

DISCUSSION PAPER FROM THE COMMISSION

Advancing African Agriculture

**Proposal for continental and regional level cooperation
on agricultural development in Africa**

**DG Development
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Executive Summary

This paper makes proposals for EU-AU cooperation in support of agricultural development in Africa, focusing on initiatives at regional and continental levels. Cooperation at these levels is meant to both complement and stimulate agricultural development at the national level, the level where most investments take place and where the most intense cooperation will remain relevant.

The paper describes the main current challenges facing agricultural production in Africa, and indicates a number of prospects to face these challenges. These challenges and opportunities are grouped around six topics: (i) developing an updated integrated vision on agricultural development and its place in economic growth and poverty alleviation, based on a diversified rural livelihoods concept and economic linkages with other sectors; (ii) strengthening agricultural sector governance, in re-considering the role of the state, private sector and civil society, as well as the interrelations between these actors; (iii) improving rural productivity, by scaling up a range of known technological and managerial improvements, and by expanding research and making it more effective; (iv) accessing remunerative markets, both with respect to enhancing physical access and to making use of (niche) markets, products and structures that can assist in obtaining better prices; (v) managing the natural resource base in a sustainable manner, in establishing more effective management regimes and in ensuring positive economic returns to sustainable use; and (vi) reducing risks and vulnerabilities, with respect to price fluctuations and adverse climatic events, scaling up the use of innovative financial, information and safety net schemes.

AU-EU cooperation in agricultural development will need to support Africa's agricultural agenda, which is currently set by the Comprehensive African Agricultural Development Programme (CAADP). This initiative has been instrumental in placing agriculture in Africa higher on the political agenda, also in view of the need to achieve higher agricultural growth rates in order to reach the MDGs. CAADP mainly operates at the national level, but has important facilitating and supportive roles identified at continental and regional levels.

Based on the analysis of current challenges and on expressed policy priorities (both African and EU), seven areas of cooperation are proposed:

1. Agriculture in Development Strategies
2. Sector Governance
3. Research, Knowledge Systems and Dissemination
4. Trade Facilitation with an emphasis on quality assurance and improvement
5. Natural Resource Management: Land, Fisheries, Forestry
6. Livestock Disease Control
7. Risk Management

For each area main support orientations at the regional and continental level and partners are identified, while principles for effective cooperation and harmonisation with other development partners are outlined. With respect to envisaged Community support, the paper provides an indication on the areas in which the main EC support instruments (EDF, Thematic Programmes, Research/JRC) can be used.

Discussion Paper - Advancing African Agriculture

Proposal for continental and regional level support on agricultural development in Africa

1. INTRODUCTION

This discussion paper makes suggestions for EU-AU cooperation in support of agricultural development in Africa, focusing on initiatives at regional and continental levels. Cooperation at these levels could both complement and stimulate agricultural development at the national level, the level where most investments take place and where the most intense cooperation will remain relevant. At the same time, there are numerous agricultural development issues that need to be addressed at higher levels. This paper sets out these issues, against a background of general current challenges to agricultural development in Africa, and proposes seven broad areas of cooperation at the regional and continental level.

Cooperation in agricultural development can be based on existing policy priorities, both African and EU Development Policies, and aims to stimulate progress towards the Millennium Development Goals (MDGs), which can only be achieved on the basis of broad-based agricultural growth. Agricultural development has particular and direct significance in attaining the first MDG (eradicating extreme poverty and hunger) and the seventh MDG (ensuring environmental sustainability).

As agriculture¹ remains the economic base for the majority of the poor in Africa and as it constitutes a key economic sector in most African countries, its importance in poverty reduction and sustainable development can not be overstressed. Agriculture accounts for about a third of Africa's GDP, while in many countries the sector provides 60-90% of employment. Most agricultural production comes from small-scale farms and low-income farmers account for most of the staple food production on the continent. There are important linkages with the rest of the economy, implying a potentially high multiplier effect for agricultural growth. At the same time, most of Africa's poor live in rural areas, where they depend, directly or indirectly, on agriculture for their livelihood. Agricultural production and sales affect food security and the nutritional status of household members. Accelerating pro-poor growth in agriculture is therefore one of the major avenues for reducing poverty and hunger. Moreover, as much of agriculture is low-input, rainfall dependent, the use made of natural resources by agriculturalists is crucial in determining the sustainability of production systems and of biodiversity. Agriculture therefore has a pivotal role in economic growth, and is directly linked with social development, food security, and sustainable resource management.

The links of agriculture with food security are particularly important, as the number of undernourished people in Africa remains high. In the ten years between 1990/92 and 2000/02, this number has grown from 179 to 203 million, though in relative terms this implied a drop from 36% to 33% of the total population. Moreover, the average rate of food production per person in Africa has been negative in the period 1995-2004². Food insecurity is often caused by conflicts and political instability, but increasingly regional agricultural marketing and food price developments play a role as well³.

¹ Encompassing livestock, fisheries and forestry.

² Africa was the only world region to show this negative growth rate.

³ As in the 2005 Sahel food insecurity problems.

While agriculture is largely a private sector activity, it requires public sector and donor involvement for several reasons⁴. First, pro-poor growth is unlikely to be achieved by market forces alone. Second, the use of natural resources in agriculture implies the existence of environmental externalities, requiring public regulation and intervention in order to maintain sustainability. Third, there are high transaction costs and risks in agriculture, resulting in the prevalence of market failures. While Africa has a long history of often costly state intervention in agriculture with mixed levels of effectiveness, subsequent liberalisation processes have also not been complete, convincing and/or successful.

