



Food Security and Agricultural Development in Sub-Saharan Africa

Building a case for more public support

Policy Brief No. 1

Food Security in sub-Saharan Africa

Today, almost 33 percent of the population of sub-Saharan Africa (SSA), or close to 200 million people, are undernourished, of which close to 60 percent are in countries affected by conflicts. Chronic undernourishment is widespread throughout the region, but most of the increase in the number of undernourished over the last ten years took place in conflict countries – often endowed with abundant mineral resources - while the situation in other countries has in general improved, although unevenly and at a very slow rate. The region as a whole remains susceptible to frequent food crises and famines which are easily triggered by even the lightest of droughts, or floods, pests, economic downturns or conflicts.

Sub-Saharan Africa is the only region of the world where hunger is projected to worsen over the next two decades unless some drastic measures are taken to ensure peace, improve governance and achieve the economic development required to reverse the current trend.

Food Supply

Cereals, roots and tubers play a central role in food supply in sub-Saharan Africa but their production has generally lagged behind the rate of population growth. Those countries that have been able to increase their cereal production and export agricultural products have generally been those in which food security improved. To satisfy demand for food, sub-Saharan African countries have had to rely increasingly on imports: 25 percent of cereal consumption is currently imported (compared with 5 percent in the late sixties). This proportion is much higher in poor countries with negative trade balance and high debt, for which these imports are not sustainable. Food aid, which had increased tremendously in the seventies, has now stabilized and amounts on average to 3 percent of cereal intake. But in some countries, food aid has become a regular source of supply and its proportion in the cereals consumed can be 20 percent or more, making these countries dependent on foreign handouts.

This policy brief has been prepared by the FAO Policy Assistance Division (TCA) in the framework of the study: *Food security and agricultural development in Sub-Saharan Africa: Building a case for more public support*, Rome, which will be published in 2006. The study brings together the evidence that justifies a substantial increase in public support, whether financial or of other type, allocated to the sector by governments of African countries.

It is based on case studies undertaken in various African countries as well as a Background Study, prepared by CIRAD – a synthesis of which is given in Policy Brief No. 2. The English versions of the reports prepared for this study are accessible at: http://www.fao.org/tc/tca/workshop2005_en.asp. French versions will also be accessible in 2006. Similarly, the whole set of reports will be published in 2006.

Funding for the study has come partly from the French Ministry of Foreign Affairs (DGCID). The study was shared and discussed with African senior policy makers at a regional workshop organized in Nairobi in September 2005, in collaboration with the NEPAD Secretariat.

The views expressed here are those of the authors and do not necessarily reflect the official positions of FAO, the French Government and NEPAD.

Access to food

Access to food by sub-Saharan African households has been undermined by the inability of countries to generate the resources required to import food, a high and increasing level of poverty (50 percent in 2003) resulting from overdependence on subsistence agriculture, limited access to off-farm employment, sluggish development in urban areas and skewed income distribution.

As a result of poor transport and market infrastructure, food either does not reach those who need it most or reaches them at excessively high prices. In as many as 17 countries of the region, conflicts have constrained the flow of food, and, in some cases, it is claimed that food has even been used as a tool to ensure the submission of populations.

The prominent place of agriculture in economic development, poverty reduction and food security improvement in sub-Saharan Africa

Improving the food security situation in sub-Saharan Africa requires economic growth and higher income, but also immediate measures to ensure adequate access to food for the hungry, in line with the twin-track approach adopted by the three Rome-based agencies: the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP). Access to food through social programmes can enable the vulnerable to seize economic opportunities that may arise from development initiatives.

To achieve the most direct reduction of poverty and hunger, priority must be given to economic growth in sectors where the poor work; that use factors of production the poor and undernourished possess; that generate outputs they consume; and whose development occurs in areas where they live. Agriculture meets all these criteria, and has proved its ability - in Africa as well as elsewhere - to act as a lead sector for initiating rapid growth and broad-based economic development in the medium-term, particularly in less-advanced countries. It holds a prominent place in the economies of sub-Saharan African countries and constitutes the primary source of export earnings in all but the mineral-rich and developed countries (which

are few), and is also the most important source of employment. It has proved to be more effective in reducing poverty than either the manufacturing or service sectors. It can stimulate the development of rural non-farm activities, which generate income for the poor if care is given that benefits are not reaped by the better-offs. Finally, it can also generate capital surplus, release labour for other sectors and provide a stable food supply at affordable prices, thus contributing to the competitiveness of the economy as a whole and acting as a major source of stimulus for the demand for goods and services of other sectors.

