Building Sustainable Food Systems for Inclusive Economic Growth in Africa

Policy, Gender, and Nutrition Considerations

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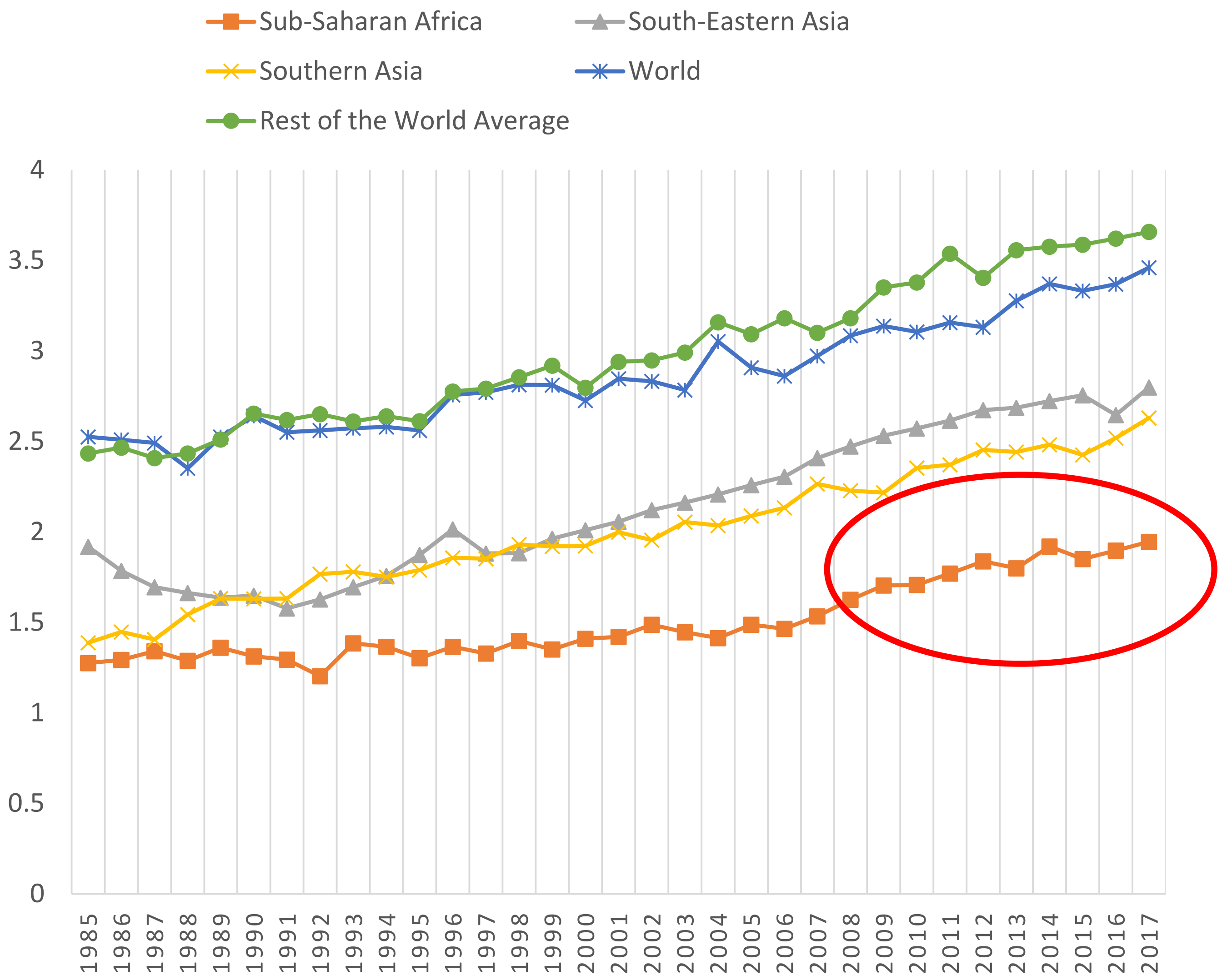
Sub-Saharan Africa -higher Crop Yields



Source: FAOSAT downloaded on 19th Jan., 2019.

Agricultural growth rates, 2000-2016:

- Sub-Saharan Africa: **+4.62 %**
- Latin America: +2.49 %
- East Asia: +3.07 %
- South Asia: +2.96 %
- World +2.75 %

Over the last decade, the African Continent has Seen Progress

Increased Commitment from African Leaders	**Following the Heads of State Commitment to Prioritize Agriculture in Maputo, 2003:** • 42 of 54 countries have signed CAADP compacts • 13 countries have committed 10% of their budget • 10 countries have achieved or exceeded 6% Ag GDP growth
Significant Increases in Development Assistance and Investment in Agriculture	**Since the 2008 food price crisis:** • Development assistance to African ag has more than doubled in real terms • Private sector investments in seeds, fertilizers, and agribusiness is rapidly growing
Millions of farmers have adopted technologies and practices that double yields	**Partly stemming from this commitment and investment:** • African agricultural productivity is on the rise, with cereal yields in several countries more than doubling in the last 5 years
Progress in Ag sector growth, food security, and poverty reduction	**As a result, outcomes are improving:** • Food security and livelihoods in sub-Saharan Africa are no longer deteriorating • More than half the continent will halve hunger by 2020

CAADP Has Demonstrated Real Policy Renewal and Results

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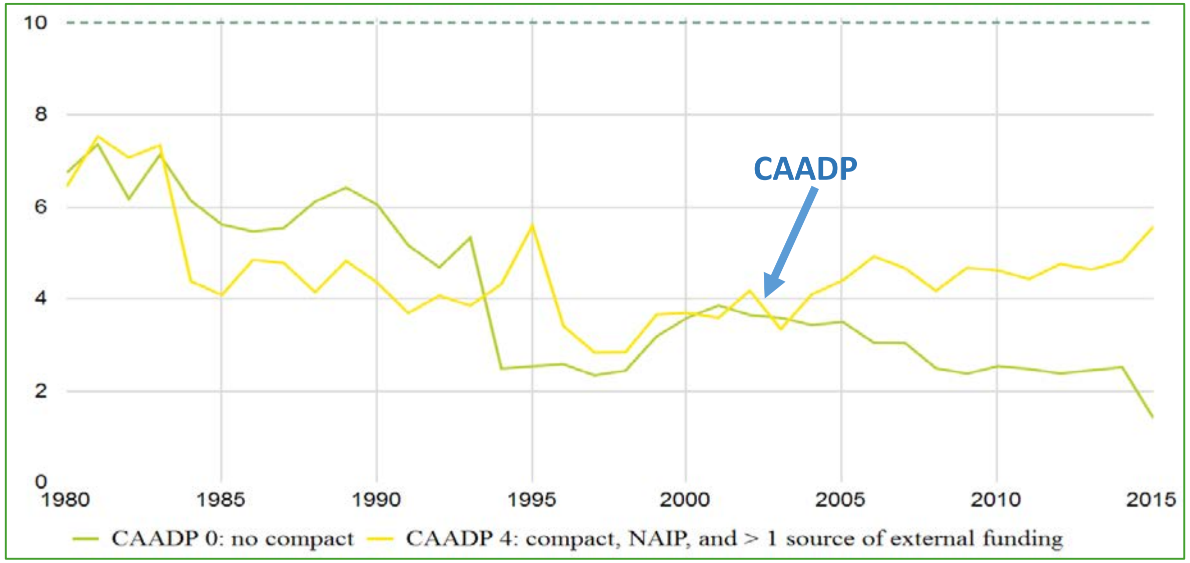
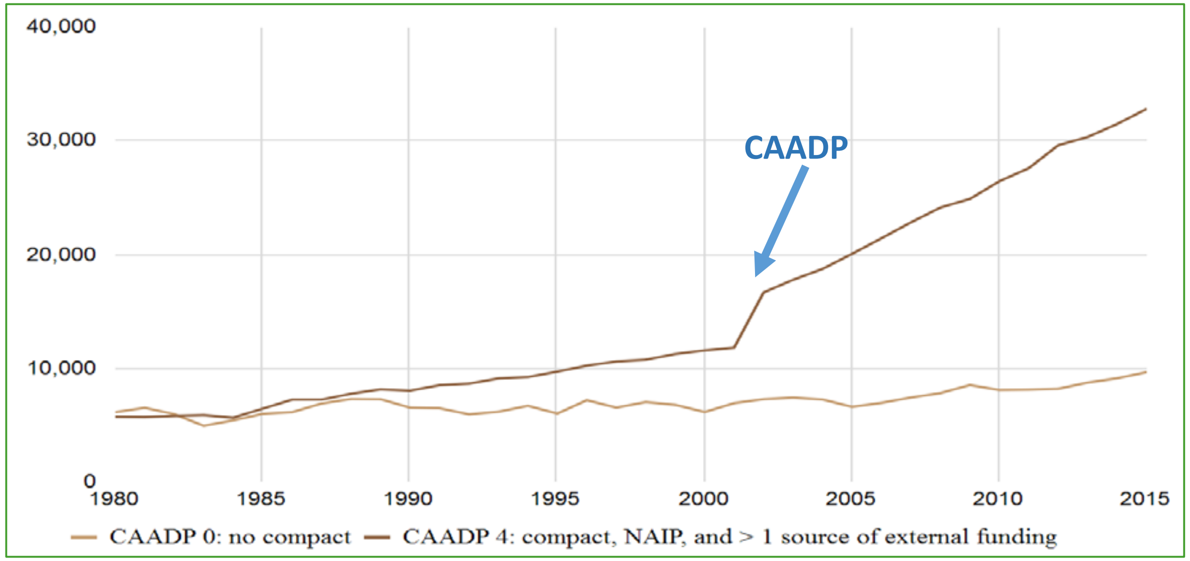
Changes In Agricultural Budget Shares (%)



