance has in many ways improved. In the period 1994-2005 Africa achieved the longest sustained period of per capita income growth since the early 1970s, with agricultural growth reaching 4-5 per cent per year.8 However, although the value of agricultural output has increased, per capita production remains stagnant.

Africa is hardly a homogenous geographic or ideological space. The socio-economic, politico-legal and cultural experiences of different parts of the continent have resulted in markedly varying agricultural policy

positions and approaches amongst different stakeholder/interest groups across Africa. Governments are faced with significant challenges such as low agricultural output per hectare, low technology, and generally low productivity in a sector that is critical for meeting food and employment needs. This does not bode well for a continent that is faced with fatal levels of under-development, adverse climatic conditions/weather variability, poor infrastructure and high levels of illiteracy.

While there seem to be a general consensus - amongst African leaders - about sustainable agriculture development (see box 3) and its benefits in the long run; there is evident disagreement regarding the best approach to developing the agricultural sector. Many African leaders and non-state actors seem to hail intensive-agricultural input use and utilization of various technologies to improve productivity. Some of the technologies being recommended for Africa have been tried and rejected in Asia and Latin America owing to the economic, social and environmental risks associated with them. Some of these solutions are merely 'red herrings' that may shift Africa's agricultural development focus from tackling 'real' issues such as, for instance, increasing labor productivity of small-scale farmers, developing the requisite infrastructure for agricultural production and marketing and addressing land inequalities and water scarcity. Classic examples in the continent today include; (i) addressing food scarcity through trade liberalization to allow cheap food imports and (ii) addressing water scarcity (drought) affecting agricultural production through heavy investments in research & development projects that aim to produce seeds with shorter crop-cycle. Whilst the former initiative is good, the practical and effective way of addressing water scarcity is through developing and financing a "Marshall-plan on irrigation" focusing on traditional irrigation systems.

1.2 The search for home-grown solutions

The establishment of the New Partnership for Africa's Development (NEPAD) in 2001 marked the beginning of a search for a visionary and strategic focus for economic regeneration of Africa. In 2003, African heads of state committed themselves to implementing a new programme to revitalize agriculture and reduce hunger on the continent – the Comprehensive Africa Agriculture Development Programme (CAADP). In this process, they also committed themselves to meet a number of specific targets, notably to spend at least 10 per cent of their national budgets on agriculture.

The development of CAADP in 2002 signified a renewal of African states' commitment to agriculture as a key to broader development and the urgent task of reducing hunger on the continent. It also showed a renewed interest in African-owned and led strategies, which are central elements in the CAADP programme. Yet, as demonstrated in the subsequent sections of this report, agricultural spending and growth still lags behind African leaders' commitments. Also lagging behind is the need to put in place key 'building blocks' or 'sound foundation' for Africa's agriculture in order to address hunger and chronic food insecurity.

CAADP is defined as a strategic framework to guide country development efforts and partnerships in the agricultural sector. African leaders identified four pillars as central to this framework, namely: sustainable land and water management, rural infrastructure and market access, food supply and reducing hunger and agriculture research, technology, dissemination and adoption.

The call for African states to massively step up both the level of agricultural spending and the quality of investments is clear and need not be over-emphasized. Over 212 million people in Africa are undernourished but, as this report also details, the current food price crisis is pushing millions more into poverty while most countries are off-track to meet the Millennium Development Goal of halving hunger by 2015. Prioritizing sustainable small-scale agriculture and promoting the right to food approach is the key to ensuring Africa's food security, eradication of hunger and broader development.

The report is an assessment of their progress towards meeting commitments on CAADP, MDGs, etc and assesses why African governments have, in fact, not met these targets.

1.3 Food price crisis

Rising food prices during 2007-2008 pushed 24 million more Africans below the hunger threshold. According to the UN's Food and Agriculture Organization (FAO), there is a similar increase predicted in 2009 thanks to the global recession and stubbornly high food prices. The crisis connotes a huge challenge to small-scale farmers, the urban poor and the landless, and increases the onus on African governments to put in place deliberate measures to prioritize sustainable approaches to agricultural development.

Globally, food prices rose on average by 8 per cent in 2006 and 24 per cent in 2007. In the first three months of 2008 prices were on average a full 53 per cent higher than the same period the previous year. By mid-2008, overall food prices started to fall somewhat, but in late 2008, the World Bank noted that they were still 44 per cent above end-2006 levels. These rises have been led by grains: maize prices nearly tripled between January 2007 and June 2008 while wheat prices increased 127 per cent and rice rose 170 per cent.

The UN reported in September 2008 that in Liberia, staple food prices have risen 30 per cent and in Uganda by about 50 per cent in recent months. ¹⁴ In Kenya, the cost of maize meal rose 33 per cent from December 2007 to June 2008. ¹⁵ The countries hardest hit by increased prices are those importing all their oil and a high proportion of their food. ¹⁶ Countries considered by the FAO to be 'especially vulnerable' include Ethiopia, Tanzania, Kenya and Malawi, which all import 100 per cent of their fuel and 22 per cent, 14 per cent, 20 per cent and 7 per cent, respectively, of their grains. ¹⁷ The Least Developed Countries, most of which are in Africa, spent 16 per cent more on food imports in 2007 than in 2006; the group of low income food deficit countries spent 19 per cent more. ¹⁸

The vast majority of Africans, including small-scale farmers in rural areas, are net buyers of food (buying more than they sell), spending 60-80 per cent of their income on food. Thus, the food price hikes will tend to make most poor farmers and even consumers poorer. Most people in rural areas both buy and sell food, typically selling immediately after harvest to earn cash and buying in the months before the following harvest, to meet food shortfalls. A World Bank's analysis shows that a 10 per cent increase in the price of the staple, maize, in Zambia, for example, will increase poverty by 0.5 per cent. ¹⁹

Hunger and poverty are indeed deepening as a result of rising food prices. UN agencies have reported increased levels of malnutrition in Mali and increases in the proportion of those living below the hunger threshold in Kenya, for example.²⁰ Across Africa, households are reducing their food consumption. IFAD reports that in countries such as Cameroon, Kenya and Senegal, some people are eating only once a day while others might eat twice but are cutting out more costly, but also more nutritious, food items.²¹ The long-term effects can be devastating - eating fewer nutritious foods such as eggs, vegetables and milk, in the struggle to maintain calorific intake can have long-term detrimental effects on nutrition and health, with the effects on children persisting into adulthood, affecting their life-long productive capacity.