In most African countries, agriculture must necessarily be - as various high-level meetings have found, including the African Union Summit in Maputo in 2003 - the priority sector, particularly in the poorer countries, to achieve the first Millennium Development Goal (MDG) of hunger and poverty reduction and to significantly contribute to the achievement of the other MDGs. To be sustainable, agricultural development needs to be supported by broader development initiatives in the rural areas and other economic sectors.

The performance of agriculture in sub-Saharan Africa

Unfortunately, performance of agriculture in sub-Saharan Africa has not been up to expectations and has been characterized over the decades by ups and downs. But in recent years, annual

growth has averaged around 3.9 percent. Contrary to the widespread perception that agriculture actually has performed worse after the implementation of structural adjustment

programmes, evidence shows that sub-Saharan Africa's agriculture grew more than 1 percent faster since the mid-eighties than during the period between independence and the launching of the adjustment programmes. Additional analysis would be required to understand better who has benefited from this additional growth, and why this growth did not translate into a commensurate improvement of food security. The evidence is that while growth did take place, it did not really lead to improved food security and reduced poverty.

The fact remains, however, that it has been possible, during the last decade, to lift agricultural growth at a level above the rate of population growth in the region as a whole, and much above in a few countries.

Constraints on agriculture development in sub-Saharan Africa

A long list of constraints have hindered the development of agriculture in the region, but comfort can be gained from the certainty that if some of these can be resolved or alleviated, it will be possible to release at least part of the considerable growth potential of sub-Saharan Africa's agriculture. The first and foremost constraint on agricultural development – and on improved food security – is political unrest and armed conflicts. They have prevented farmers from producing, displaced populations, destroyed infrastructure and littered the countryside with land-mines.

Poor governance, limited interest on the part of the powerful in the fate of the bulk of the population and weak institutional capacity have also contributed to poor policies that have proven incapable of addressing the challenges of agriculture and rural development. Brain drain, hasty implementation of inadequately worked-out reforms and urban bias also are prevalent in most of sub-Saharan Africa. In mineral-rich countries, macroeconomic conditions have also been unfavourable to agriculture, undermining its competitiveness.

Agricultural growth can come from expansion of cultivated land, increased productivity or diversification into higher value-added products. It can also come from reduction of wastage and post-harvest losses.

This is encouraging for the future as it shows that agriculture can be successful in sub-Saharan Africa. Production of cassava, exports of fruits and vegetables, tea production and exports, and fish catch stand out as sub-sectors where success cannot be denied. Moreover, in terms of growth, agriculture has performed relatively better, on average, than the rest of the economy of sub-Saharan Africa. This trend reflects disappointing growth in the sectors of the industry and the services in Sub-Saharan Africa. It suggests that these sectors (except the mining sector) may well offer economic prospects that are, globally, relatively modest, hence it may be risky to base economic development exclusively on them.

Expansion of cultivated land in many sub-Saharan African countries has been constrained by physical access, insecure land ownership, limited access to animal and mechanical power and reduced availability of labour because of migration, competition from off-farm activities and communicable diseases such as HIV/AIDS.

Productivity has remained low because of underutilisation of water resources, limited fertilizer use, limited use of improved soil-fertility management practices and weak support services (research, extension and finance). Recurrent droughts, plagues and related increased risks have discouraged the investment that is indispensable for raising productivity.

Malfunctioning and inefficient markets (largely due to a frail private sector in most countries), insufficient investment in infrastructure, high transportation costs, weak information systems and a poor regulatory framework have hampered proper remuneration of producers and deterred – indeed, incapacitated – them from investing and specializing in new and high-value products. Prices remain low and are highly volatile – and there are no mechanisms that can help minimize or share the risk borne by producers.

The need for more public support to agriculture

In the face of all these constraints, government budget cuts made in the wake of structural adjustment programmes have affected agriculture more than other sectors: in the 10 countries for which a detailed review was conducted, the share of agriculture in government budgets declined from around 5 percent in 1990/91 to 3.5 percent in 2001/01-far below the target of 10 percent set in the Maputo Declaration made by the Heads of State and Government of the African Union (AU) in July 2003.

This gravely affected public investment in agriculture and the capacity of public institutions to provide to the sector the public goods it needs so much, particularly as aid flows to agriculture and rural development simultaneously decreased and are concentrated in the better-off countries. Small farmers and producers living in less-accessible areas have been hardest hit.