In the past few years, agricultural development has regained prominence in discussions and policies in Africa on economic development and poverty alleviation. African leaders have repeatedly underlined agriculture's economic and social importance, and agreed on targets for agricultural growth and for a significant increase in the share of national budgets devoted to agriculture. Moreover, principles have been adopted on the sustainable use of natural resources in the development of various forms of agriculture, including, forestry, fisheries and aquaculture.

2. AFRICAN AGRICULTURE⁵: CHALLENGES AND PERSPECTIVES

Agriculture in Africa has gone through a long period of decline, but is currently regaining economic prominence. There has been a marked increase in agricultural sector growth in the past few years: 2.7% in 2002, 3.0% in 2003 and 5% in 2004. Favourable price movements for a number of agricultural products have contributed to this trend, while improved production conditions provided another factor for growth in quite a number of countries. However for sustained poverty reduction, agricultural growth will need further acceleration, particularly in low income rural societies, where agriculture is likely to remain the main driver for growth of the economy. In these areas productivity growth will be key to improve competitiveness, both at the national and international level. Moreover, for growth to have a poverty reducing effect, it needs to be broad-based, small-holder oriented and result in enhanced labour opportunities.

General statements about the state of agriculture in Africa disguise a much differentiated picture on the continent. Production circumstances vary significantly, related to differences in climate, natural resource base, population density, relative location and access to markets, structure and asset-level of land holdings, level of economic development etc. Differences in agricultural policies, in regulations on access to input and output markets, in the degree of export orientation, and in the organisation of the sector have created further divergences, while political instability, conflicts, droughts, floods, pests and diseases have had added and varying degrees of negative effects in specific areas. This variation in agricultural characteristics in Africa has to be taken into account and calls for the necessity to treat generalised analysis with care and for the need to adapt policies and solutions to the differentiated settings.

Nevertheless, based on a wealth of recent work⁶ on African agriculture and food security, six sets of general challenges and prospects have been identified that have relevance throughout then continent and that frame the orientation of analysis and support. These six areas, which show a certain degree of interrelation, are described in the next sections..

⁴ World Bank (2006), draft prospectus for the World Development Report 2008: Agriculture and Development

⁵ While the scope of this paper is Africa-wide, there is a strong focus on Sub-Sahara Africa (SSA), where the most pressing agricultural problems occur and where poverty reduction efforts are focused at.

⁶ Including the 2006 report by the DAC Network on Poverty Reduction 'Enabling pro-poor growth through agriculture'

2.1. Developing an integrated vision

Agriculture does not occur, neither develop in isolation. As a sector it has numerous forward and backward linkages with other economic activities, both in rural and in urban areas. Growth of agricultural activities can be induced by investments and interventions in other sectors than agriculture, like industry, infrastructure, water, and trade. Farming or fishing families rarely rely on one activity, but have diverse and geographically dispersed portfolios of income sources. This all calls for a holistic approach in dealing with agricultural development, extending it to related sectors, as well as rural-urban relations and covering varying issues like markets, institutions, organisations, policies and infrastructure.

In the past few decades important changes have taken place in Africa that makes the development of an integrated vision on agriculture increasingly important. Population growth has contributed to rapid urbanisation and a declining land/population ratio in rural areas. An increasing percentage of the labour force is obliged to find employment outside agriculture, which has led to more intense rural-urban linkages and a transition towards non-farm jobs and income sources. As a result, the role of remittances as a stimulating factor in rural development has increased. The higher levels of urbanisation also risk (the re-emergence of) an urban bias in national development policy, reflected in various policy decisions (e.g. on investments) and in adverse internal (rural-urban) terms of trade.

Furthermore, in a number of countries the characteristics of the rural labour force have undergone fundamental changes, related to selected migration and the effects of HIV/AIDS. A feminisation of agricultural labour has been observed, just as a relative increase in labour inputs by young and inexperienced producers, as well as the elderly generation. As a consequence, labour saving technologies will need stronger emphasis in research and technology development. Moreover, there are longer-term effects on the intergenerational transfer of knowledge and traditional social security mechanisms. These changes have implications for the way the agricultural sector is organised and approached, at the policy level, at the level of extension services and through education. Agricultural policies therefore need stronger links with social policies (education, health, safety nets).

At the policy level, it is increasingly being realised that agriculture needs to be well integrated with other fields of development policy. This appears in particular from the more prominent place agriculture has received in second-generation Poverty Reduction Strategies. Agricultural policies and development programmes are increasingly framed within private sector development approaches and linked to trade policy and (rural) infrastructure investment programmes. At the same time, there is increased attention to wider development of the rural economy, to decentralisation and rural safety nets to avoid mass poverty and increasing inequalities, as well as to the relevance of education for agricultural areas and training of producers. Such an integrated vision needs to be fostered and current cross-sectoral linkages in policy and development practice build upon to provide the agricultural sector with the policy and investment climate it needs for stepped-up growth and poverty reduction.