Table 2: European Commission and FAO assessments of the likely degree of impact of food price inflation

	EC assessment		FAO assessment
	Severe problem	Moderate problem	Severe problem
West	Guinea	Burkina Faso	Cote d'Ivoire
	Liberia	Guinea Bissau	Ghana
	Mauritania	Mali	Guinea
	Sierra Leone	Niger	Guinea Bissau
		Gambia	Liberia
		Togo	Mauritania
		Senegal	Sierra Leone

		Benin	
		Cote d'Ivoire	
East/South	Eritrea	Kenya	Burundi
	Comoros Is.	Madagascar	Eritrea
	Ethiopia	Mozambique	Ethiopia
	Somalia	Namibia	Kenya
	Sudan	South Africa	Lesotho
	Zimbabwe	Burundi	Somalia
			Sudan
			Swaziland
			Uganda
			Zimbabwe
Central	DR Congo	CAR	CAR
		Sao Tome & Principe	Chad
			Congo Brazzaville
			DR Congo

Source: European Commission, 'Possible Responses to Food Crisis', 2008; European Parliament, Resolution on Rising Food Prices in the EU and Developing Countries, 2008

Although the price of food is falling, generally higher prices are likely to stay, driven by various factors.²² The OECD estimates that over the next ten years, the price in real terms of cereals, rice and oilseeds will be 10-35 per cent higher than over the past decade.²³ In theory, increased food prices should encourage farmers to expand their food production. In practice, however, small-scale farmers in Africa face numerous constraints undermining their ability to benefit. Some of the most important constraints include:

- Lack of access to finance and affordable credit (to invest in greater production),
- Lack of access to markets to sell their produce at higher prices,
- Lack of information as to price movements in the market.²⁴
- High and consistently rising cost of inputs, especially fertiliser. The FAO notes that fertiliser prices increased by 99 per cent from 2007 to 2008 (comparing the months January-April). Indeed, there have been fertiliser riots in countries such as Kenya, Nigeria, Madagascar and Egypt during 2008.²⁵ In Kenya, fertiliser prices were more than doubled in the subsequent three months after December 2007. The cost of producing maize the country's staple rose by 27 per cent.²⁶ In theory, rising prices should stimulate increased production of the same crops however this was and is still not the case in this crisis. In fact, as the World Food Programme has pointed out, in many developing countries, farmers are planting less. In Kenya's Rift Valley the country's breadbasket farmers in early 2008 were planting one third of what they planted the previous year, partly due to post-election violence but also due to high fertiliser and tractor-hire costs (due to fuel price increases).²⁷ Indications are that, worldwide, high fertiliser prices will persist for three to four years.²⁸

2. Implementing CAADP

2.1 The CAADP framework

CAADP was jointly developed by the AU, NEPAD and FAO, in May 2002. CAADP is the NEPAD implementation program for the revitalization of the agricultural sector in Africa. It was first endorsed by African Ministers of Agriculture in June 2002. A final report outlining the programme was later produced in November 2002. In July 2003 the AU Summit endorsed CAADP and adopted the Maputo Declaration on Agriculture and Food Security (African governments pledged to allocate 10 per cent of their national

budgets to agriculture by 2008). In February 2004, the AU Extraordinary Summit, in Libya, agreed to integrate fisheries, forestry and livestock in the CAADP Framework (Sirte Declaration). Since then, African Heads of State have re-committed themselves to the programme in various fora. Regarded as a 'common framework' of principles and targets aiming to revitalize African agriculture, CAADP sees agriculture-led growth as the main strategy to achieving the Millennium Development Goal (MDG goal 1) of halving poverty and hunger by 2015. It outlines four pillars for 'primary action':

- 1. Extending the area under sustainable land management and reliable water control systems;
- 2. Improving rural infrastructure and trade related capacities for market access;
- 3. Increasing food supply and reducing hunger and improving responses to food emergency crises;
- 4. Improving agriculture research, technology dissemination and adoption.

These pillars emphasize the importance of increasing the amount of irrigated land, responding better to the growing frequency of disasters, improving roads to enhance export competitiveness and increasing the farm productivity of smallholders. The key principles outlined in CAADP are those of dialogue, review of policy, accountability and partnerships with farmers, agribusiness and civil society.

The cost of the CAADP programme is envisaged as USD\$251 billion over the 14 years from 2002-2015, or an annual investment of USD\$17.9bn a year – the biggest single component is spending on rural roads, estimated to amount to USD\$62bn.²⁹ African states are to generate around half the needed resources themselves; the other half is to come from donors and private investment.

Perhaps most significantly, CAADP and its follow-up have led to a number of specific targets which have all been endorsed by African leaders:

- In July 2003, the African Union (AU) heads of states meeting in Maputo committed governments to spending at least 10 per cent of their national budgets on agriculture within five years. This was an ambitious target, given that spending on agriculture amounted to 3-4 per cent in the years preceding. The following February, at Sirte, Libya, AU Heads of State agreed to 'expedite' their NEPAD agricultural commitments, especially the 10 per cent budgetary target.
- Another target agreed by African states was to achieve 6 per cent annual growth in agriculture.
- The CAADP programme calls for states to <u>double annual spending on agricultural research in Africa within 10 years</u> to USD\$4.6bn by 2015, entailing a rise of 7.2 per cent a year.³²
- In 2006, African states meeting for the Abuja Fertiliser Summit in Nigeria, recognized Africa's low farm productivity and that fertiliser use averaged only 8kg per hectare; they committed themselves to increasing the level of fertiliser use to at least 50kgs per hectare by 2015.³³ At this summit, they also expressed their concern for the fact that few countries have reached the 10 per cent target and they again committed to doing so by 2008.³⁴

The missed targets

All the above goals and targets are a long way from being achieved as majority of the AU countries are not on course with their implementation for reasons ranging from, lack of political good will (African governments, multilateral institutions & donor governments), lack of sufficient resources to recurrent emergency situations (famine, civil strife/wars etc) and fragile state capacity (see box 5) to promote and secure sustainable small-scale farming systems. Specifically on the **10 per cent commitment** only seven out of Africa's 53 countries have reached the 10 per cent commitment based on spending averages for 2004-07. Eight countries spend 5-10 per cent, while eighteen (18) others spend less than 5 per cent. For the rest of the countries data was not available at the NEPAD Secretariat.

Table 2: Percentage of national budget spent on agriculture, 2004-07

10% or more	5-10%	Less than 5%
Ethiopia	Benin	Botswana
Madagascar	Chad	Burundi
Malawi	Mauritania	Cameroon
Mali	Nigeria	Central African Republic
Niger	Sao Tome & Principe	Congo
Senegal	Swaziland	DR Congo
Zimbabwe	Uganda	Cote D'Ivoire
	Zambia	Djibouti
		Guinea-Bissau
		Kenya
		Lesotho
		Liberia
		Mauritius
		Namibia
		Rwanda
		Seychelles
		Sierra Leone
		Togo

Source: NEPAD Secretariat, Agriculture Unit, 'National compliance with 2003 African Union Maputo Declaration to allocate at least 10% of national budget to agriculture development: 2007 draft survey report', October 2008

Box 5: Guideline 5; (institutions) 5.1

States, where appropriate, should assess the mandate and performance of relevant public institutions and, where necessary, establish, reform or improve their organization and structure to contribute to the progressive realization of the right to adequate food in the context of national food security.