It is as if both governments and their development partners, for their own reasons, were more inclined to help the rich and successful and leave the poor and hungry to their fate. Current flows of public resources to agriculture are insignificant compared to the

needs identified in the framework of the Comprehensive Africa Agriculture Development Programme of the New Partnership for Africa's Development (NEPAD), prepared by the NEPAD Secretariat with the help of FAO. Today, more resources are allocated by developed countries to food aid than to agriculture and rural development, although analysis suggests that investing these resources in agriculture would contribute to reducing the need to resort to food aid in the future. Governments in some developed countries appear more inclined to listen to lobbies representing the interest of a minority, highly subsidized farmers producing large surpluses, than to take effective action to achieve the Millennium Development Goals.

Public withdrawal is of serious concern given that the review of the problems facing sub-Saharan African agriculture demonstrates that their resolution will require considerable public support, both in terms of additional resources and policy reform. As a result, capital and productivity per agricultural worker are lower in SSA than in any other region of the world.

Learning from success stories to make agricultural development policies more effective

Despite unsatisfactory performance and a myriad of constraints to be overcome, there are success stories, which demonstrate that it is possible for sub-Saharan Africa's agriculture to develop. These success stories and others elsewhere all point towards the importance of public involvement through adequate policies, appropriate institutions, development of technology, establishment of infrastructure and strengthening of human resources to achieve agricultural and rural development.

Political and economic stability, and a favourable policy and regulatory framework (including land reform and a legal framework for contracts) are among the prominent ingredients of success.

Public services (technical advice, training of farmers and research) are essential to initiate change and development – although some of these services can progressively be handed over to producer organizations or delegated to the private sector, which is already occurring in some countries.

This evidence that public involvement was indispensable has been overlooked by decision-makers, both national and international, who have at times made public intervention the ultimate taboo: their responsibility for the victims of hunger and poverty cannot be challenged.

Technological change is often a trigger for development, provided markets are responsive and absorb additional production. This generally requires the establishment of market information systems and the promotion of agro-processing industries, but in all cases the existence of public infrastructure is essential, be it production (e.g. irrigation facilities) or transportation.

It also demands the creation of, and support for, smallholder farmer organizations and professional organizations of other private-sector operators, as well as mechanisms to consult them before taking important decisions, so as to ensure the establishment of the trust and mobilization indispensable for investment.

Experience outside Africa shows that, although additional financial resources are important, policies, institutions, political will and general mobilization matter at least as much (for example, under the Marshall Plan). Stabilization of prices – another taboo - is an important factor for encouraging private investment (as in Asia) and for making of agriculture an engine of growth and a basis for a solid and diversified economic growth. Macroeconomic stability can also contribute to encouraging much-needed

savings (as is seen in China), while development of human resources, science and technology are essential for the longer term. Investment in agricultural research has proven to be quite profitable everywhere in the world.

Last but not least, all this can only occur if public organisations are efficient and their management is based on good governance, transparent practices and accountability.

The way forward

What should be done next? What are the priority policy and institutional reforms that need to be implemented? Where should resources be invested first? How to conceive agricultural development in an effective way?

Priorities will vary depending on specific country situations -- there is no one-size-fits-all solution - but some suggestions can be made here that apply to the region as a whole, whereas others are adapted to some of the typical situations met within the region.

The main broad priorities that appear essential for the region as a whole are five:

- Governments and their partners must spare no effort to resolve armed conflicts, achieve political stability, prevent future conflicts and adopt improved governance practices.
- Governments, in line with their commitments to Millennium Development Goals and the Right to Food, must design strategies and implement programmes for income generation and access to food.
- Government must reallocate resources from non-productive ministries to ministries dealing with productive sectors, and from subsidies benefiting the privileged to the provision of public goods for the benefit of all, while also improving public sector efficiency and revenue collection.
- Regional organizations have to promote peace and cooperation among countries in favour of food security and identify, formulate and raise funds for agriculture and rural development projects and programmes on the regional or sub-regional level.
- Development partners must step up their assistance to the less advanced sub-Saharan African countries and orient it, in priority, to programmes that support increased and more stable agricultural production to avoid future crises.

Recommendations adapted to specific situations are made for: (i) conflict countries; (ii) less advanced countries; (iii) more advanced countries; and (iv) resource-rich countries.

