A Growing Opportunity:

Measuring Investments in African Agriculture

ONE

DATA REPORT

Photo by Morgana Wingard

Farmers from Liberia's Feed the Future programme are taking their acquired knowledge at the community farm and applying it to their own farms and teaching their children so they will produce better yields.

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Errors And Omissions

This report went to print on 8 March 2013. The information in this report was, to the best of our knowledge, current up until 8 March 2013. We acknowledge that events that occurred after this point may mean that some of the figures and commitments in this report are out of date.

Annie is part of a Feed the Future training programme in Nimba in eastern Liberia. The programme is teaching the community of farmers how to improve production and decrease environmental impacts.

Photo by Morgana Wingard

Introduction

Sub-Saharan African agriculture could, and should, be thriving. According to the World Bank, the region has the right conditions to feed itself: enough fertile farmland, enough water and enough favourable climates.[1] According to the International Fund for Agriculture Development (IFAD), the Africa Progress Panel and others, Africa has the potential not only to feed itself, but also to become a major food supplier for the rest of the world.

Unlocking Africa's agriculture potential would also unlock its development. Farming is Africa's predominant livelihood: more than two-thirds of Africans depend on agriculture for their incomes. Investing in agriculture is one of the best ways to reduce poverty in Africa. According to World Bank analysis, growth in the agriculture sector is 2.5 times as effective at reducing poverty as growth in other sectors.[2]

Yet Africa is far from realizing this potential. For too long, Africa's agriculture sector was neglected. African governments failed over many decades to invest adequately in the agriculture sector and to create a policy and regulatory environment in which smallholder farmers could flourish. Compared to a sharp rise in domestic spending in Asia, public spending on agriculture in Africa stayed stagnant and low throughout the 1980s and 1990s. Meanwhile, donor assistance to agriculture was slashed 72% between 1988 and 2003.

As a result, Africa's cereal crop yields today are nearly as low as they were several decades ago, and just a fraction of those in Latin America and South Asia. Today, Africa is a net food buyer, looking outside the continent to feed its growing and urbanising population. Facing poor infrastructure, expensive fertilizer, poor access to extension and financial services, unreliable and unpredictable markets, inadequate utilisation of technology and improved seeds, and limited land security, Africa's smallholder farmers have been left unable to produce enough food to feed their families, nor to sell surplus to markets to generate income.

Turning the Tide: New Commitments

In 2003, African leaders took a first step towards reversing decades of neglect with a bold commitment to increase investments in agriculture. Through the Maputo Declaration at the July 2003 African Union (AU) summit, African heads of state made a historic promise to their people: to allocate 10% of national budgets to agriculture and seek 6% annual agricultural growth by 2008. With the Maputo commitments, African leaders pledged to reverse the underinvestment that held the agriculture sector back for so long.

Reaffirming the need for ownership of their own development agenda, leaders in the African Union adopted the Comprehensive Africa Agriculture Development Programme (CAADP) as a common programme to be implemented by member states to systematically eliminate hunger and reduce poverty through agriculture. An entirely African-led and African-owned programme, CAADP addresses policy and capacity issues across the entire agriculture sector in Africa. CAADP is premised on country ownership, with plans leveraging the resources, leadership and input of Africans. As of January 2013, 24 countries have signed CAADP compacts and held their business meetings, launching solid, costed and technically reviewed plans to accelerate agricultural development.[3]

Following this leadership from African countries, donors stepped up their own commitments to agriculture and food security. In 2009, in the aftermath of a sharp spike in food prices, donors pledged to act with scale and urgency to achieve global food security. At the 2009 G8 summit in L'Aquila, Italy, donors pledged $22 billion over three years to support sustainable agriculture and food security. They also agreed to a set of principles to deliver more effective and strategic assistance, including commitments to invest in country-led plans and provide predictable long-term financing and strategic co-ordination.

In 2012, G8 leaders at the 2012 Camp David summit launched the New Alliance for Food Security and Nutrition, building on the work of Grow Africa, a partnership born in 2011 between the AU, New Partnership for Africa's Development (NEPAD), and the World Economic Forum to accelerate investments in sustainable agriculture. The New Alliance is a partnership between the G8, private companies and national governments, which set an ambitious goal of lifting 50 million people out of poverty over 10 years. Companies have agreed to invest in countries that have committed to make policy and regulatory reforms to enable more investment and agriculture productivity. Through the New Alliance, more than 60 companies, half from Africa, have committed more than $4 billion in private investment.

2013: The Year of Accountability and Action

The renewed emphasis on agriculture over the past decade, and especially in the last several years, has yielded important results. Overall, poverty in sub-Saharan Africa fell by almost five percentage points between 2005 and 2008 – the largest fall since the international community started calculating poverty rates. For the first time, the absolute number of people living in extreme poverty in Africa has fallen despite rapid population growth, from 395 million in 2005 to 386 million in 2008. Underpinning this success story are several standout countries that have experienced historic agriculture growth. Malawi transformed from one of the worst-performing agricultural economies in sub-Saharan Africa 2000-2006 to achieving an impressive annual growth rate of 6.5% from 2006-2009 – though recent travails underline the importance of consistency in policy implementation.[4]

Despite record improvements by select African countries, Africa overall is still far from realising its agricultural potential. What African agriculture needs now more than ever to unlock its poverty-reducing potential are substantial and targeted investments to create viable food production and marketing systems. For African governments, donors and the private sector alike, 2013 is the year to deliver on these building blocks that impact farming and expand economic opportunities for farmers.