Changes In Agricultural Value Added (Mill. 2010 US$)



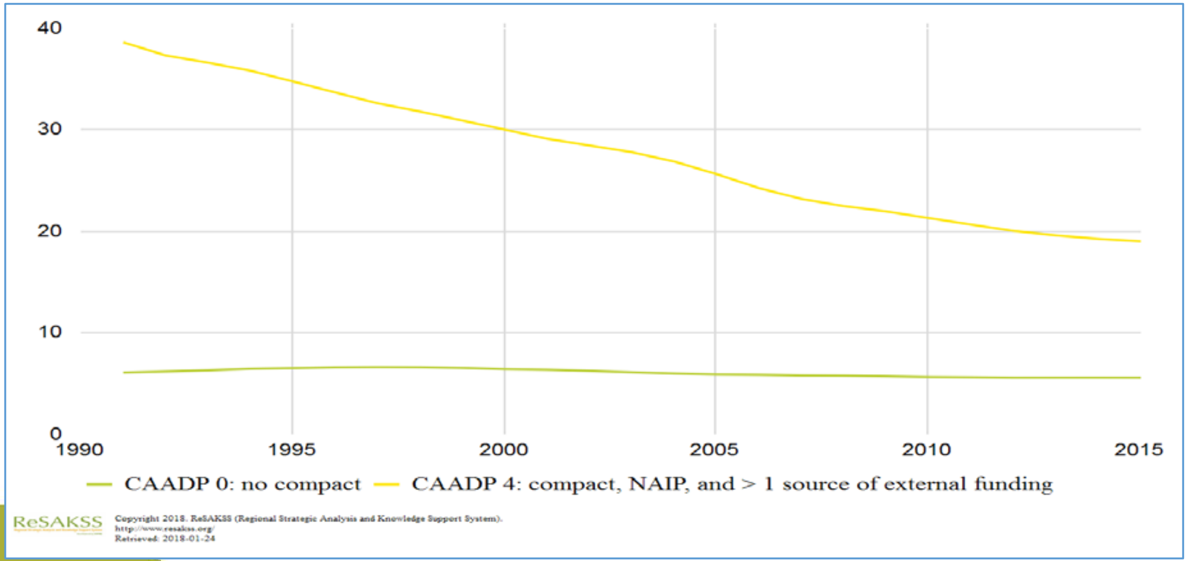
Countries that have ….

- embraced CAADP earlier and
- have reached advanced stages of implementation

… have also

- raised ag investment faster
- experienced faster growth
- achieved far better nutrition outcomes

Changes In Undernourished Population Share (%)

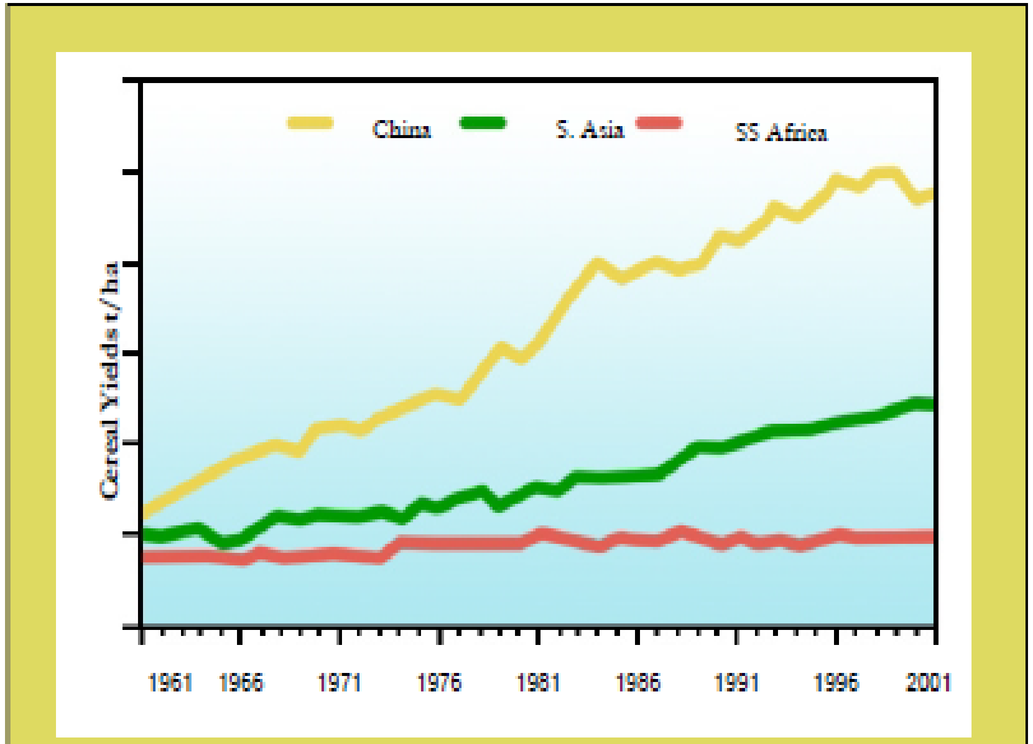


ReSAKSS

The outlook for African agriculture was bleak for a long time

Food security, livelihoods and farm productivity were deteriorating….

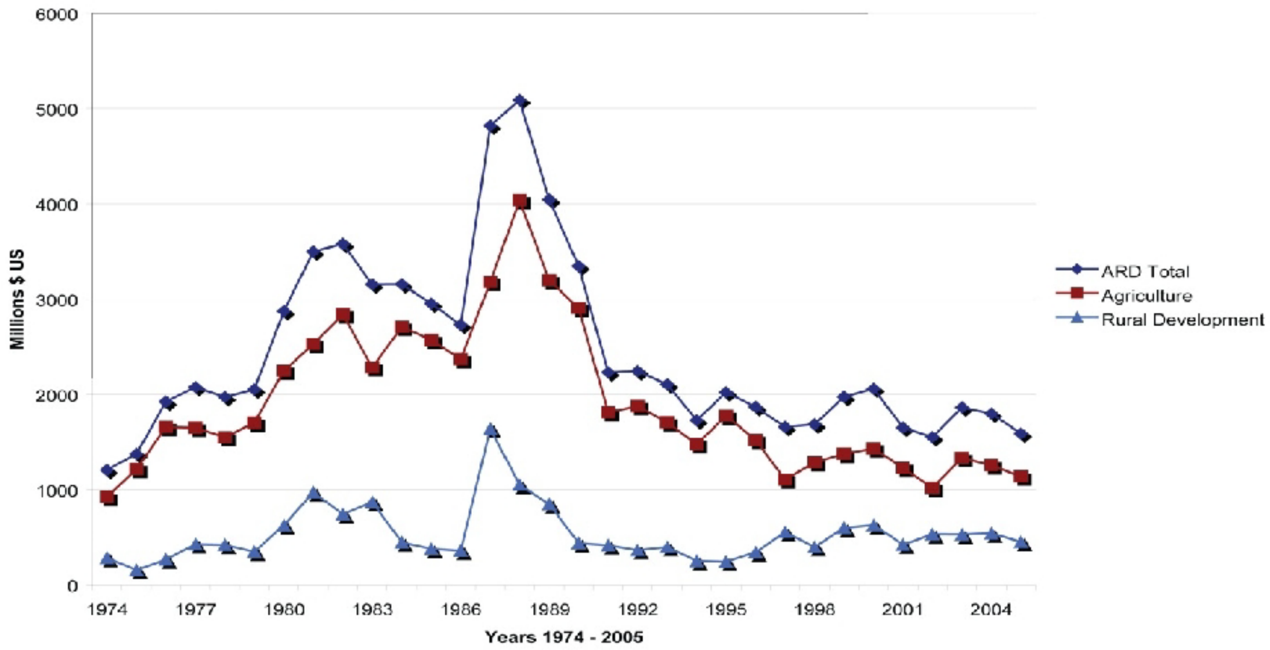
Comparative Yield Growth Trends in Cereals, 1960-2000