2.2. Strengthening agricultural sector governance

In the last two decades, fundamental changes have taken place in the roles of the public and the private sectors in agriculture in Africa, with a transition from state-led to private sector led development. Reform processes have involved liberalisation and privatisation, often with dismantling of monopolistic and monopsonistic structures, including marketing boards. These processes started first in Anglophone Africa and were later followed in other parts of Africa. However, anticipated reforms have not been completed in many of the countries, but neither

have results been impressive, which may be both a cause and a consequence of the delay in implementing reforms. Market failures occurred in quite some cases with a state monopoly being replaced by a private one and with the private sector often not expanding as expected in input and output markets, especially in marginal areas.

These experiences, as well as the experiences in Asia in the early years of the Green Revolution⁷, question the scope and pace of the reform processes in Africa, point at the need to reflect on a re-positioning in the role of the state, as well as finding a better way of state functioning with an aim of crowding-in private sector investments. The private sector, including producer organisations, is expected to perform most of the market-chain functions (input provision, credit, marketing, storage, extension), while Governments would focus on creating an enabling environment (setting and enforcing standards, ensuring food safety, facilitating contract enforcement, providing public investments, negotiating on trade matters, organising safety nets for marginal groups, defining access to and management arrangements for natural resources, providing agricultural statistics and timely information on markets etc.). While there appears to be a general consensus on main roles of the public and private sector, there is also a grey zone, which could be filled in accordance with country-specific circumstances, in particular the state of development of the agricultural sector, including its upstream and downstream activities.

The public sector also plays a crucial role in land policy and land administration. Land policy addresses issues of security and distribution of land rights, land use and land management, and access to land, including the forms of tenure under which it is held. Problems of land insecurity and conflicting claims on land form important reasons for Africa's low agricultural productivity, for the marginalisation of certain groups and for the erosion of sustainable production systems. The development and implementation of effective land policies, including clarifications on land tenure systems, are crucial aspects of economic governance, with effects far beyond the agricultural sector. While drawing up a national land policy is the responsibility of the state, it will need to build on and respond to the concerns of many non-state actors, including traditional authorities.

There is therefore a need for clarification and (re)definition of roles, but also for capacity building of public and private sector actors, and civil society, to better perform their respective tasks and functions. This involves the financial and institutional strengthening of the public sector to effectively perform core roles, capacity building of producer organisations and of inter-professional associations, but also the establishment of consultation arrangements and conflict resolution mechanisms (within the private sector and between public and private sector). Particular emphasis needs to be placed on the production and marketing roles of local and regional producer organisations, which often form the only solution for small farmers to deal with challenges that are associated with economies of scale (e.g. concentrated marketing chains, access to input and output markets). Public-private sector cooperation can be used to create institutional innovations, e.g. for quality enhancement and assurance, financial service provision, insurance, contracting and access to information. Moreover, continental and regional-level producer associations⁸ have the potential to increasingly play a prominent role in joint strategy development on production, processing, quality enhancement and marketing.

The improvement of agricultural sector governance also calls for an agreement on national strategies for agriculture and its sub-sectors by all stakeholders involved. This includes the

⁷ During the early years of the Green Revolution in Asia, the State usually provided key services for farmers: research & development, extension, improved seeds, fertiliser, credit, storage, marketing, while it also intervened in stabilising prices and provided subsidies to inputs.

⁸ E.g.. Eastern Africa Fine Coffees Association; Eastern and Southern Africa Dairy Association; Africa Cotton and Textile Industries Federation, AproCA.

small scale producers which often have been disadvantaged in policy participation, due to their isolation, dispersion, status and level of education. A range of methodologies have been developed in recent years that follow specific analytical and consultative processes, are inclusive and cover the sector's environment (markets, national economy, development policies), its organisation (institution, chain relations) and options open for development (specialised products, diversification, new markets, value addition etc.).

2.3. Improving rural productivity

Agricultural productivity and productivity growth in Africa have been lagging behind the developments in the rest of the world, where quick advances have been made in the past decades. Cereal yields and per capita food production are now much lower in Africa than elsewhere, and the gap with the rest of the world is not yet narrowing. The yield per hectare for food crops in Africa is less than half of the level in developing countries at large, and about 20% of the productivity level in developed economies. The value added per worker is the lowest in the world and considerably lower than in other developing regions⁹. Productivity figures are also a reflection of extensive production methods. Only 3.7% of total arable land in Africa is irrigated, against 33% in Asia & the Pacific, and 29% in the Middle East and North Africa. Fertilizer use in Africa lies at an average of 14.6 kg/ha; versus 114.3 kg/ha for all developing countries. The situation is compounded by severe post-harvest losses, further reducing the effective availability of production and farmers' incomes.

Underlying factors that explain this situation are related to production structures, including the (lack of) security in land tenure, to limited access to finance and (input, output) markets, to limited social and technical means to manage natural resources and reduce vulnerability to external shocks, to the organisation of the sector, to (international) price developments and to limited incentives at farmer level to increase productivity. Moreover, in many African countries access to key services (inputs, marketing, finance, research & technology, extension) has become more difficult, with state organisations often no longer providing the services, while the private sector has not adequately filled the vacuum.

To achieve MDG targets, a drastic increase in productivity is needed. Much of the past agricultural output growth has been due to expansion in the use of production factors (land, labour, livestock), particularly through the extension of crop land, pastures, fishing grounds and forest areas. The occupation of marginal or unsuitable land for agriculture has had negative impacts on natural resource qualities and contributed to lower land productivity. However, an acceleration of total factor productivity growth¹⁰, implying raising of yield and labour productivity levels, will be needed in the next decade. For a positive impact on food security and rural poverty alleviation, this productivity growth will need to be specifically important in staple foods and among small scale producers.