The Maputo commitments are set to expire in 2013, giving world leaders an opportunity to take stock of progress made over the past decade and lay out a bold new plan with time-bound targets to accelerate the implementation of CAADP regional and national investment plans. Last year, 2012 African Union Chairperson and President of Benin Yayi Boni declared that 2014 will be the year of agriculture in Africa. This presents a once-in-a-decade opportunity for a review and renewal of African leadership and commitment to another African-led decade for agriculture, which seriously learns from the successes and shortcomings of the previous decade to accelerate the pace of progress. In 2013, momentum is building to assess the lessons learned from the past decade of CAADP, identify opportunities to build on and improve it, and to marshal continent-wide political will to review and revitalize the Maputo financing commitments for the next 10 years of agriculture.

2013 also brings important opportunities for donors to bolster their support for African-led agriculture. In response to pressure from UK NGOs and the IF campaign, UK Prime Minister David Cameron has pledged to host a major "food and nutrition" event just days before the 2013 G8 summit in June, drawing on participation of G8 countries and a broad range of stakeholders from the private sector, philanthropy, developing countries and donors. At this forum, it is crucial that the G8 and international community step forward with financial commitments to help fill the remaining funding gap of national agriculture investment plans and reinforce CAADP. Prime Minister Cameron has also committed to take forward and expand the G8's New Alliance for Food Security and Nutrition and to enhance its focus on nutrition and smallholder farmers, especially women.

Holding Leaders to Account

Teeing up for this critical year, this report holds governments accountable to their past commitments on agriculture and food security and looks ahead to future opportunities for growth. Building from ONE's 2011 report – Agriculture Accountability: Holding Donors to Their L'Aquila Promises – this report includes the major addition of coverage of African governments' efforts to invest in their own agricultural development. ONE looked at the 19 African countries with vetted, signed national agriculture investment plans, developed through CAADP. For each of these countries, we looked at progress on their commitments to reduce poverty, to spend 10% of national expenditures on agriculture, to implement national plans, and to include citizens in decision-making.

We continue to assess donors' delivery of their L'Aquila commitments. This year, we looked at eight donors (Canada, the European Union, France, Germany, Italy, Japan, the United Kingdom and the United States) and evaluated the quantity and quality of their agriculture assistance.

In addition, this year the report hones in on the first Rome Principle of country ownership. For donors, we look at four different indicators of country ownership of national agriculture plans, from inclusion of non-state actors to donor support for these plans. For African governments, we look at whether budgetary and programme information is available to citizens and whether a country's national agriculture plan includes a structure for the participation of non-state actors. We also include case studies from Benin, Ghana, Kenya and Tanzania to help illustrate the concept of country ownership and its impact on the CAADP national process.

Finally, given that this year is a turning point for both African and donor governments, we offer some targeted recommendations on how to improve commitments to agriculture and food security moving forward.

Photo by Morgana Wingard

The Chitedze Research Station in Lilongwe, Malawi focuses on developing improved seed varieties for tropical legumes – soybeans, cassava, pigeon peas, chickpeas, groundnuts, beans – and grains such as maize and sorghum. As important sources of protein to millions, legumes help improve food security and nutrition.

Executive Summary

Executive Summary

Unlocking Africa's agriculture potential would unlock its development. Investing in agriculture is one of the best ways to reduce poverty across the developing world, especially in Africa. According to World Bank analysis, growth in the agriculture sector is 2.5 times as effective at reducing poverty as growth in other sectors.[1]

In 2003, African leaders took a first step towards reversing decades of neglect with a bold commitment to investing in agriculture. Through the Maputo Declaration at the July 2003 African Union (AU) summit, African heads of state made a historic promise to their people: to allocate 10% of national budgets on agriculture and seek 6% annual agricultural growth by 2008. Following this leadership from African countries, donors stepped up their own commitments to agriculture and food security. At the 2009 G8 summit in L'Aquila, Italy, donors pledged $22 billion over three years to support sustainable agriculture, food security and nutrition. They also agreed to a set of principles to deliver more effective and strategic assistance, including commitments to invest in country-led plans and provide predictable long-term financing and strategic coordination. The commitments have been made, and the plans have been laid. What has been delivered? This year it is vital we assess progress and remaining challenges as the Maputo Declaration hits its 10th anniversary, the AU hits its 50th anniversary, and the region embarks on its "Year of Agriculture."