Source: IFPRI, FAO STAT 2002.

….International and domestic investments into Agriculture was low

Figure 1: Agriculture, Rural Development, and Total ARD ODA: Africa 1974 -2005 (Millions of 2005 Constant $US)



The Case of Ethiopia

"In 2016, Ethiopia and the Horn of Africa suffered the worst drought in 35 years. While worse than the droughts of the 80s, the effects were lower because we have built systems that enable us to deal with such disasters better"

H.E Hailemariam Desalegn, Ethiopia Prime Minister 2012 - 2018

2

Strengthen Integrated Systems Approach to Deliver

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Ethiopia, for Example, Is Already Driving More Effective Delivery of Agricultural Transformation with Clusters to Bring Systems Together

Systems Need to Be Built through Vertical Integration and Geography-Base with Horizontal Integration in Consortia

Improved Seed
- Breeding
- EGS
- Production
- Commerc-ialization
- Marketing
- Supply

Fertilizer
- Soil Analysis
- Formulation
- Testing
- Blending
- Marketing
- Supply

Extension
- VBA Selection
- Demo's
- Farmer Field Days
- Links to Agro-Dealers
- Market Links

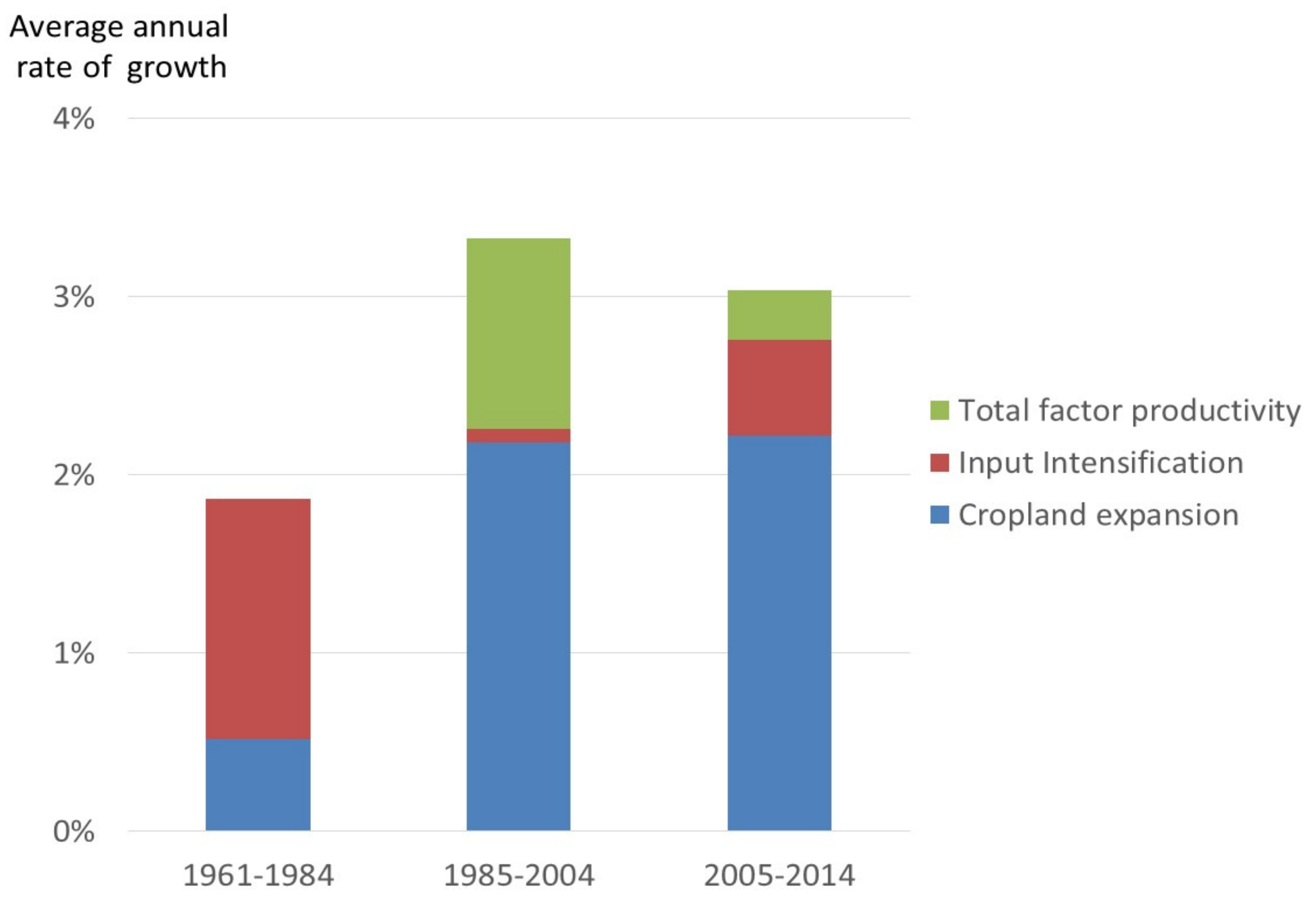
Agro-Dealers
- Recruiting
- Training
- Links to Suppliers
- Product Training
- Business Develop-ment

Markets
- Post-Harvest Handling
- Training on Grain Quality
- Links to Off-takers
- Business Develop-ment