Much of the knowledge and many of the technologies developed in the past decades, have not been successful at the farmers level and have faced insufficient adoption rates, due to a lack of dissemination and/or to inappropriateness, which in turn was due to a "supply driven" approach. In order to enhance the productivity level of small-holders there is a need to shift the research paradigm towards a more "demand driven" one. Moreover, there is a need for increased investments in research, which would at the same time be sufficiently site-specific and generating knowledge that can be up-scaled (generation of global/international public

⁹ African value addition per workers is about 11% of the value added per worker in Latin America and the Caribbean.

¹⁰ Total factor productivity represents output growth not accounted for by the growth in inputs.

goods). Farmers and their organizations need to be fully involved in the research-to-development continuum, from the setting of research priorities to technology dissemination and adoption, including monitoring & evaluation and impact assessment. In other cases, e.g. for many African staple foods, scientific breakthroughs are needed, requiring a reversal of the underinvestment in public sector research and the need for establishing targeted partnerships with the private sector, international agencies and research centres. A focus on food staple production is called for as increases in level and stability of yield for these products (including cereals, roots, tubers, and traditional livestock products) generally have a significant effect on poverty reduction, both rural and urban.

Prospects also exist for significant productivity improvement through the application of irrigation and through improved functioning of input markets. There is ample scope for increased irrigation in many parts of Africa, particularly for small-scale irrigation. Additional financing and expertise are needed for extension of irrigation, avoiding some of the environmental, social and technical failures of the past. A range of opportunities also exist to improve the functioning of input markets, facilitating access to these markets by all farmers. Access to inputs (including finance) is deficient in many rural areas, but innovative arrangements can be successful in addressing specific agricultural constraints, e.g. using warehouse receipt systems, linking credit to (weather) insurance, combining credit in a package with improved varieties or contractual chain arrangements. Other input markets can be improved through stronger and more efficient farmer or sector level organisations, by improved regulation of private sector activities and by redefining the role of the state where markets fail to work adequately. Furthermore, in many African countries, improvements in land tenure arrangements (stability, rules of access, enforcement) will be crucial in enhancing investments that will lead to agricultural productivity growth.

More in general, productivity improvements can also be induced by improving access to output markets, by better managing the natural resource base for production and by reducing production risks, which are described in the next sections (2.4.- 2.6.).

2.4. Accessing remunerative markets

Obtaining a rewarding price for marketed agricultural produce, remains a major challenge for African farmers. There are several components to this challenge. First, transporting the produce to the market is hampered by poor transport infrastructure and high transport costs, taking a high share of the market price and creating prohibitive barriers for many perishable products, which in turn makes entering into higher value products (dairy, meat, fish, horticulture) next to impossible. Second, the combination of transport time, the numerous controls¹¹ along the way and poor storage facilities, affect the timeliness of marketing as well as the quality of the produce at the marketing stage. Third, farmers often lack market information and bargaining power in comparison to buyers who are in an advantageous position in this respect¹². Fourth, there are important intra-regional trading barriers that prevent marketing in neighbouring countries where prices may be more remunerative. Fifth, trade distorting agricultural subsidies and different degrees of protection of domestic agricultural markets in OECD countries, together with ill-designed food aid, reduce prices for African farmers. Sixth, markets are increasingly consumer-driven, differentiated and demanding in terms of quality requirements. This makes them difficult to access for farmers

¹¹ Often causing additional costs for payment of controlling officials.

¹² The increasing degree of concentration in wholesale and retail sectors poses a structural problem of inequality in this respect.

that have insufficient control over production and marketing processes and little investment capacity to respond rapidly to changing demand. Lastly, with general trade liberalisation (in the framework of WTO and RTAs), competition is becoming more fierce, both on domestic and international markets, particularly in view of the emergence of highly competitive exporting developing countries.

Recent changes have brought additional challenges, but are also opening opportunities for some African farmers, though they may exclude the smaller producers. Large supermarkets are playing an increasingly dominant role in controlling access to international and also to domestic retail markets and buy at conditions which are often difficult to fulfil for smaller farmers. In general, markets have become more demanding in terms of product quality and safety, and also more concentrated. Contract farming has created links for smallholders to the international market and facilitated quality improvement, but also created new forms of dependency and obligations. These novel relationships risk becoming factors of market exclusion for many (small) farmers, unless farmers and their organisations build capacity to benefit from them.

In the next decades, most agricultural produce from Africa will continue to be brought to domestic and regional markets. Population growth and urbanisation will increase the demand in quantity and types of products demanded and regional integration may facilitate the flow of products from other parts of the continent. Priority will therefore be to improve marketing processes at the national and regional levels, linking producers to remunerative markets (which may not be the geographically closest), and ensuring that marketing structures are favourable to passing on fair prices to producers.