Countries in conflict or emerging from conflicts

These are the countries where food insecurity has reached extreme intensity and caused great loss of life. There are large groups of displaced people, and the countries often face the question of demobilization of soldiers. Destruction of physical and social infrastructure, as well as land-mines, are usually widespread, acting as insuperable constraints on development. Under such circumstances, four

key priority areas for action can be recommended:

- Immediate measures to ensure adequate access to food for the hungry and for resettling refugees and demobilized soldiers, which include food distribution to vulnerable groups; distribution of agricultural implements and livestock; and funding involvement of the population in reconstruction activities.

- De-mining and rehabilitation/construction of rural infrastructure (roads and bridges, markets and storage places, irrigation facilities).
- Establishment of basic rural services (micro-credit, extension, seed multiplication, service centres and training) based on lean public organizations and contractual arrangements with NGOs, civil society and the private sector.
- Support for the creation of rural organizations.
- Establishment of an appropriate institutional and policy environment; stable macroeconomic conditions and legal system; a policy and regulatory framework favourable to local and private initiatives; and statistics and information systems on markets and food security.

Less advanced countries

These are countries which typically have a gross domestic product (GDP) below US\$750 *per caput* and where agriculture represents more than 25 percent of GDP. The majority of countries in the region are part of this group, and they are generally characterized by very weak institutional capacity, a frail private sector and poorly operating markets.

Four priority areas have been identified:

- Strengthening of institutional capacity, which includes: strengthening public organizations (structure, staffing and other resources and management); improving stakeholder participation in economic decision-making and decentralization; and moving progressively to a programme rather than project-based approach to development.
- Policy framework, in particular: land tenure (security and safeguarding of rights); delineation of the role of the public sector, civil society and private sector; technical standards and norms for agricultural products; regulations for sustainable management of natural resources; measures to minimize possible disruptive effects of commercial imports and food aid; promotion of exports; enhanced participation in trade negotiations; and reliable statistics and food security information.
- Public investment (rural roads, marketplaces and storage facilities; irrigation infrastructure; soil fertility improvement and anti-erosion measures and research).
- Public services (extension; rural finance; capacity-building in business; support to the creation of professional organizations; combating plant and animal pests and diseases; partnership between public and private sector for delivery of services and inputs).

Resource-rich countries

Conditions in resource-rich countries are generally characterized by strong macroeconomic imbalances resulting from the overwhelming domination of the resource-based sector (e.g. mining, petroleum). Large exports from this sector result in a considerable inflow of foreign currency, which tends to lead to an overvalued local currency, rendering agriculture and other sectors non-competitive not only for export, but also in domestic markets.

Growth in the resource-based sector thus generates stagnation in other sectors. These economies are generally characterized by high income disparities and widespread corruption, and are often prone to conflicts.

The recommendations made for less-advanced countries or for countries emerging from conflict may also apply in the case of resource-rich countries.

Three specific additional priority areas have been identified:

- Macroeconomic measures to reduce imbalances (sterilization of funds, public investment in non-resource sectors).
- Investment to increase competitiveness of agriculture and other non-resource-

More advanced countries

These countries are characterized by a relatively high GDP (more than US\$750 *per caput*), a diversified economy, an active private sector and functioning markets. The way forward towards development and food security in these countries should be based on two main principles: (i) reinforcement of the role of the private sector; and (ii) further diversification of the economy, while ensuring positive impact on poverty reduction and improved food security. More specifically, it is recommended to:

- Reinforce the role of the private sector by reducing the role of the public sector, contracting out public functions, revising

based sectors and ensure social stability and cohesion.

- Safety nets targeted at vulnerable groups to quickly eradicate food insecurity and undernourishment.

or establishing an investment code that protects private investors, simplify business establishment procedures and regulations, developing private financial services and public-private partnership to finance public goods; and

- Promote economic diversification through research on non-traditional exports, promotion of national products and national investment opportunities abroad, gathering information on world markets, developing export and partnership opportunities, and investment in port and airport facilities.

These recommendations were discussed in a regional workshops in Nairobi in September 2005, to which senior policy makers were invited. Recommendations are that they be progressively integrated by countries in their specifically tailored strategies and policies for agricultural development and food security, and be fully reflected and given highest priority in the revised Poverty Reduction Strategy Papers (PRSPs) that are being developed in a number of countries. It is also hoped that the arguments and ideas put forward here will be mirrored, after adaptation to the local context, in the Medium Term Expenditure Frameworks (MTEF) developed in SSA countries, and that additional resources will be mobilized progressively for agriculture and rural development in government budgets and focused on the priorities identified here.

Prepared in partnership with :