Consortium

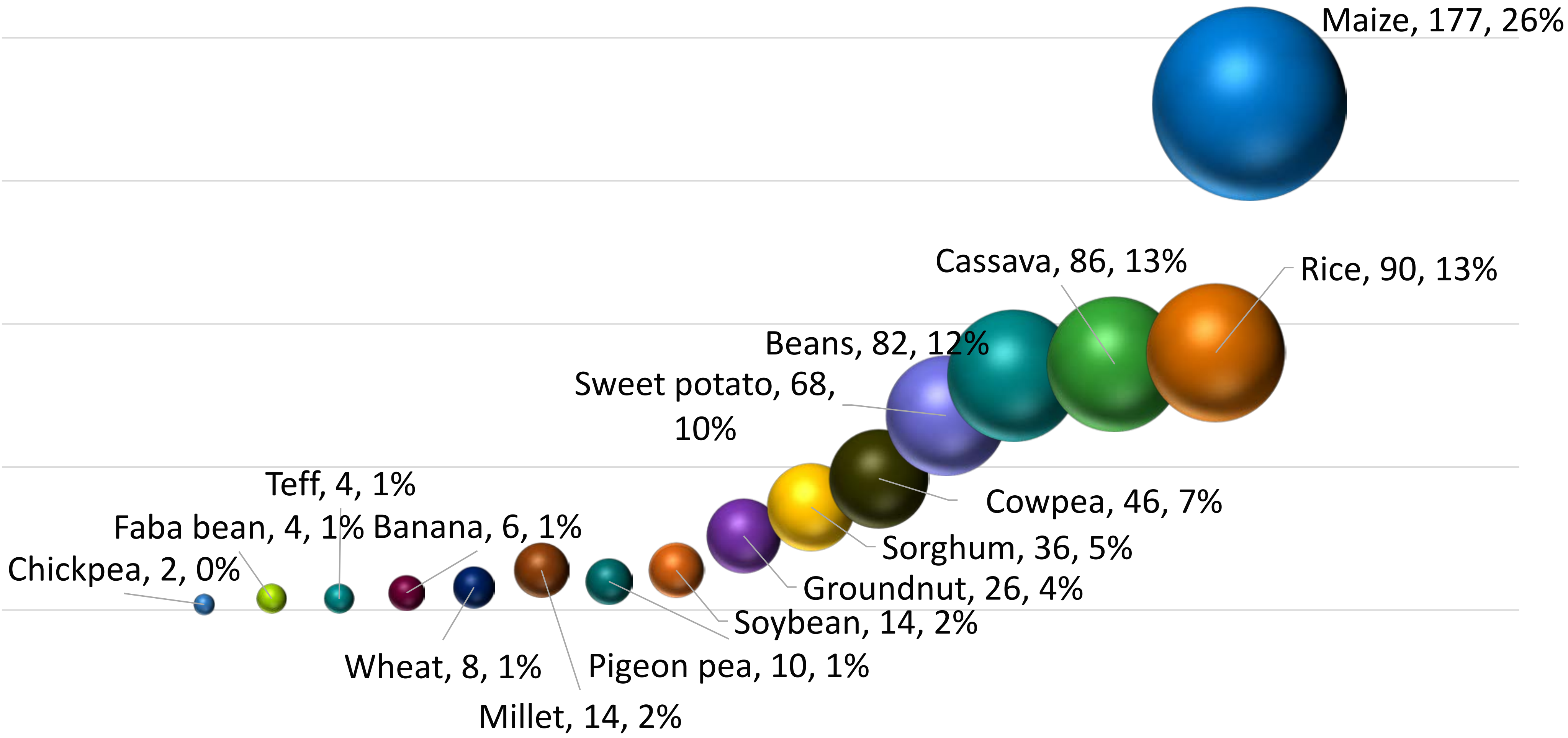
Policy environment and local governments

Building Sustainable Food Systems: Key Considerations



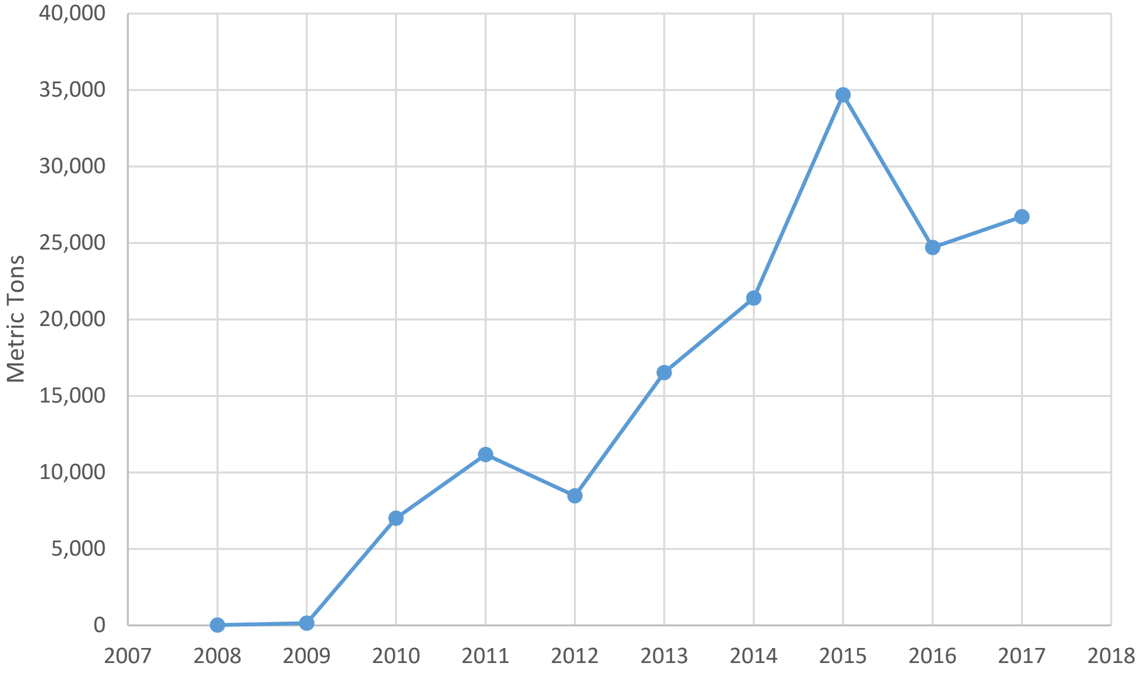
- **Africa's agricultural growth still relies mainly on cropland expansion, not enough on productivity growth.**
- **We need to shift from extensification to intensification**

673 New Crop Varieties Bred and Officially Released for African Farming Conditions

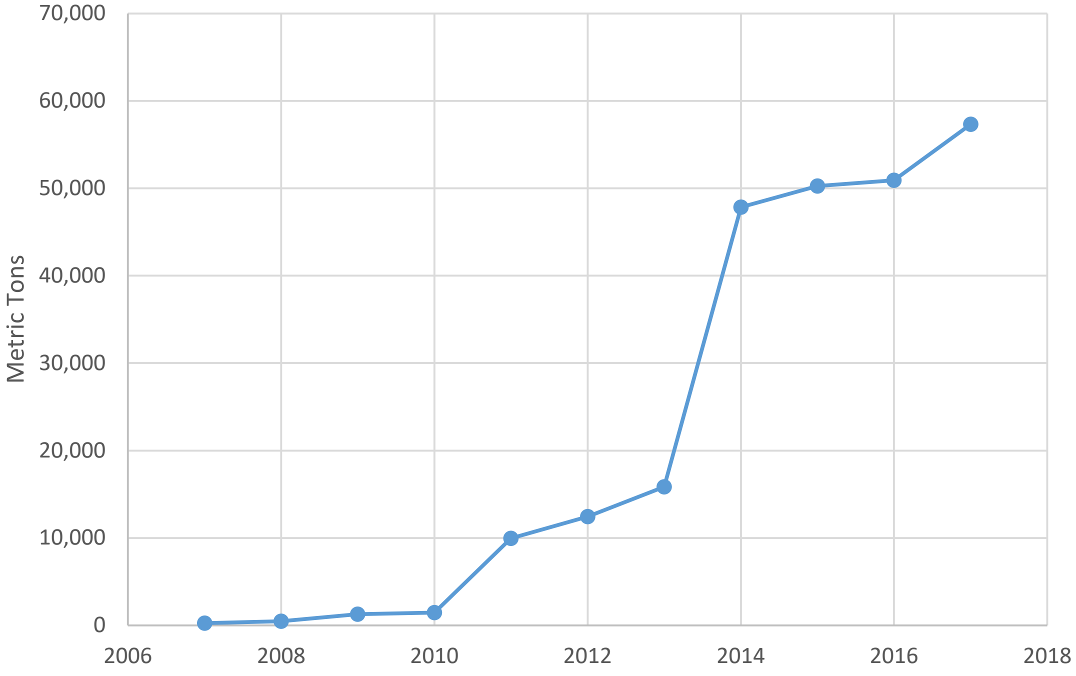


Seed Supply and Adoption by Farmers has Increased Dramatically in Some African Countries Over the Past Decade