For a number of agricultural products, international markets have been expanding rapidly and have proved rewarding. These include markets for a number of horticultural products (flowers, vegetables, fruits), but also for fish exports (both aquaculture and fisheries), high-value livestock products, and sustainable tropical timber. The current high prices for energy and the recent mounting worldwide demand for biofuels are likely to also have important effects on African agriculture. This could be through increased national demand for bio-energy, through the higher prices for biofuel feedstock on the world market, with knock-on price effects on various crops (grains, oil containing crops), or through external demand for biomass of various sorts, but also through pressure on land and an attention away from the growing of staple food. Furthermore, a number of niche markets (fair trade, organic) have resulted in higher returns for African farmers. However, these markets are likely to remain limited and face increasing competition from mainstream social and environmental labels, while presently only a minority of small farmers have the skills and financial capacity to benefit from the high value crops and niche market opportunities. The majority of small African exporters will remain involved in traditional commodities, which have shown a sustained negative price trend¹³, requiring foremost cost reducing measures within the chain to remain competitive on the world market.

In order to capture the various opportunities open to African farmers a range of issues can and should be addressed. These include improving the physical accessibility of markets, strengthening producer organisations, facilitating chain organisation, encouraging Corporate Social Responsibilities (CSR), spreading up-to-date market information to producer organisations and their members, (re-)organisation of marketing and revision of market regulations. They also include improving produce quality and quality assurance arrangements (including standardisation, classification and SPS-issues), at the level of producers and at

¹³ Though for a number of crops a (temporary?) reversal of the trend has taken place in the recent past (e.g. cocoa), while grain, sugar and vegetable oil prices may benefit from sustained demand for biofuels.

national and regional levels. Furthermore, trade facilitation measures will ease external trade, while a revision of trade regimes, well adapted to the level of development of the countries and taking care of sensitive products, can create additional market opportunities. Removal of regional trade barriers is particularly important to allow for faster rates of growth for food staples, which is likely to have significant poverty alleviation effects. A levelling of the playing field in international markets will create new openings for African exports¹⁴ and can cause (temporary) increases in prices for some products, inducing new investment and technological change.

2.5. Managing the natural resource base in a sustainable manner

In many parts of Africa, the natural resource base for agricultural production is being affected by processes of soil degradation (erosion, soil depletion, desertification etc.), water scarcity, water quality reduction, siltation, deforestation, over-fishing and overgrazing. Too often natural resources are being used in an unsustainable manner, resulting in production systems that show declining returns to input. Land degradation is a case in point - it is affecting up to 2/3 of Africa's productive land, while nearly all of Africa's land is vulnerable to being degraded. Increasing population pressure, technologies applied in unsuitable situations, badly managed or inappropriate access regimes, droughts and general insecurity of access to resources all negatively affect the productivity of the natural resource bases for agriculture, livestock, forestry and fisheries, and can be causes for wider conflicts. Climate change puts an additional pressure on natural resource use and adds to insecurity among producers.

In the past few decades, competition for resources in Africa has intensified. This has resulted in often irreversible changes in traditional usage regimes by (nomadic) pastoralists, shifting cultivators, and agriculturalists, while clashes between different groups of pastoralists, between agriculturalists and herders in savannah areas and between agriculture and forestry in forest settings have become more common. While traditional rules and structures are being eroded, they are usually not adequately replaced by laws and institutions of the state. Competition for resource access takes on strong political and governance dimensions¹⁵ where land tenure and access arrangements are severely inequitable and where agrarian and/or land reforms are a prerequisite for more sustainable arrangements. Where resources are not bound to national borders (fish, wildlife), a specific supranational governance dimension is required, with additional complications in determining sustainable yield levels and enforcement.

Agriculture can thus be a cause of natural resource degradation, when unsustainable production methods are being applied¹⁶, but also suffers from the degradation of its resource base with direct effects on production and productivity and indirect effects on conflicts over resource access and use. Moreover, maintenance of biodiversity levels is in the long-term interest of agricultural production, providing a genetic base for productivity improvements and diversification (new crops, new applications). Good management of natural resources is therefore important for economic, socio-political and environmental reasons.

¹⁴ Whether African farmers will sustainably benefit from such market openings would depend on the competitiveness of their production versus other producers and on the supply response at world scale. Market shares abandoned by OECD countries in the past have been taken up by other exporters. Currently African producers face strong competition from major emerging exporters, while their trade preferences are prone to erosion.

¹⁵ Including issues of inclusiveness and transparency.

¹⁶ Which can in turn be caused by lack of knowledge or technological capabilities, and by social and economic factors, like in the case of crammed small-holder communities farming on marginal lands or overfishing when too many large scale fishing vessels operate alongside small fishermen.

A range of often small scale and pilot initiatives have shown that improved management of natural resources in Africa is feasible. Examples¹⁷ from good agricultural practices, from land and water management, desertification control, wildlife and forestry management have shown that sustainable use can be achieved, often at higher production and productivity levels than before. Key to such successes are a number of factors: positive economic returns to sustainable natural resource use, incentives and capacity building for sustainable practices, and most of all effective management regimes, policies and regulations on access and usage. For policies and management regimes to be effective, multiple stakeholders need to be associated with the different steps of the policy cycle. Enforcement of the regimes will often involve renewed task divisions between traditional authorities, the private sector and the various organs of the state¹⁸. Global environmental developments, including the call for a worldwide reduction in greenhouse gas emissions and the preservation of biodiversity, underline the importance of environmental functions of African agriculture (preservation of biodiversity, watershed management, carbon sequestration, landscape management), and provide options for additional positive economic valuations. Premiums at international markets for sustainably produced materials, like for certified tropical timber, as well as (potentially) the Clean Development Mechanism and a worldwide increase in agri/eco-tourism, provide international incentives to change resource use patterns in more sustainable directions..