Key Findings

African leadership, backed by donor support, is helping turn CAADP momentum into real progress. The Comprehensive Africa Agriculture Development Programme (CAADP), born out of African leaders' Maputo pledges a decade ago, has put in motion an African-led vision and process that is delivering important progress. Twenty-four countries have signed, technically-vetted, inclusively-developed national agriculture plans, while another six countries have committed to start the process and develop them. This commitment has translated into tangible gains. Eight out of the 19 countries with agriculture investment plans that we assessed in this report are on track to meet Millennium Development Goal (MDG) 1a of halving extreme poverty by 2015. Thirteen of the 15 countries with available data have achieved annual agriculture growth of 6% or more.

Despite progress, Maputo financing commitments are off track. Disappointingly, our analysis shows that only four of the 19 African countries examined in this report have met their Maputo target of spending 10% of their national budget on the agriculture sector. Many others are making progress: two more countries are close behind, and a further six are at least halfway there. Seven countries are seriously off track, with less than 5% of total expenditure on the agriculture sector. In fact, these seven countries have actually lowered their agriculture expenditure. Summed up, these funding gaps amount to a $4.4 billion shortfall in 2011 in these 19 countries alone. In partnership with donors, African leaders must act with urgency to fill remaining gaps in their Maputo funding commitments.

Donors have met their L'Aquila commitments, but disbursements and support for CAADP and country-led plans are seriously off track. Collectively, donors have legally obligated the entirety of their $22 billion pledge for the L'Aquila Food Security Initiative (AFSI). However, only half of pledged AFSI financial commitments have been disbursed. Since 2008, donors have made some progress toward their pledge of a more country-led approach in their food security and agriculture-related programmes. However, the share of donor agriculture assistance allocated to countries with country-led, costed agriculture plans has been low, including with those plans developed through the CAADP process, and more robust donor support is needed.[2] Today, there is up to a 50% shortfall in funding for country-owned and led agriculture plans. Donors must act with urgency to do their share in filling the financing gap of national agricultural investment plans, including by fully funding the Global Agriculture and Food Security Programme (GAFSP), the CAADP Multi-Donor Trust Fund, and working with the CAADP secretariat and national stakeholder platforms to identify and fill funding gaps in national agriculture plans.

Transparency is insufficient in all countries. African governments should redouble efforts to open their books to their citizens. At least half of the countries analysed had major flaws or gaps in their budget documents, and less than half of countries had a "citizen's budget" available online. To enable their citizens to follow the money and monitor that services and results are delivered, all countries should publish and make available online easy-to-understand and accurate citizen's budgets that disaggregate the entire sector's budget by programme. Governments should also either adjust existing reporting structures or create transparent reports that allow citizens to aggregate agriculture sector spending overall. The system must be better designed so that especially those at its edge, female smallholder farmers, for example, are fully able to access information on local government services and expenditures.

Consultative participation of non-state actors has been mixed. African governments should involve non-state actors – such as farmers, private businesses and civil society organisations – in the design, implementation and monitoring of plans, and donors should help to support this inclusion. Moreover, greater commitment is needed by African governments to involve non-state actors in the implementation, monitoring and evaluation of implementation of plans. At the same time, civil society and the private sector must rise to the challenge of participation by improving their analytical capacity.

Most plans are missing a clear focus on women farmers. Nearly half of the plans do not have gender-disaggregated outcome indicators at all that specifically focus on women, and only three had all of its indicators gender-disaggregated. While women farmers contribute up to 50% of labour on farms in sub-Saharan Africa, women do not have the same access, credit or inputs as men and own only 1% of land. More secure property rights for women, and indeed more transparent legal ownership of land overall, would help facilitate access to services as well as responsible investment. According to the Montpellier panel of agriculture experts, women could raise the yields on their farms between 20 and 30% just by having the same access and control over resources as men. If this were to happen across the developing world, total agriculture output could be bolstered by 2.5 to 4% – enough food to reduce the number of hungry people in the world by 100 million. Where possible, countries should include gender-disaggregated impact, outcome and output indicators.

Plans need a greater emphasis on nutritional outcomes. Many plans make a start at emphasizing nutritional outcomes, progress which should be further deepened. All but one plan analysed in this report include some reference to nutrition. Encouragingly, 12 plans contain time-bound and measurable nutritional outcome objectives. However, more plans should have a nutrition component, and all plans should detail how nutrition is to be mainstreamed within the CAADP process.

2013 is critical year for African agriculture. In 2013, historic donor commitments have reached the end of the three-year L'Aquila period. Ten years after African leaders pledged to revitalize agriculture in Maputo, momentum is building to marshal continent-wide political will to review and revitalize the Maputo commitments, ahead of the 2014 African Union "Year of Agriculture". African leaders have the opportunity to deliver on their goals of lifting millions from extreme poverty and hunger and preventing chronic malnutrition by meeting these commitments. Four years after G8 donors put food security on the agenda at the L'Aquila summit, African agriculture will again be a focus at the G8 summit in Lough Erne and the related food and nutrition event in London in June 2013. Leaders should deliver on and go beyond past promises made at previous G8 summits and at the same time do their fair share to back African governments' agriculture plans with the resources required. Doing so would deliver a shared development vision defined by accountability, transparency, economic empowerment and partnership between governments, citizens, the private sector and civil society.


Photo by Morgana Wingard

Growing sweet potatoes in Tanzania.

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