Source: Voluntary Guidelines to support the progressive realization of the right to adequate food in the context of national food security Adopted by the 127th Session of the FAO Council November 2004 FAO – UN Rome, 2005

However, Africa's performance is even worse than it appears at first sight, in that:

 Of the seven (7) states spending more than 10 per cent, only Mali has done so in every one of the past four years (2004-07). Niger and Madagascar, for example, spent less than 10 per cent in the most recent year (2007). • Furthermore, of those seven (7) states, only Malawi, Senegal and Zimbabwe report that they have actually increased their spending allocation since 2003. Given that it is unlikely that the figure for Zimbabwe is accurate, this means that only two states have responded successfully to the 2003 declaration.³⁵

Overall, of the thirty four (34) states reporting figures to NEPAD; almost as many states have *reduced* their spending (12) as have increased it (14). Some countries have however reported no change:

- Of the eighteen (18) states spending less than 5 per cent, only four (4) countries report spending more now (2007) than they did in 2003;
- Of the eight (8) states spending between 5 and 10 per cent, five (5) reported spending more than in 2003.

It is no surprise that the NEPAD Secretariat reports that 'member countries are responding very slowly to the 2003 Maputo declaration and the AU/NEPAD follow up'. African states reported total agriculture spending of \$3.8bn in 2006; had they reached the 10 per cent target, they would have been spending USD\$6.7bn - a 44 per cent gap. This means that African states are depriving poor farmers of investments of around USD\$2.9bn a year.

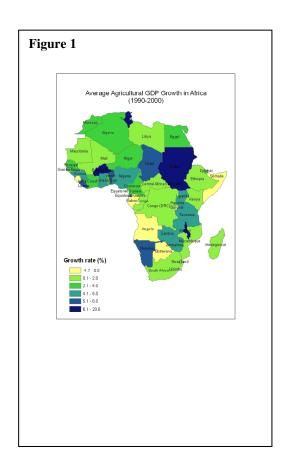
Average spending on agriculture in Africa has been only around 5 per cent over the past decade, compared to 8-14 per cent in Asia.³⁸ Agricultural spending as a proportion of agricultural GDP – a good measure of government support for agriculture, as it measures spending relative to the size of the sector – also averages only 4-5 per cent in Africa compared to 8-11 per cent in Asia.³⁹

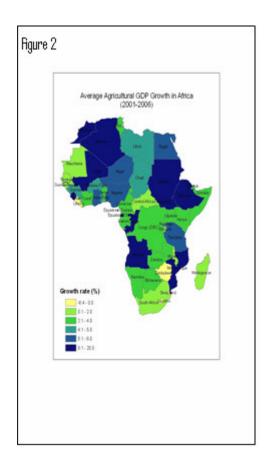
On the 6% commitment

According to the AU, eleven (11) countries have now reached or exceeded the 6 per cent target of annual agricultural growth (though it does not specific which). This number has risen from five⁷ to nine⁸ during the period of 2003 and 2007. The AU notes that average agricultural growth rates are now 4-5 per cent an increase in growth rates before the CAADP commitments, which averaged 3.6 per cent during 2000-04. The number of countries with a 5 per cent agricultural growth rate has increased between the years 1990-2000 and 2001-06, shown in figure 1 and 2.

Action Aid contends that growth on its own may not lead to hunger and poverty reduction. While the 6 per cent target is appreciable and also desirable as a concrete target or benchmark to monitor performance, African governments need not leave anything to chance. There has to be a deliberate measure to put in place systems that ensure inclusiveness and that all producers in the sector contribute towards and enjoy the benefits that accrue from growth that is realized. To deliver the 6 per cent, strong linkages within and between sectors and, benefit redistributive structure will be critical for ensuring that all sub-sectors including those dominated by poor small-scale farmers contribute and benefit from the overall growth figure.

The growth and its benefit must primarily focus on eradicating hunger. For that CAADP needs to address more explicitly how the 4 pillars will be operationalised. AAI calls special relevance to pillar number III (increasing food supply and reducing hunger) as this is fundamental for attaining the MDG goal 1. AAI argues African governments and donors to prioritize the implementation of the pillar III. For that governments and donors should increase the quantity and quality of funds to sustainable small-scale farming systems. This shall be done respecting the Right to Food Framework which has to be embedded in the national food security strategies of countries.





Source: NEPAD Secretariat, 2008

The agricultural research commitment

There are no publicly available figures assessing progress towards the goal of doubling annual agriculture research spending. What is known is not impressive. A November 2007 progress report on CAADP implementation notes that the 'latest statistics available show a low level of investment' in agricultural research and development and that 'dramatic increases' were needed. A similar report of October 2006 stated more bluntly that 'available statistics suggest a *declining* trend' in spending on agricultural research. In this light, very concerning is that CAADP notes that this pillar has seen the most progress of all the pillars; it notes that a Framework for African Agriculture Productivity has been produced on which 'a number of African countries are starting to base policy'. Clearly, there has been some activity in pursuit of this CAADP pillar but with few concrete results so far.

The fertiliser commitment

Similarly, there is no public information available detailing what progress African states have made towards the target of utilising 50kg of fertiliser per hectare by 2015. However, NEPAD documents in early 2008 were still saying that Africa uses an average of 8-10kgs of fertiliser per hectare, the same as in 2006. A progress report on CAADP implementation of November 2007 noted that attainment of this target 'remains low, capacity for implementation is weak and the private sector – which is a key stakeholder in fertiliser development – has not been made a priority'.

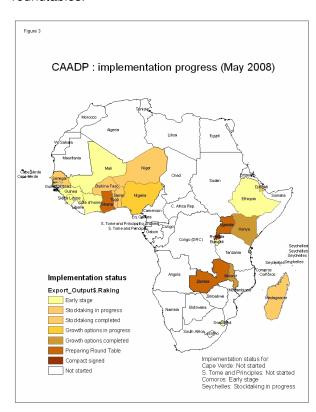
Maria Wanzala, an adviser to NEPAD and a leading commentator on the CAADP targets, notes that progress towards achieving the fertiliser commitment is 'limited at both regional and country levels',

despite a number of consultations and decisions that have taken place since the June 2006. The East African Community has developed a rural development policy in support of implementation of the Abuja declaration while ECOWAS (Economic Community of West African States) is 'working on' fertiliser legislation, for example. Wanzala, notes, however, that 'the key reasons for the weak response to the Abuja declaration are lack of capacity, inadequate technical and financial resources, and the lack of a proactive stance.'