2.6. Reducing vulnerabilities

Most of Africa's agricultural producers face important risks in their production processes. They are exposed to price instability, natural disasters, diseases, conflicts, and uncertainty about access to resources and markets, often without recourse to adequate means to manage these risks. As a result, production decisions are frequently geared towards spreading of risks and are suboptimal from an income maximisation perspective. Moreover, many small farmers have a narrow asset base, which makes them extremely vulnerable to adverse conditions, requiring external safety nets (family, migration, government intervention) for survival. Fishermen have a specific form of vulnerability, being dependent on an often narrow natural resource base, whose quality and quantity is largely affected by outside forces (overexploitation, effects of climate change). Market-oriented producers, as in the case of traded commodities, have been faced with volatile and declining prices, as well as 'external shocks'¹⁹. Such volatility also creates uncertainty and reduces the willingness and capacity of farmers to invest, while potential financiers become less willing to lend. Following liberalisation of agricultural markets in many African countries, farmers have become more exposed to such market risks.

Risks related to adverse weather conditions (drought, flooding, storms etc.) and to sudden appearances of pests (locusts) and outbreaks of diseases (avian flu) are also high in Africa and the occurrence of such events often has strongly negative effects on the livelihoods of farmers, their families and rural populations at large, affecting their production systems and food security. Moreover, the intensity and frequency of adverse weather conditions appears to increase over time in Africa, as well as their social and economic impact, with ever larger populations at risk. Climate change may well lead to a further increase in the frequency and variability of more extreme weather events in Africa, with heavier torrential downpours

¹⁷ For instance Integrate Pest Management approaches in agriculture, zero-tillage and water harvesting techniques in agriculture, the CAMPFIRE (Zimbabwe) and similar approaches in wildlife management.

¹⁸ The FLEGT initiative is a case in point.

¹⁹ the terms 'shock' is often used in reference to particularly strong and unusual volatility.

interchanged with more pronounced dry spells, calling for an increase in adaptability of African agricultural production (shorter production cycles, different crops and varieties, geographical shifts in livestock production, increased use in irrigation etc.).

While the occurrence of many of the risks can not be taken away, their effects on vulnerable population groups, mainly in terms of food insecurity, can be better managed through a range of measures, including prevention, improved preparedness and the creation of safety nets. Moreover, agricultural growth in general and a diversification of livelihoods reduces some of the risk at community and sector level. The effects of pests and the outbreak of contagious diseases can be largely prevented or rapidly controlled through appropriate farming practices, resistant varieties, spraying and vaccination, provided it is supported by geographically well-spread and effective surveillance and extension networks. Early warning systems for outbreaks of major pests (like locusts) can assist in organising preventive activities and timely responses. Improved risk management requires the existence of efficient sanitary and phytosanitary institutions for prevention and control, as well as to ensure sanitary compliance for products to be marketed.

A specific set of measures relates to the use of market-based risk reduction instruments, ranging from the use of futures markets to (index) insurance products. Instruments have recently been developed, both with respect to price and to weather risks that allow for considerable risk reduction, though at a price (premium)²⁰. Piloting of these instruments has taken place and feasibility has been demonstrated, but wider development of instruments and application throughout Africa will be necessary to reduce costs, and to ensure small farmers can benefit from their use, including through a combination of risk reduction with improved access to credit. This also requires capacity building of private sector agencies (banks, insurance companies) and producer organisations in the use of market-based instruments.

Other ways to reduce risks and vulnerability of agricultural producers relate to diversification, and the creation of safety nets. Diversification (horizontal and/or vertical) can be useful where producers or countries have an excessive focus on one or a few products that show severe price volatility and a declining price trend, as has long been the case with most agricultural commodities in Africa. Agricultural development in its own right can also bring diversification in rural livelihoods, through its upstream and downstream linkages, often within the local economy, providing new opportunities for rural non-farm income generating activities. At the national level, diversification is not an engine of growth in its own right and needs to be market-driven for lasting beneficial income effects. At the local level, diversification can be instrumental in reducing a number of farm-level risks, through the exploitation of crop synergies, the spreading of climatic and market risks, and the smoothening of seasonal labour peaks. The creation of safety nets, whether they are productive or social, forms another direction in risk management strategies, particularly for the most vulnerable. Experiences have been obtained with the design and implementation of such safety nets which can be replicated in other settings, while various instruments (public works, vouchers, starter kits) can be applied when the safety net will need to be invoked. The use of contingency financing and/or index insurance products can be instrumental in obtaining quick disbursement for organisations responsible for 'feeding' the safety nets, when adverse conditions strike.

²⁰ The application in 2006 of a pilot drought (index) insurance for food security coverage in Ethiopia has shown the feasibility of using index insurance in Africa to reduce risks related to the effects of drought. In Malawi, call options were used in 2005/06 by the Government to secure a fixed purchase price for maize on the South African food exchange, which has ensured an affordable import price in the wake of the severe 2005 production shortfall in the country

3. THE POLICY FRAMEWORK FOR AGRICULTURAL DEVELOPMENT IN AFRICA

3.1. African Agricultural Policies and Institutions

In the past few years, agriculture has regained some prominence on the African policy agenda. A novel aspect in this respect is the increased importance attached to regional and continental levels to foster agricultural development. This is an expression of the growing willingness and capacity of African countries to collaborate at supra-national levels, as well the realisation that national level processes can be usefully supported by regional and continental institutions, through capacity building, peer review, policy harmonisation, advocacy etc.