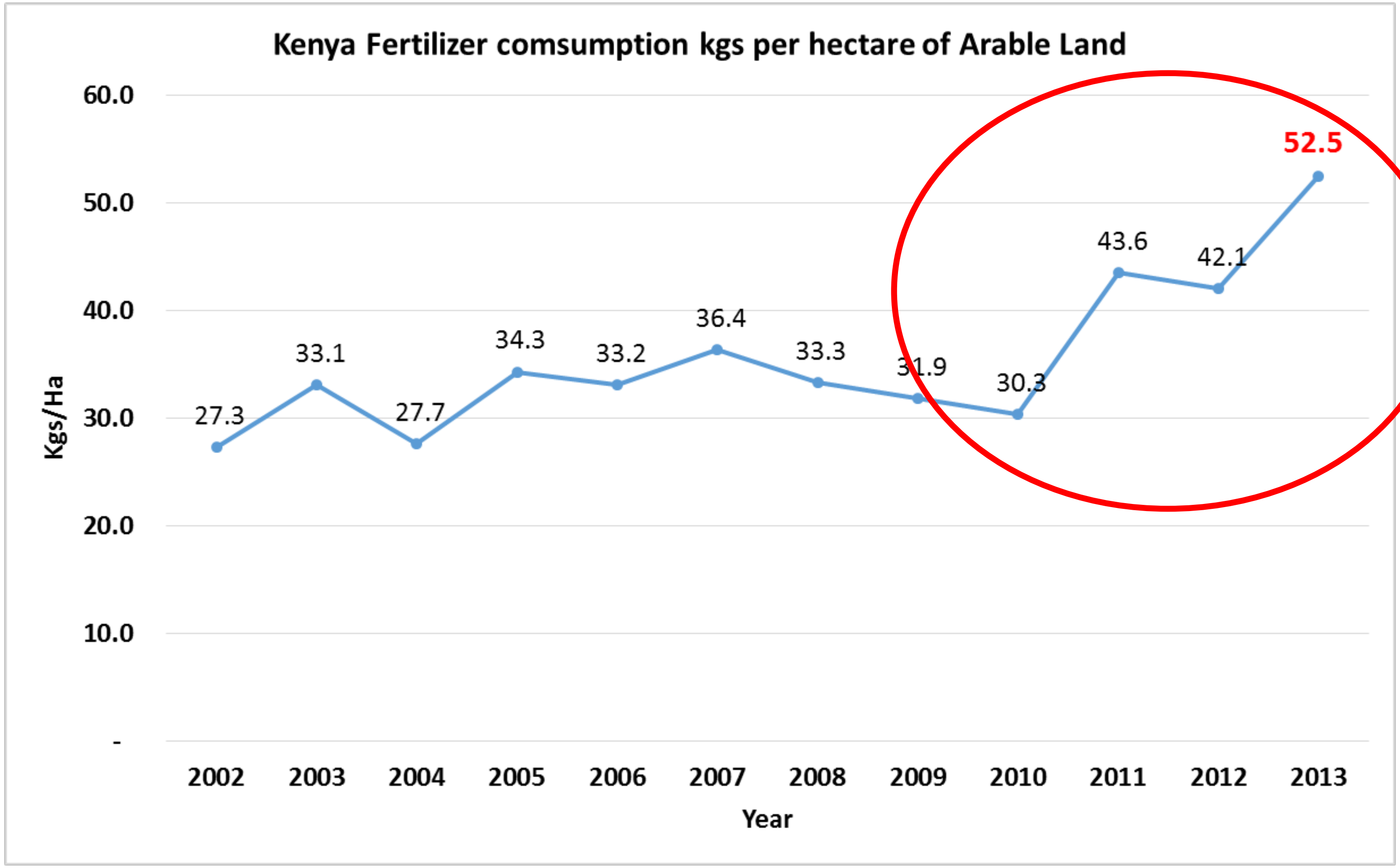
Seed Supply by AGRA-Affiliated Seed Companies in Uganda, 2008-2017



Seed Supply by AGRA-Affiliated Seed Companies in Ethiopia, 2007-2017



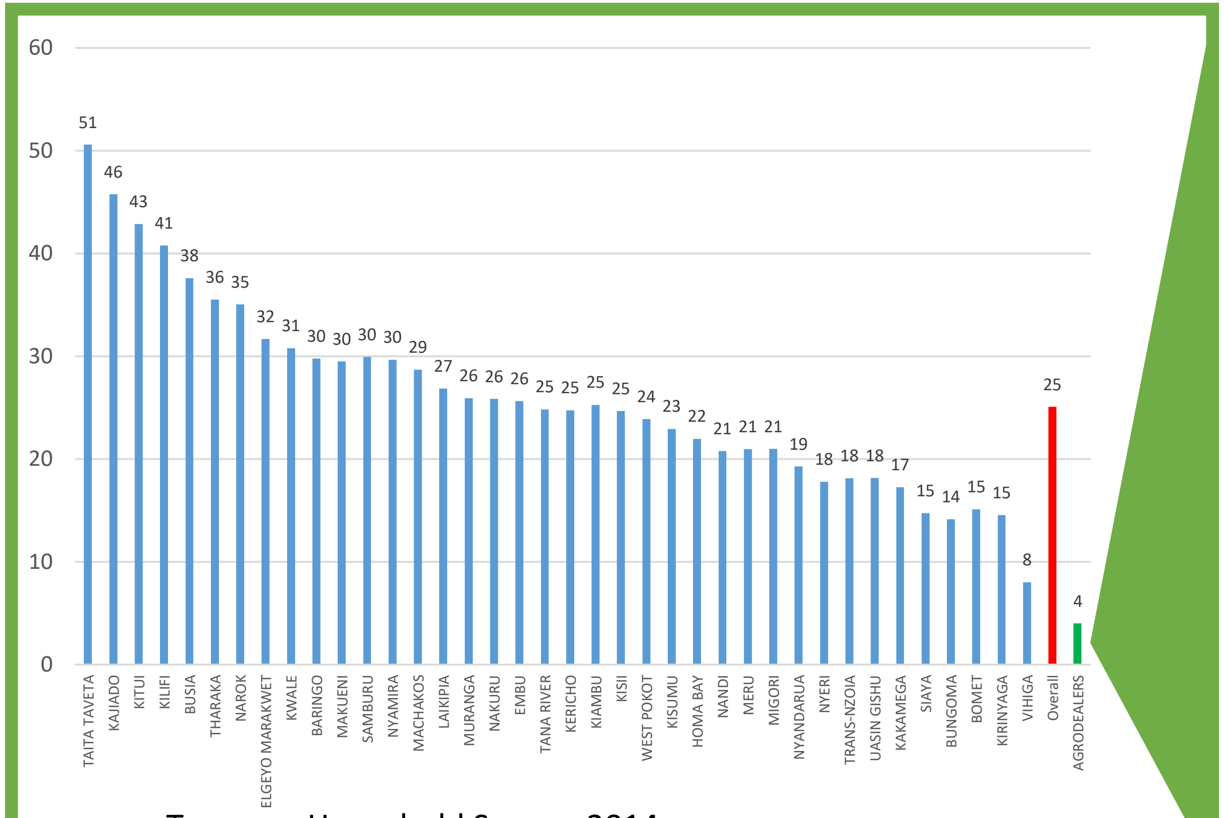
In Kenya, Increased Production Stems from Increased Fertilizer Consumption



Fertilizer use in Kenya has been growing steadily at about 12% per year (31 kg/ha in 2007 to 52.5 kg/ha in 2013)

Across the continent inputs are reaching the farmer through increased Agrodealer penetration reducing distance to the farm from 60kms in 2007 to 11km in 2014

A farmer travels an average of 25km to access an NCPB store to access fertilizer



Tegemeo Household Survey, 2014

Distance to seed dealers:	
Average distance to the nearest hybrid maize seed dealer in the country	3.9 km
Farthest distance to the nearest hybrid maize seed dealer	18.7 km
Average nearest distance to hybrid maize seed dealer	1.5 km

Seed System – Policy Gaps and Solutions

1 Breeding and Variety Release

Gaps
- Plant Breeder Rights stuck in parliament
- Variety release takes long time b'se release committee doesn't meet regularly.
- Fees for Foreign companies for NPT are high

2019 Interventions
- Advocate for passage of PBRs
- Ghana seed regulations (Dec2018) activate VRCs and common variety catalogue and NPT fees

2 Early Generation Supply

Gaps & Solutions
- Push for a decree/orders to remove restrictions favouring monopolies for supply of EGS
- Inadequate quantities & uncontaminated of EGS
- Through regulations, put in place licence agreements btn NARs and private seed companies
- Increase quality and quantity of EGS supply by increasing the number of professional actors involved but avoid merchants

3 Certified Seed Production

- No enough private inspectors & logistics are absent
- OECD & ISTA accreditation not complement
- AGRA will support fast tracking this accreditation & that of private seed inspectors and labs.
- Support access to seed processing facilities
- Supporting and build capacity of seed companies
- Link seed companies to NARS & CG centers to access appropriate varieties through contractual law