Other Initiatives to Complement CAADP

CAADP has inspired a considerable amount of activity in Africa. Various framework documents in support of the four pillars have been produced and there have been some pledges of funding by donors to regional and sub-regional organisations leading on the technical aspects of implementation. A CAADP support group has been established - including the African Development Bank, UN institutions and the World Bank - to provide technical assistance in mobilizing resources to assist governments to formulate projects and assisting in assessing capacity building needs at the national and regional level.

At country level roundtables are meant to be established bringing together public servants, farmers, the private sector, civil society and donors to develop strategies for speeding up agricultural growth and align agricultural policy to CAADP. However, after six years, only one country (Rwanda) has completed the high-level agreement that aligns national priorities with the CAADP agricultural framework. As of May 2008, CAADP assessed the state of implementation as outlined in the map below; it stated that around 10 countries in COMESA (Common Market for Eastern and Southern Africa) and 8 countries in ECOWAS were 'almost half-way' through the CAADP roundtable processes. But most African countries had not even started the negotiation process. Since then, it has been reported that a dozen countries are in the final stages of completing the alignment process while nearly 20 countries are actively preparing CAADP roundtables. CAADP



The AU noted in February 2008 that African economies and agricultural sectors had grown over the past decade but that 'this progress started well before the development and adoption of CAADP'. Indeed, it noted that 'it is too early to claim any causality between CAADP and the developments of the last few years'. This sorry state of affairs was the situation nearly six years after Africa had endorsed CAADP in June 2002. By October 2008, African Ministers of Agriculture meeting in Washington issued a statement saying: "The implementation of the CAADP agenda has now reached a decisive point. It has to be taken to the next level in the coming months by its main actors – African governments and the development community – or it will fail to achieve its important and ambitious target". 52

3. Why Africa has not met its commitments?

Why have African states not met their targets, especially the top-line commitment to spend 10 per cent of their budgets on agriculture? The reasons are both technical and political, but mainly the latter. The CAADP commitments are ambitious; traditionally African governments have allocated meagre resources to the development of agriculture, and the perennial problem of agricultural budgets being constrained by other government departments and spending priorities has remained.

The biggest single reason is undoubtedly lack of political good-will on the part of government. Many African governments have continued to pay lip service to the development of agriculture while continuing a long-standing 'urban bias'. Overall, a 'developmental state' – run by political leaders determined at all costs to eradicate poverty has been lacking. In most countries, patrimonial relations characterise government policy formulation/review processes & implementation in which various interest groups have tried to influence government policy-decision-making. If farmers have been listened to at all, they have generally tended to be large-scale, organised and export-oriented. A good example is the Economic Partnership Agreement (EPA) negotiations where large-scale horticultural producers influenced greatly the market access contents of the EPA text (ref. EPA interim framework agreement). Small-scale farmers are virtually invisible to decision-makers in most African countries. Agricultural strategies invariably tend to be top-down and suffer from all manner of problems associated with lack of inclusion, sufficient transparency and accountability to those required to implement them (e.g. farmers).

Agriculture⁹ receives greater support from democratic than authoritarian regimes, and that greater democratisation is likely to lead to more transparent and participatory resource allocation processes that benefit the agricultural sector. Greater democracy increases the voice of farmers in political decision-making.⁵³ However, a more fundamental problem with CAADP is that, being a common (but loose) framework, none of the targets are compulsory and there is no enforcement mechanism. Where well-organised farmers' associations or civil society movements are lacking, African governments are simply not being held accountable for implementing their commitments.

Of course, there are a myriad of other constraints on African leaders, working at different levels. For several states, including some of those spending less than 5 per cent of their budgets on agriculture, political instabilities and conflict are major reasons for under-investment in agriculture. The present food crisis has required large extra investments to be made on importing huge quantities of food, reducing significantly resources meant for long-term investment. Then there are a range of technical obstacles associated with the fundamental problems of African agriculture, which deter long-term investment, whether public or private as well as aid. These include unpredictable climatic changes, high cost and burden of doing business coupled with weak institutional capacity in government and implementing agencies. There are also simpler explanations for the fact that African countries are not yet reaching the targets, hitherto, of CAADP, such as the lack of sufficient information and communication about African governments' commitments, notably among parliamentarians.

Donor commitments - not much better

The CAADP process entails three major commitments on the part of donors:

- The CAADP framework document makes it clear that not only will Africa find extra resources for agriculture to implement CAADP but also 'its external partners will come forward and support it.'54 Indeed, the document details that USD\$125bn out of the USD\$251bn investment needed will need to come from outside Africa, either overseas aid or private investment amounting to USD\$8.9bn a year.⁵⁵
- The CAADP process also outlines a 'cross-cutting' issue calling for agreement to improve access
 to global markets for agricultural exports and reductions in OECD subsidies, and for donors to
 align their aid to agriculture to the CAADP framework.⁵⁶

Donors' performance in these areas has also generally been poor.

Aid levels

On the positive side, aid to African agriculture from all donors has doubled from USD\$1.05bn in 2002 to USD\$2.15bn in 2007 (in constant USD\$ 2006), according to figures from the OECD.⁵⁷ A number of donors have recently announced increases in aid to agriculture, partly in response to the food price crisis. This increase follows a virtual collapse in agricultural aid spending over the past two decades – aid levels fell from USD\$7.6bn in 1980 to USD\$3.7bn in 2000.⁵⁸

However, current aid levels are still insufficient to meet the needs outlined by CAADP. Aid spending over the past five years averages just USD\$1.6bn a year, five times less than the USD\$8.9bn a year CAADP said it needed from external sources. To put this figure into further perspective, donors spend more than twice the amount on administering their own aid programmes (USD\$4.7bn) as they do on supporting agriculture in Africa. It should also be noted that from 2003 until 2006, the proportion of all aid to Africa that went to agriculture actually fell (from 3.8 per cent to 3.6 per cent), though it rose in 2007 to 5.1 per cent.⁵⁹

Increasing trade market access and reductions in subsidies

There has been little improvement in developing country access to northern markets in recent years, partly due to the collapse of the Doha round of WTO trade negotiations, partly due to the EU's continued refusal to agree to substantial reductions in domestic subsidies. The European Union spent Euro 50bn on domestic support to its farmers in 2006. By contrast, its aid to farmers in developing countries (not just Africa) amounted to Euro 891mn (the combined total from individual EU states and the European Commission) – 56 times less! The EU's Economic Partnership Agreements with developing countries, which are currently being negotiated, offer only a marginal improvement in market access for developing countries while requiring them to substantially liberalize their own markets.