Within the overall African reform agenda, as provided by the New Economic Partnership for Africa's Development (NEPAD), agriculture is one of seven priority areas and currently one of the three for which continental initiatives are prominent²¹. To foster agricultural development, the AU and NEPAD have launched the Comprehensive Africa Agriculture Development Programme (CAADP), while African ministers have made a commitment to significantly increase the share of national budgets allocated to agriculture²². In this framework an overall African Union vision on agriculture has emerged on what should be achieved by 2015²³. By that time the continent should have/be:

- improved the productivity of agriculture to attain an average annual production growth rate of 6% , with particular attention to small-scale farmers, especially women;
- dynamic agricultural markets within countries and between regions;
- integrated farmers into the market economy and have improved access to markets to become a net exporter of agricultural products taking into account Africa's comparative and competitive advantage;
- achieved a more equitable distribution of wealth as a result of rising real incomes and relative wealth for rural populations through more equitable access to land, physical and financial resources, and the knowledge, information and technology for sustainable development;
- become a strategic player in agricultural science and technology development to meet growing needs and demands of African agricultural development;
- practising environmentally sound production methods and have a culture of sustainable management of the natural resource base through increased knowledge, information and technology application.

The CAADP initiative takes a continent-wide view, but builds on national and regional plans for the development of agriculture. It is a manifestation of African commitment to address issues of growth in the agricultural sector, rural development and food security and has been instrumental in bringing agriculture back to the centre stage of economic development and poverty alleviation. Africa's present agricultural agenda is set by CAADP, which, for land and water management, is complemented by the Sirte Declaration²⁴. Moreover, African Heads of State have adopted principles on sustainable fisheries and aquaculture²⁵, which has guided

²¹ Governance peer review and infrastructure being the other two.

²² Maputo Declaration; it committed member countries of the AU to allocate at least 10% of national budgetary resources to the agricultural sector by 2008/09.

²³ See main CAADP document of July 2003 and subsequently repeated in AU and NEPAD documentation.

²⁴ Declaration on the Challenges of Implementing Integrated and Sustainable Development in Agriculture and Water in Africa, Sirte, 27 February 2004.

²⁵ Abuja Declaration, adopted at the 'Fish for All' Summit, August 2005.

the development of a NEPAD Action Plan for the Development of African Fisheries and Aquaculture.

CAADP has been developed by the AU and NEPAD and was endorsed in 2003 by African Heads of State and Governments as a framework for the restoration of agricultural growth, food security and rural development in Africa within an integrated and coordinated approach. Although originally developed as a basis for enhanced investments, it has subsequently become a common framework, reflected in a set of key principles and targets, in order to (i) guide country strategies and investment programmes, (ii) allow regional peer learning and review; and (iii) facilitate greater alignment and harmonisation of development efforts. The integration of CAADP and the Sirte Declaration into an Integrated Plan²⁶ is meant to drive the agricultural agenda in Africa in an even more coherent manner, while indicating responsibilities at regional and continental level. Annex 1 provides more information on CAADP and on the integrated agricultural agenda for Africa.

Both the Africa Union Commission (AUC) and NEPAD are tasked with stimulating, coordinating and monitoring the implementation of Africa's agricultural agenda. The NEPAD Secretariat is the technical arm in this process, while AUC provides political guidance and legitimacy. Both organisations are increasingly aligning their activities and developing a pragmatic method of cooperation. The tasks of the AUC will mainly be focused on policy formulation in areas of continental relevance, policy harmonisation, monitoring of national policy undertakings, stimulating implementation of AU-level decisions and fostering of regional networks and partnerships. NEPAD will provide technical guidance and work closely with RECs to stimulate the implementation of CAADP principles at national and regional level.

In the framework of the AU, the Regional Economic Communities (RECs) are the building blocks for Africa's economic integration. The RECs play an increasingly important role in the harmonisation and implementation of agricultural policies, particularly with respect to agricultural and food security aspects of regional integration, trade and market development. Several RECs have developed regional agricultural policy frameworks²⁷. Besides providing strategic orientations for regional agricultural policies, the frameworks also serve as guides for agricultural development in relation to CAADP. Several of them will need updating and adaptation in view of CAADP priorities, but also in view of ongoing regional integration efforts, a.o. in the framework of EPA negotiations.

Regional agricultural policies and development programmes have been developed furthest in the ECOWAS and COMESA regions. ECOWAS has developed a common agricultural policy that centres around three axes: (i) improvement of productivity and competitiveness of smallholder agriculture, (ii) implementation of a common regional market, and (iii) adaptation of the external trade regime (differentiation of protection; harmonisation in negotiations). Priority investment programs concern: water management, integrated soil fertility management, capacity building of regional farmer support services, management of shared resources (water, range management/transhumance, forest, fisheries), service provision to farmers, strengthening of agro-food chains, prevention and management of food crises and other natural disasters, and strengthening of institutional capacities. COMESA has targeted agriculture as a key area for investment and regional integration and has designed –in the CAADP framework- a regional compact proposal for adoption in early 2007. The compact is

²⁶ Endorsed by AU Ministers of Agriculture in Bamako, January 2006.