6 Regulatory Agency to do Inspection & Certification and Set of Policies (Govt)

- Easy access to public varieties
- Production of foundation seed of public varieties
- More liberal regulatory (accreditation) & certification requirements
- More liberal variety release procedures
- Lower royalty charges on licensed varieties
- Liberalized seed marketing & seed packaging
- Strengthen penalties for dealing in fake seed

5 Marketing & Distribution

Gaps
- Huge counterfeited seed on markets
- Distance to farmer & outlets is long
- Inefficient subsidy delivery

Solutions
- Implement guidelines for registration seed merchants
- Support distribution channels
- Support more agro-dealer in areas where there none
- reduce distance farmers travel to accesses seed

4 Increased Awareness among Farmers

Gaps
- Amend the law & regulations that governs extension e.g. VBAs
- Through extension services.
- VBAs
- Posters, demos, field days, radios, Ag shows
- Distribution of small packs

These consortia are now a platform for innovation, technology adoption and enhanced agribusiness

1. **Output Markets**

Grain traders and processors are effectively communicating their quality and quality specifications to producers. Farmers have access to assured markets and they are using available markets to make decisions and which crops to grow (***decision agriculture***)

2. **Input market**

The demand for inputs is now derived from the demand for output. Consortia are enhancing the predictability in the input markets. Quality and volume issues are addressed

3. **Access to Finance**

In addition to value chain finance, banks such as NMB (Tanzania) are providing input finance to farmers who have forward contracts with off-takers.

They Are Driving Other Enhancements

Reducing the cost of doing business for processors improving their supply chains

Accelerating the rural agro-dealership businesses and service industries

Governments are considering adopting the consortium model for job creation in agriculture and technology adoption at scale

Ethiopia partner mapping (not exhaustive)

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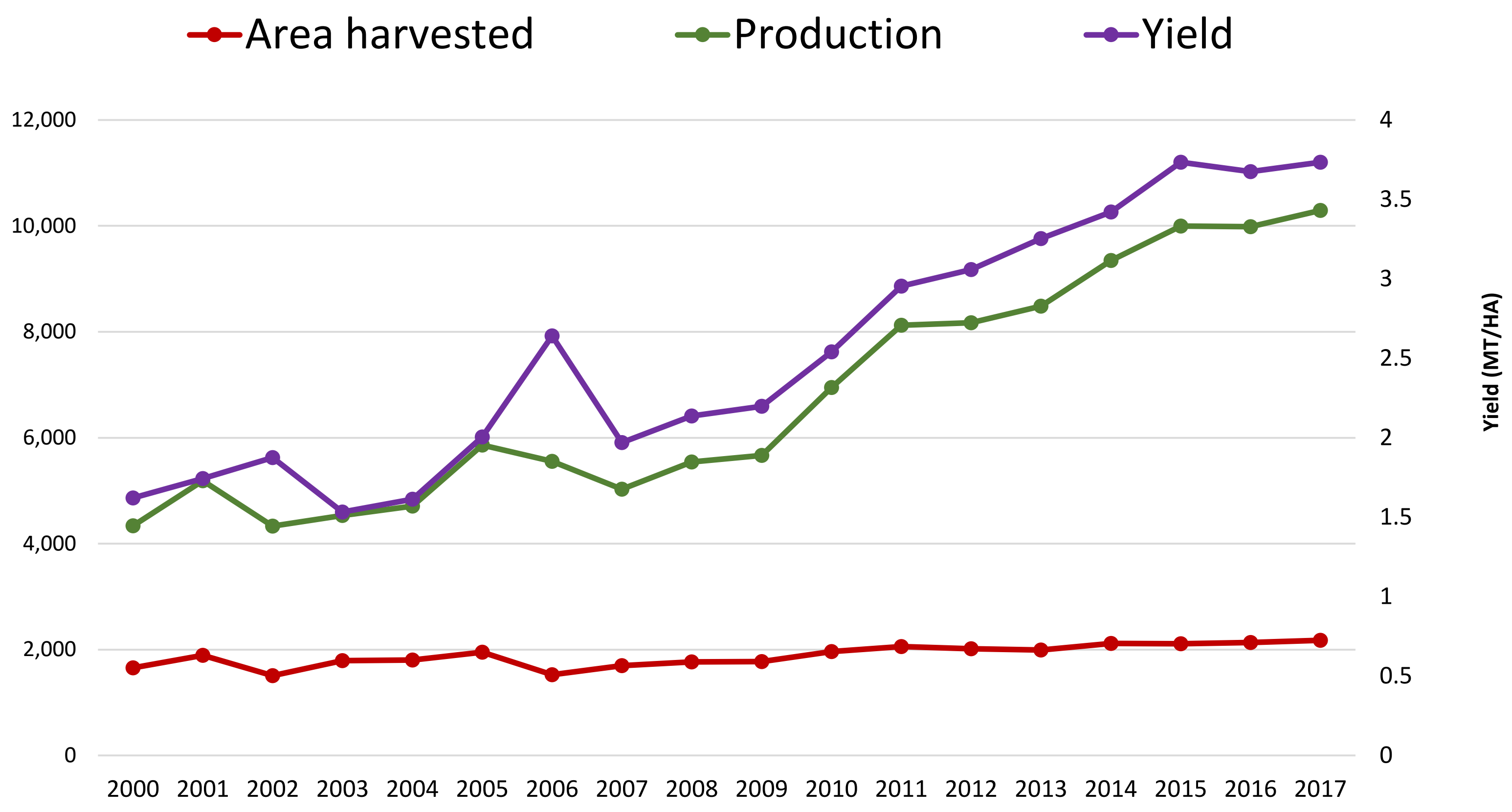
	Seed supply & research	Fertilizer supply & research	Other ag. inputs	Infrastructure	Farmer Access (agro dealerships)	Farmer awareness (extension)	Farmer organization		
Oromia	USAID, BMGf, THE WORLD BANK, jica	USAID, BMGf, THE WORLD BANK	IFAD, THE WORLD BANK	IFAD	USAID		USAID	USAID, THE WORLD BANK	USAID, DFID, IFC
Amhara	USAID, BMGf, THE WORLD BANK, jica	USAID, BMGf, THE WORLD BANK	THE WORLD BANK	IFAD	USAID		USAID	USAID, THE WORLD BANK	USAID, DFID, IFC
Tigray	USAID, BMGf, THE WORLD BANK, jica	USAID, BMGf, THE WORLD BANK	IFAD, THE WORLD BANK	IFAD	USAID		USAID	USAID, THE WORLD BANK	USAID, DFID, IFC
SNNP	USAID, BMGf, THE WORLD BANK, jica	USAID, BMGf, THE WORLD BANK	IFAD, THE WORLD BANK	IFAD	USAID		USAID	USAID, THE WORLD BANK	USAID, DFID, IFC
Enabling environ-ment	USAID, giz	USAID, BMGf, THE WORLD BANK	USAID			USAID	USAID	USAID, THE WORLD BANK	USAID, DFID, IFAD
Agri-cultural finance	USAID, IDA Ireland, IFAD, THE WORLD BANK	USAID, IFAD	USAID, IFAD	USAID, IFAD	USAID, IFAD	USAID, IFAD	USAID, IFAD	USAID, THE WORLD BANK, IFAD	USAID, THE WORLD BANK, IFAD

Poor State Capacity Challenges the Ability of the Ag Sector to Grow Despite Huge Investments; Absorptive Capacity Often 10-40% of Budgets

Area	Key gaps (not exhaustive)
1 Country Vision, Strategy, Prioritized Plans and flagships	• Uneven and fragmented leadership, sector vision, poor alignment of ministries & strategic partners on prioritized plans • Inadequate fact base to support policy formulation and decisions • Inadequate capacities to identify and frame resource gaps in priority areas; limited resource mobilization from bilateral and multilateral funds and private sector engagement
2 Enabling/Policy Environment	• Lack of alignment in policy framework design to implementation • Weak identification/coordination of evidence and technical assistance for identified priorities and policy needs • Challenge environment for private sector investment
3 Implementation Capacity & Delivery	• Weak Agriculture sector governance, including fragmented or competing institutional structures • Poor translation of strategy to implementation plan/programs • Low government implementation capacity for delivery, • Low budget execution capacity
4 Stronger Sector Coordination	• Weak coordination in Ag Sector Working Group [Ag SWG] • Weak development partner coordination - for coordinated/aligned investments in sector • Weak implementing partners/private sector coordination • Insufficient inter-ministerial coordination [horizontal coordination]
5 Accountability Mechanisms in place	• Weak performance- and results based mindset and approach • Weak systems and tools for data collection and analytics • Low inclusivity and stakeholder participation

Ethiopia



Area harvested
Production
Yield
12,000
10,000
8,000
6,000
4,000
2,000
0
4
3.5
3
2.5
2
1.5
1
0.5
0
Yield (MT/HA)
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017

Country commitment (vision, leadership, execution) is at the heart of accelerated transformation

Government is the most critical partner for sustainable development and often the weaker link. But those countries that demonstrate political commitment and drive the right policies and investments are able to improve food security and drive inclusive economic growth in a very short period of time. They unlock the potential of the private sector and their smallholder farmers, driving progress throughout their economy overall.