Number of donors aligning with CAADP

Every recent G8 summit has cited CAADP as the framework for the restoration of agriculture and food security in Africa. A number of donors including the World Bank and the EU (though its 'Advancing African Agriculture' report) have aligned their policies to CAADP while some bilateral donors – such as the UK, Netherlands, Norway, the US, Germany, Canada, Sweden and Japan – are supporting CAADP at the regional and country level. However, a progress report on CAADP implementation produced in November 2007 noted that 'less than 10' donors were aligning their support to CAADP. A UN Economic Commission for Africa report of August 2007 notes that although some donors are aligning their aid to CAADP, some 'are still creating parallel processes and pledging arrangements and holding back the pace of progress'.

4. Halving Hunger: Is CAADP Enough?

Of Sub-Saharan Africa's 700 million population, 212 million are undernourished, which translates to 30 per cent. Since the early 1990s, the number of hungry people has increased by 43 million although the proportion of the total population has decreased from 34 to 30 per cent. Currently, the UN FAO notes that only 14 African countries are on track to meet the MDG target of halving hunger by 2015. A recent AU

progress report on the implementation of CAADP states that 'it is nearly impossible for many African countries to succeed in halving poverty and the number of malnourished by 2015', even if some countries may do so.⁶⁴

Table 3 shows that out of the 38 countries providing data to the FAO, 25 have reduced the proportion of their population that is undernourished, but this still leaves 13 countries moving completely in the wrong direction.

Table 3: Proportion of undernourished people and progress towards reducing it, 1990-92 to 2003-

	Proportion of undernour ished		Progress towards halving hunger?
	1990-92	2003-05	
			.,
SUB-SAHARAN AFRICA	34	30	Yes
CENTRAL AFRICA	34	57	No
Cameroon	34	23	Yes
Central African Republic	47	43	Yes
Chad	59	39	Yes
Congo	40	22	Yes
DR Congo	29	76	No
EAST AFRICA	45	35	Yes
Burundi	44	63	No
Eritrea	67	68	No
Ethiopia	71	46	Yes
Kenya	33	32	Yes
Rwanda	45	40	Yes
Sudan	31	21	Yes
Uganda	19	15	Yes
Tanzania	28	35	No
SOUTHERN AFRICA	45	37	Yes
Angola	66	46	Yes
Botswana	20	26	No
Lesotho	15	15	No
Madagascar	32	37	No
Malawi	45	29	Yes
Mauritius	7	6	Yes
Mozambique	59	38	Yes
Namibia	29	19	Yes
Swaziland	12	18	No
Zambia	40	45	No
Zimbabwe	40	40	No
WEST AFRICA	20	14	Yes
Benin	28	19	Yes
Burkina Faso	14	10	Yes
Cote D'Ivoire	15	14	Yes
Gambia	20	30	No
Ghana	34	9	Yes
Guinea	19	17	Yes
Liberia	30	40	No

Mali	14	11	Yes
Mauritania	10	8	Yes
Niger	38	29	Yes
Nigeria	15	9	Yes
Senegal	28	26	Yes
Sierra Leone	45	47	No
Togo	45	37	Yes

Source: FAO, *The state of food insecurity in the world, 2008*, pp.48-50

4.1 Increased spending helps reduce hunger?

CAADP's 10 per cent target is important since the evidence suggests that there is a strong correlation between a country's prioritisation of agriculture and its ability to reduce hunger. The FAO notes that the countries with the least hunger tend to have higher expenditures on agriculture whereas the countries enduring most undernourishment tend to spend less. ⁶⁵ In the fourteen more successful African countries likely to meet the MDG target, agriculture has been the key in recording rapid growth and increasing food production and cereal yields, whereas in the failing countries, food production has fallen while agricultural value added has increased only marginally. ⁶⁶ The available data reveals that:

- All seven countries that spent more than 10 per cent of their budgets on agriculture in 2004-07 have achieved reductions in the proportion of hungry people over the past decade. In some cases these reductions have been substantial, as in Ethiopia (63 per cent to 46 per cent from 1995/97 to 2003/05) and in Malawi (45 to 29 per cent)
- Conversely, of the eighteen countries spending less than 5 per cent, seven countries saw increases in the proportion of the population that is undernourished; while seven saw reductions (one experienced no change, while hunger figures are not available for the other three).

Beyond CAADP

African countries have found it difficult enough to meet even the CAADP commitments. But for many countries, achieving the MDG goal of halving hunger will require agricultural growth rates above CAADP's 6 per cent target. So the reality is that even if the CAADP targets are met, Africa will still not halve hunger by 2015.

- The International Food Policy Research Institute (IFPRI) estimates that even if countries achieve
 the 6 per cent growth in agriculture target, only ten out of thirty African countries would halve
 hunger by 2015. Countries such as Kenya, Lesotho, Madagascar, Burundi, Zimbabwe, GuineaBissau and Niger all need to increase their agricultural growth rates by 10 per cent or more a year
 to halve hunger.
- In order to actually halve hunger, IFPRI estimates that African countries will have to massively increase their annual agricultural expenditures from USD\$9.8bn in 2004 to between USD\$33-39bn over 2004-2015 (see appendix table 1). Thus IFPRI's estimate of the extra annual spend needed on agriculture is much higher than the USD\$17.9bn envisaged under CAADP.

The conclusion here is clear. African governments must not only immediately and urgently set out to meet CAADP targets but must strive to go beyond them.

5. The Importance of Spending Quality

5.1 The focus of government spending

Clearly, the quality of government spending on agriculture is just as critical as the amount of spending. Research by IFPRI has found that spending on agricultural research, education and rural infrastructure are the three most effective types of investment for reducing rural poverty. In Uganda, India, China and Vietnam, for example, investments in these areas had the biggest impacts. Agricultural research was found to be critical in, for example, Tanzania, where such investments raised 40 people out of poverty per million shillings (£400) spent and had the largest impact on incomes. Investments in rural education and roads also had large impacts in reducing rural poverty. Other policies can also be important. In Kenya, IFPRI found that spending on irrigation produced the largest reductions in rural poverty, followed by spending on roads and agricultural research and extension.