Nigeria

- Significant investment in Ag since 2010
- Increased Ag output by 21m tons
- Food import bill fell from $11 billion to $3.2 billion
- Jobs expanded by 3.8 million

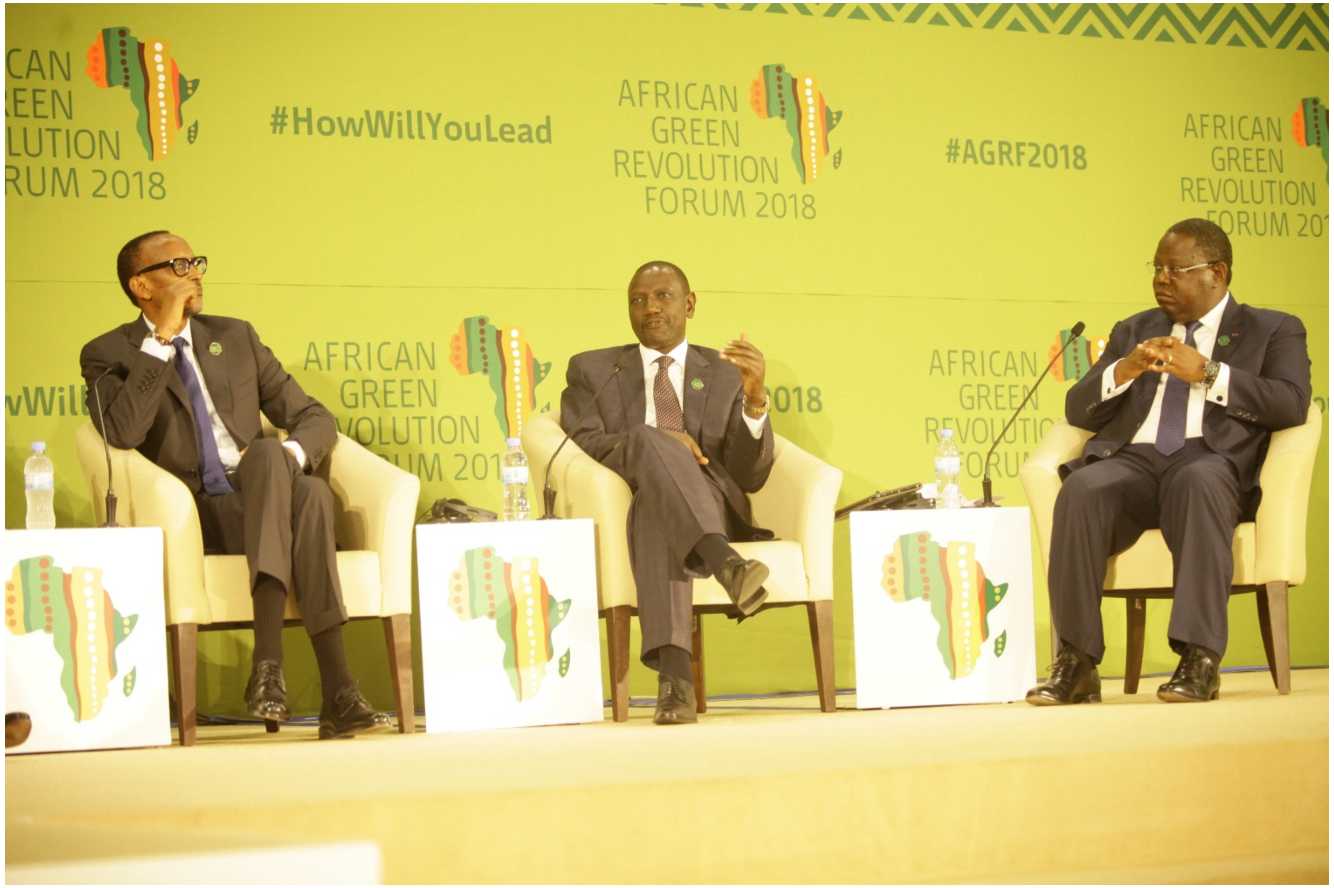
Ethiopia

- Consistent investment of 15% of budget per year for >5yrs now
- Has quadrupled Ag output
- Rate of rural poverty is reducing at 4% per year

Rwanda

- Significantly invest in Ag since 2008
- Yields of major crops has since tripled and quadrupled
- Share of population that is hungry dropped from 55% to 21%
- Poverty has reduced from 45% to 29%

Continental Policy Advances



The Africa Agriculture Transformation Scorecard (AATS) & dashboard:

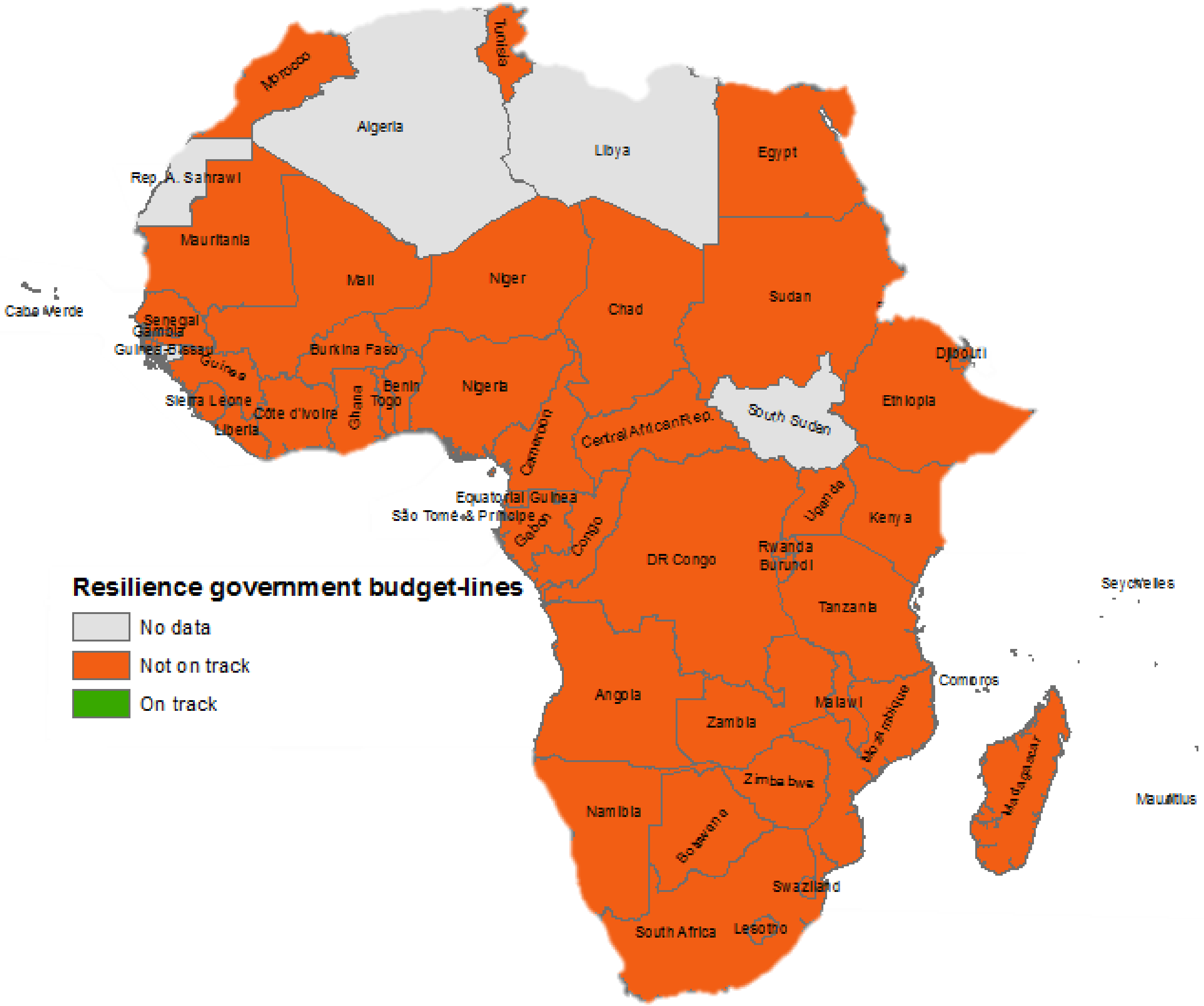
- A strong tool for evidence based policy and development outcomes.
- Engage Heads of States, the AU system and High level influencers and champions
- Used at the High level Ministerial at the 2018 AGRF
  - Agriculture Ministers committed to work with AGRA to implement strategic reforms in response to key recommendations.