ActionAid believes that any serious strategy that aims to increase food security and farm productivity needs to focus overwhelmingly on small-scale farmers for a number of reasons:

- Small farms are home to hundreds of millions of poor people and play major social roles, providing safety nets or subsistence living for the rural poor, thus ensuring food security in areas where transport costs are high. Small farm householders tend to spend their income on local goods and services, boosting local economies, and are more likely to employ people than adopt capital-intensive technologies, which is critical in economies with a labour surplus. They can also prevent urban migration and the explosive growth of cities.⁷⁴
- A focus on smallholders would also increase food and overall agricultural production. There is considerable evidence that smallholdings tend to achieve higher productivity than larger farms and promote greater equity and poverty reduction than larger farms.
- A focus on smallholder farmers would also help the environment since smallholders manage a
 large share of the world's water and vegetation cover. Agriculture produces around 20 per cent of
 the greenhouse gases that lead to global warming. Farmers need support in reducing these
 emissions, which can be done by practices that improve soil organic matter, reduce usage of
 nitrous oxides, improve water-use efficiency, avoid deforestation and improve livestock feeds
 which reduce animals' methane emissions.⁷⁶

History teaches that significant poverty reduction generally occurs after sharp rises in employment and self-employment income due to higher productivity on small family farms. IFAD notes that Vietnam, for example, has gone from being a food-deficit country to a major food exporter - and the second largest rice exporter in the world - largely due to developing its smallholder farming sector.⁷⁷ As economic transformation in developing countries proceeds, small farms tend to play a shrinking role, but for most African countries where agriculture is the key sector with a large number of poor farmers, a focus on small farms makes economic sense.⁷⁸ A further study by IFPRI notes that 'the lessons from Asia and elsewhere seem clear. Africa needs a concerted effort to accelerate smallholder-led agricultural development'; 'only then', it adds, can the transition to industrialisation be expected to succeed'.⁷⁹

Prioritizing the needs of smallholder farmers has specific policy implications. It often means focusing policies on boosting the production of staples for local consumption rather than focusing on export crops; it also means promoting appropriate low-input farming technologies and techniques, including organic farming rather than expensive, high-tech 'solutions' peddled by outsiders and corporations.

Focus on staples

Various studies show that an emphasis on producing staples improves economic growth as well as food security. In Rwanda, for example, growth driven by increasing staple crops, such as maize and rice, and livestock production, reduces poverty more than growth driven by export crops.⁸⁰ Whereas productivity growth in staples benefits both the rural poor and urban poor (since it leads to lower prices) growth in higher-value export crops tends to reach better-off farmers and has little impact on the food costs of the poor.⁸¹

Focus on domestic markets

The biggest food market potential for African farmers tends to be in domestic rather than export markets. As DFID has noted, the domestic market in sub-Saharan Africa is around three times larger than current export markets for traditional and non-traditional commodities combined. Africa's domestic consumption of food staples is around USD\$50 billion a year –five times greater than the value of its traditional commodity exports. Yet huge areas of land are devoted to export crops in many African countries, often controlled by transnational corporations and/or richer farmers, and often replacing land that could be used by smallholders for growing staples. This has often resulted in unequal land holdings and increasing food insecurity. A key finding of a recent World Bank report on agricultural trade was that 'a development strategy based on agricultural commodity exports is likely to be impoverishing in the current policy environment in which policy-makers in many countries have mercantilist protectionist reflexes'. Thus AAI recommend the strengthening of African intra-trade relations and policies.

Focus on low input farming

Farmers also need help in accessing low cost inputs to boost their productivity. Key basics such as access to affordable credit, good extension services and seeds and tools remain vital but have become much scarcer in most African countries over the past two decades. Greater government and international support to organic farming is needed. According to the FAO, 'the share of organic research in agriculture is almost nil in most countries and current allocations in developed countries do not exceed 1 per cent of total research budgets'. The FAO's landmark report on organic agriculture of May 2007 outlines a large number of benefits of organic farming compared to conventional, high-tech agriculture, stating that 'organic agriculture has the potential to secure a global food supply, just as conventional agriculture today, but with reduced environmental impacts' and that agricultural yields in Africa could grow by 50 per cent, 'thus increasing local access to food and reducing food imports'. Although recognizing that organic farming is not a magic bullet for solving global hunger, the low input farming is especially crucial during periods of astronomically high fertiliser prices, which have made fertiliser even more unaffordable for millions of farmers. Sadly, chemical fertilisers have long been seen by the World Bank and most northern donors as *the* (only) solution to raising productivity in global agriculture.

5.2 The quality of aid spending

Donors need to transform the quality of their aid spending. For the past 25 years, aid has been used to promote liberalized, free-market agricultural policies in developing countries. This has been done either by making aid conditional on promoting liberalization policies or by the general 'advice' that has accompanied aid programmes. Lending to promote structural adjustment constituted nearly 40 per cent of all World Bank lending to African agriculture from 1991-2006, amounting to USD\$1.7 billion. By 2000, nearly half of all international aid to agriculture was in support of 'agricultural policy and management', meaning to government ministries of agriculture mainly to promote agricultural liberalization.

Donors have in recent years pulled back from promoting unfettered agricultural liberalization. The World Bank's policy declared now recognizes the importance of sequencing liberalization reforms and that, subsidies, for example on fertiliser, can sometimes be beneficial, if imposed smartly and temporarily.⁸⁸ However, donors' primary faith remains in market reforms – the 'commercialization' of agriculture - while an active role for the state remains firmly off the agenda in favour of the more limited role of an 'enabling' state.⁸⁹

Formal aid conditionality in agriculture has declined in recent years – mainly since there is not much left to liberalize or privatize – yet it is still a key feature of donor policy. There are a variety of privatization and/or liberalization conditions attached to current World Bank aid to agriculture:

- Aid to Burundi is conditional on 'liberalization of coffee producer prices and marketing and adoption of detailed [sic] plan for further restructuring (including privatization of washing stations)'.⁹¹
- Aid to Rwanda has been conditional on '10 per cent of rural water supply systems managed by private operators' and 'the privatization of two tea plantations'.

 A USD\$250 million aid loan to Ethiopia has been conditional on the 'share of annual fertiliser sales with regional government guarantees reduced to 200,000 metric tones' in a context where the government is being encouraged to reform the market structure for importing and distributing fertiliser.⁹³

Some agricultural liberalization reforms are certainly needed in African countries but these have got to be strategic so as to improve the overall wellbeing of farmers. The point however is that it is not the responsibility of donors to impose these, nor to continue to ignore the role that (transparent and accountable) states can play in driving pro-poor agricultural policies.

The overwhelming focus of aid on structural adjustment has meant less money available for what small farmers really need:

- Aid for agricultural inputs such as seeds, fertiliser and machinery declined from 11.3 per cent of all agricultural aid in 1980 to a miniscule 1.9 per cent in 2006. This means that donors provided just USD\$66 million for agricultural inputs in 2006, compared to USD\$860 million in 1980 (in constant dollars) – a thirteen-fold reduction.
- Aid in support of rural credit to farmers a vital activity that enables them to borrow small amounts of money to buy inputs or to diversify into producing other crops – has also collapsed. Donors provided just USD\$71 million for this in 2006 compared to USD\$466 million in 1980.

Independent evaluations show the impact of donor aid to agriculture to be poor. The Independent Evaluation Group (IEG) 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. It stated 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. In particular, none of the ten largest borrowers from the Bank received consistent support across all agricultural sub-sectors. Rather, World Bank lending was "sprinkled" across various agricultural activities such as research, extension, credit, seeds and policy reforms in rural space, but with little recognition of the potential synergy among them to effectively contribute to agricultural development.

An evaluation of the European Commission's aid to rural and agricultural development covering the period 1995-2005 was published in June 2007. 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 the impact [sic] of EC interventions on agricultural productivity and on producers' income'. 98

However, even taking note of positive results that arise from aid to agriculture, AAI believes that whilst not addressing the key challenges, poverty reduction through African agriculture development will remain unachieved. The major challenges Africa is faced with are: the structural questions regarding the nature and ownership of the agrarian sector; the policy question regarding achievement of growth in the agrarian and related industrial sectors to meet the myriad of needs of the growing population and lastly the financing challenge relating to the nature and focus on global resources available for agricultural development. These factors feed into a larger set of questions regarding increasing productivity, technology and trade.

Box 6: The Right to Food

Every human being has the right to adequate food and the fundamental right to be free from hunger, according to the international human rights law. This is called right to food, for short. The right to adequate food covers quantity, quality and cultural acceptability. It is not a right to

be fed but primarily right to feed oneself with dignity. The right to food is centered on the rights of individuals and stresses the corresponding obligations of the State to realize these individual rights. Affirmative action for the most vulnerable and food insecure segments of the population is therefore a must. Right to Food is "the right of every man, women and child alone and in community with others to have physical and economic access at all times to adequate food or means for its procurement in ways consistent with human dignity"- General comment Nº 12 of the CESCR.

All government and donor spending on agriculture should be provided under a right to food framework. For African states, eradicating hunger is not an option but a duty enshrined in international law. The UN Special Rapporteur on the Right to Food has outlined three obligations for states:

- 'The obligation to respect', meaning that 'government should not arbitrarily take away people's right to food or make it difficult for them to gain access to food'.
- 'The obligation to protect', meaning that 'government must pass and enforce laws to prevent powerful people or organizations from violating the right to food'.
- 'The obligation to fulfill', meaning that 'government must take positive actions to identify vulnerable groups and to implement policies to ensure their access to adequate food by facilitating their ability to feed themselves'.⁹⁹

Various obligations also apply to developed countries and international institutions like the WTO, IMF and WB:

- 'The extraterritorial obligation to respect the right to food requires states to ensure that their policies and practices do not lead to violations of the right to food for people living in other countries'.
- 'The extraterritorial obligation to protect the right to food requires states to ensure that third parties subject to their jurisdiction (such as their own citizens or transnational corporations) do not violate the right to food of people living in other countries. This puts a duty on the state to regulate its corporations and non-state actors in order to protect the inhabitants of other countries'. 100

As to which policies can undermine these rights:

• 'In particular, three aspects of this general process of privatization and liberalization create catastrophic consequences for the right to food: the privatization of institutions and public utilities, the liberalization of agricultural trade and the market-assisted model of land reform (see also box 7)'. 101

The new Special Rapporteur states in his recent report of September 2008 that 'international law imposes on all states an obligation to re-examine, with a view to its modification, any policy which has been proven to have a negative impact on the right to adequate food...' 102

Box 7: Guideline 2; 2.5

States should pursue inclusive, non-discriminatory and sound economic, agriculture, fishery, forestry, land-use, and, as appropriate, land-reform policies, all of which will permit farmers, fishers, foresters and other food producers, particularly women, to earn a fair return from their labour, capital and management, and encourage conservation and sustainable management of natural resources, including marginal areas.

Source: Voluntary Guidelines to support the progressive realization of the right to adequate food in the context of national food security Adopted by the 127th Session of the FAO Council November 2004 FAO – UN Rome, 2005

6. Policy Recommendations

ActionAid believes that the sustainable approach to address hunger in the continent through agriculture development is by adopting the right to food framework. The present CAADP framework as well as the current agricultural investments that Africa is receiving, should seek to align with the right to food framework. Meanwhile there's a need to unpack the existing policies on agriculture at sub regional and continental level.

6.1 African governments should:

- Develop and make public a timetable with specific timeframes showing clear targets and benchmarks towards realising their commitment to spend 10 per cent of the national budget on agriculture as well as other CAADP commitments.
- Outline how they are going to better prioritize the needs of small-scale farmers in their agriculture strategies. Governments must ensure that small-scale farmers have increased access to basic inputs such as affordable credit, traditional improved seeds and, if absolutely necessary, fertilisers.
- Agree additional targets within the CAADP framework to reduce inequality in landholding through agrarian reform, and to promote and protect local seed varieties and other forms of local knowledge.
- Invest much more in the 'basics' such as rural infrastructure (e.g. smallholder irrigation schemes, storage facilities, roads, local market centre's, transport & telecommunication services, etc), rural education and public extension/training services to farmers, as well as taking greater steps to secure more equitable access to land and water, especially for women. These should form part of a clear and coherent national right to food strategy and its agricultural policy in which farmers organizations and civil society organizations are involved.
- Provide in time support to small-scale farmers organizations rather than opposing them. Government must actively seek out farmers' views too often they are ignored or marginalized in policy planning.
- · Make state intervention both smarter and more efficient.

Box 8: GUIDELINE 8B Land; 8.10

States should take measures to promote and protect the security of land tenure, especially with respect to women, and poor and disadvantaged segments of society, through legislation that protects the full and equal right to own land and other property, including the right to inherit. As appropriate, States should consider establishing legal and other policy mechanisms, consistent with their international human rights obligations and in accordance with the rule of law, that advance land reform to enhance access for the poor and women. Such mechanisms should also promote conservation and sustainable use of land. Special consideration should be given to the situation of indigenous communities.