Data Is A Challenge, but Also Where Data Is Available The Scorecard shows that are woefully not on track

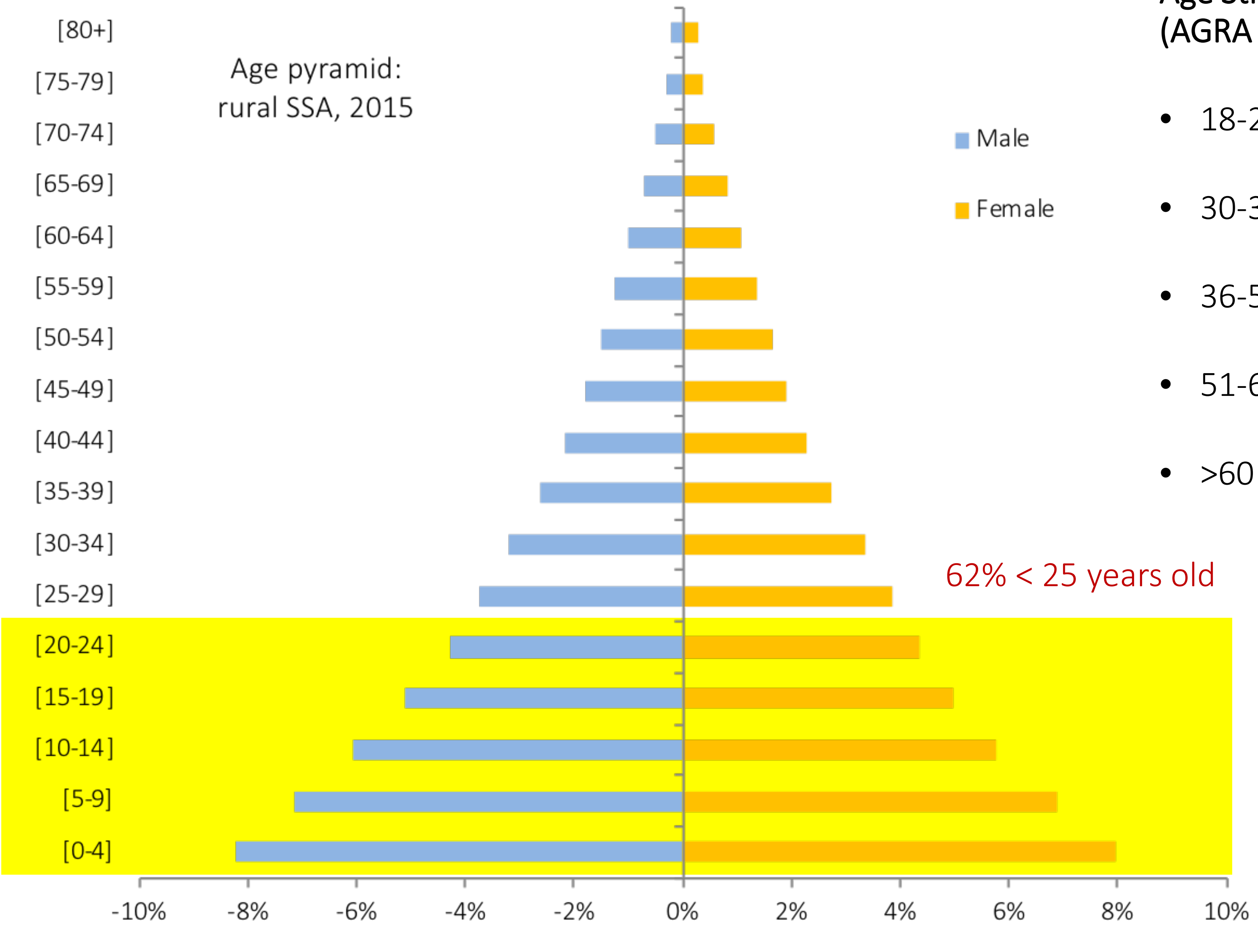
Reporting on Malabo Commitment 6

Enhancing Resilience to climate variability

In respect of the existence of government budget-lines on resilience building:
Only 01 Member State is On Track



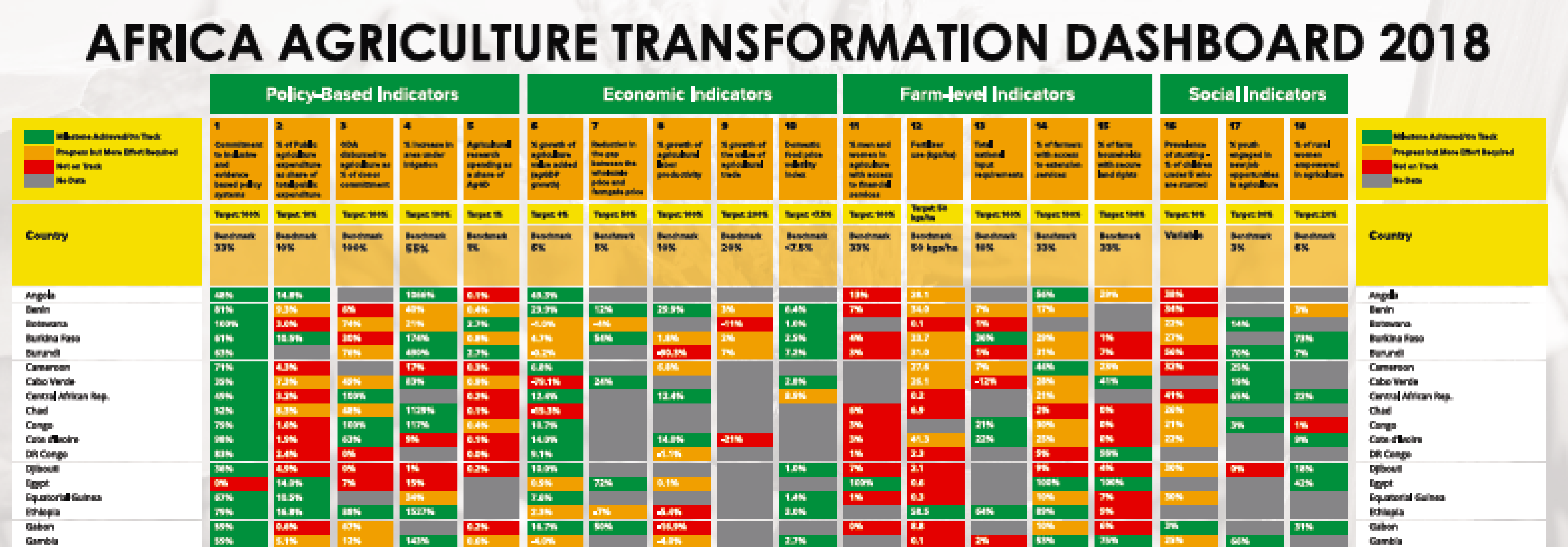
LOOMING EMPLOYMENT CHALLENGE IN SSA



Age Structure of Farming population (AGRA farmers reached to date)

• 18-29	**25%**
• 30-35	25%
• 36-50	35%
• 51-60	9%
• >60	6%

A new opportunity towards achievement of SDGs



Thank you