Source: Voluntary Guidelines to support the progressive realization of the right to adequate food in the context of national food security Adopted by the 127th Session of the FAO Council November 2004 FAO – UN Rome, 2005

6.2 Donors should:

- Commit to doubling the *share* of agriculture within total aid from 5 to 10 per cent, while also delivering on the Gleneagles timetable for doubling the total *volume* of aid to Africa. This is in line with the '10 for 10' proposal, whereby African governments should achieve 10 per cent agricultural spending at the same time as donors spend 10 per cent of their aid on agriculture.
- Transform their aid programmes to prioritize the needs of small-scale farmers. The danger is that some donors will pay lip-service to this need given the international attention and demand on them to do so. Donors need to state or outline how their agricultural aid programmes will change to accommodate these demands.
- Donors should further demonstrate how they have or intend to move away from promoting inappropriate policies of agricultural trade and market liberalization.
- Drop targets and incentives for agro-fuel production and consumption that are driving the conversion of African farmland to fuel crops instead of food.
- Step up funding for home-grown agricultural research agenda, geared towards improving
 productivity of small-scale farming in Africa, particularly, in the Least Developed Countries. The
 entire group of 50 Least Developed Countries received only \$22 million worth of aid funding for
 agricultural research in the period 2003-05. In particular, research for low-input and organic
 farming techniques needs to be increased significantly.
- Address the colossal power exercised by agribusiness corporations in the global food system. All
 donors should be required to demonstrate how they are going to ensure a fairer system for smallscale farmers, and how they are going to regulate large corporations.

CAADP's vision is bold, necessary and achievable. In the context of the food and financial crises, it is also incredibly urgent. ActionAid hopes that this report will assist governments, legislators and citizens to identify practical ways to accelerate progress toward the CAADP targets and to remove obstacles in the way. By combining increased investment with right to food principles, and promoting sustainable, low-input agricultural development, CAADP can enable the present generation to realise their right to food without compromising the ability of future generations to realise their own.

Appendix Table 1: Agriculture growth and expenditure required to meet MDG1

				Annual	Assumed	Required	Required	
	Assumed		Required	agriculture	annual	annual	agricultural	Annual
	annual	Required annual	agriculture	expenditure				agriculture
					non-	agriculture	expenditure	expenditure
	non-agricultural	agriculture	expenditure	required , 2004-	agricultural	growth	growth	required,
	growth	growth	growth rates	2015 (Inter-	growth			
						rates to	rates to	2004-2015,
	rates, 2004-	rates to achieve	to achieve MDG1	national dollars,	rates, 2004-	achieve	achieve	(International
Country	2015 (%)	MDG1 (%)	(%)	million)	2015 (%)	MDG1 (%)	MDG1 (%)	dollars, million)
	M	ore Conservative Sc	enario			More Optim	istic Scenario	
Burkina Faso	4.4	6.2	20.2	284.0	5.3	5.5	17.9	246.0
Chad	4.3	9.9	32.0	1356.0	6.0	8.1	26.4	953.0
Cote d'Ivoire	2.0	10.2	33.2	1768.0	4.0	8.9	28.9	1344.0
Gambia	3.3	8.9	29.0	426.0	5.3	7.2	23.5	301.0
Guinea	3.9	8.2	26.7	3621.0	4.0	7.4	24.1	3068.0
Kenya	2.2	11.3	36.7	4318.0	4.0	10.0	32.5	3313.0
Lesotho	3.6	12.1	39.2	1918.0	4.1	10.0	32.4	1253.0
Madagascar	2.4	10.9	35.5	11789.0	4.0	10.2	33.0	10091.0
Malawi	1.7	10.4	33.8	1175.0	4.0	6.8	22.0	556.0
Mauritania	5.2	6.1	19.7	356.0	5.8	4.5	14.7	259.0
Mozambique	6.0	3.6	11.6	463.0	6.0	3.0	9.7	413.0
Namibia	4.1	10.1	32.7	1912.0	5.1	8.1	26.1	1262.0
Senegal	3.9	8.6	27.9	714.0	5.5	6.6	21.5	478.0
Swaziland	3.3	6.9	22.5	161.0	4.0	6.3	20.5	142.0
Zambia	1.8	11.2	36.3	665.0	5.0	7.7	24.9	324.0

				Annual	Assumed	Required	Required	
	Assumed		Required	agriculture	annual	annual	agricultural	Annual
	annual	Required annual	agriculture	expenditure				agriculture
					non-	agriculture	expenditure	expenditure
	non-agricultural	agriculture	expenditure	required , 2004-	agricultural	growth	growth	required,
	growth	growth	growth rates	2015 (Inter-	growth			
						rates to	rates to	2004-2015,
	rates, 2004-	rates to achieve	to achieve MDG1	national dollars,	rates, 2004-	achieve	achieve	(International
Country	2015 (%)	MDG1 (%)	(%)	million)	2015 (%)	MDG1 (%)	MDG1 (%)	dollars, million)
	M	ore Conservative Sc	enario			More Optim	istic Scenario	
Zimbabwe	1.1	10.0	58.6	28345.0	4.0	15.5	50.5	17458.0
Benin	4.4	8.5	26.7	356.0	4.0	7.6	24.0	301.0
Burundi	1.2	10.9	34.1	12.0	4.0	10.5	32.9	11.0
Cameroon	1.8	5.7	18.0	708.0	4.0	3.8	11.9	486.0
Central								
African								
Republic	1.7	9.2	29.0	88.0	4.0	8.4	26.5	75.0
Ethiopia	6.0	4.8	15.1	3012.0	5.4	4.4	13.7	2770.0
Ghana	4.8	3.2	10.2	251.0	4.8	3.0	9.5	240.0
Guinea								
Bissau	2.4	10.3	32.4	17.0	4.0	10.2	32.0	17.0
Mali	6.0	6.2	19.6	1266.0	6.0	5.7	17.9	1133.0
Niger	2.7	10.5	33.0	131.0	4.0	10.0	31.5	5154.0
Nigeria	2.5	7.7	25.1	7751.0	5.5	5.7	18.6	63.0
Rwanda	4.4	7.6	24.0	268.0	5.6	8.1	25.6	307.0
Tanzania	4.3	6.5	20.3	156.0	6.0	5.0	15.8	118.0
Togo	3.1	9.6	30.2	312.0	4.0	9.1	28.6	281.0

				Annual	Assumed	Required	Required	
	Assumed		Required	agriculture	annual	annual	agricultural	Annual
	annual	Required annual	agriculture	expenditure				agriculture
					non-	agriculture	expenditure	expenditure
	non-agricultural	agriculture	expenditure	required , 2004-	agricultural	growth	growth	required,
	growth	growth	growth rates	2015 (Inter-	growth			
						rates to	rates to	2004-2015,
	rates, 2004-	rates to achieve	to achieve MDG1	national dollars,	rates, 2004-	achieve	achieve	(International
Country	2015 (%)	MDG1 (%)	(%)	million)	2015 (%)	MDG1 (%)	MDG1 (%)	dollars, million)
More Conservative Scenario					More Optim	istic Scenario		
Uganda	6.0	3.5	11.1	954.0	6.0	3.2	10.0	891.0
SSA	2.8	8.5	23.5	39106.0	4.0	7.5	20.7	32794.0

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ActionAid

ActionAid is an anti-poverty agency working in over 40 countries, taking sides with the poor people to end poverty and injustice together.

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