²⁷ For instance, UEMOA has adopted its 'Politique agricole de l'UEMOA (PAU) in 2001; ECOWAS has adopted a comprehensive regional agricultural policy (the ECOWAP) in 2005; COMESA has developed its Agricultural Strategic Framework and ECCAS/CEEAC has been given the mandate for agricultural policy harmonisation and for the development of a common agricultural policy by 2008.

organised around the four main CAADP pillars and aims to improve the regional food security situation and agricultural sector competitiveness. It expects to achieve this through an expansion of markets (both regionally and in terms of access to the international market), an increased adoption of improved technologies (incl. irrigation) and an improved policy environment (leading to increased public and private investments in agriculture).

Several specialised agencies work on the implementation of specific aspects of Africa's agricultural agenda. The AUC comprises six specialised technical agencies²⁸ dealing with livestock diseases, semi-arid grain research and highland agriculture (incl. forestry). A recent multi-donor supported programme (TerrAfrica²⁹) forms an important implementation initiative in support of CAADP pillar 1 on land and water management. In terms of research, the Forum for Agricultural Research in Africa (FARA) has been established, coordinating agricultural research, technology dissemination and capacity building in research and extension. FARA is taking the lead in implementation of CAADP Pillar 4 and has developed a strategic document, the Framework for African Agricultural Productivity (FAAP)³⁰, which sets out the principles and orientations for agricultural research and extension in the near future. It proposes i.a. more emphasis on cross-country collaboration through the mechanism of Sub-regional Research Organisations (SROs)³¹. A list of relevant regional and sub-regional organisations in agricultural development is provided in annex 2.

Although main lines of the continental policy framework for agricultural development have been developed and while institutional involvement in implementation is widening, there are major challenges remaining. These concern: the revision and further development of CAADP pillars (particularly pillars 2 and 3); agreeing on African agencies to take leadership in CAADP pillar implementation; translating the policy agenda into effective national strategies and programmes; and providing regional and continental level support to agricultural development initiatives. There is still an important gap between the expected roles and functions of (sub)regional and continental organisations and their capabilities. External support will be needed in bridging this gap.

3.2. EU Development Policy and Cooperation concerning African Agriculture

With respect to supporting agricultural development in development cooperation at large and cooperation with Africa in particular, the EU has developed an approach that is characterized by a number of principles, including:

- a clear recognition of the important role of agriculture in economic growth, poverty reduction, food security and resource management, including supporting biodiversity;
- a need for the development of effective agricultural policies and strategies, developed in a consultative manner with all main stakeholders, well-integrated with Poverty Reduction Strategies, as a basis for external support to agricultural development;
- the need to integrate agricultural development in a broader framework and vision on rural development, requiring due attention to the diversification of the rural production base, to enhanced capacities to plan and manage local economic development in the

²⁸ Semi Arid Food Grain Research and Development (SAFGRAD; Ouagadougou), Inter-African Phytosanitary Council (IAPSC; Yaoundé), Inter-African Bureau for Animal Resources (IBAR; Nairobi), Pan-African Veterinary Vaccine Centre (PANVAC; Debre Zeit), Fouta Djallon Highland Integrated Regional Programme Coordination Office (Conakry) and Pan African Tsetse and Trypanosomiasis Eradication Campaign (PATTEC; Addis Ababa)

²⁹ see www.terrafrica.org

³⁰ FARA/AU/NEPAD, Framework for African Agricultural Productivity, Accra, June 2006.

³¹ ASARECA, CORAF/WECARD, SADC-FANR and AARINENA.

- framework of territorial development³², and to the creation of safety nets in cases of chronic vulnerability.
- the need for agricultural research for development to be responsive to demands from small-scale producers and their organizations, and to link research to training and extension in the framework of national and regional research systems
 - the need to mainstream environmental concerns in agricultural development, recognizing that agricultural production can both be causing environmental degradation and be a method to ensure sustainable resource management;
 - a recognition that improved risk management is essential in reducing vulnerabilities of agricultural producers and rural communities, particularly those facing high uncertainty on price developments and on the occurrence of natural disasters, and thereby stimulating investments and innovation;
 - the recognition of the comparative strengths of interventions at various levels (national, (sub)regional and continental), while maintaining the subsidiarity principle;
 - the need to align support to priorities expressed in national and regional strategies, and to coordinate and harmonise with other development partners.

The overall EU policy orientation towards agricultural development in general and African agriculture in particular, is captured in the 'European Consensus'³³ and the EU Strategy for Africa³⁴. Both policy documents reiterate that agriculture and rural development are crucial for poverty reduction and growth. To contribute to growth, the Community has indicated it will focus on the sustainable intensification of production, competitiveness on regional and international markets and risk management. This should be facilitated in African countries by benefiting from technological development, supported through agricultural research and extension. Moreover, sustainable growth is predicated upon adequate access to resources (land, water, finance) and effective management of natural resources, respecting the capacity of eco-systems.

A range of Communications and Policy Guidelines have been developed for various aspects of agricultural and rural development, that in conjunction provide a wide-covering EU policy framework in this area. They include the EU Action Plan on Agricultural Commodity Chains, Dependence and Poverty, as well as an EU-Africa Partnership in support of cotton sector development³⁵; the Food Security policy³⁶; the Communication on Fisheries and Poverty Reduction³⁷; the Land Policy Guidelines³⁸, the initiative on Forest Law Enforcement,

³² The European Consensus refers to support to country-led, participatory, decentralised and environmentally sustainable territorial development, aimed at involving beneficiaries in the identification of investments and the management of resources in order to support the emergence of local development clusters, while respecting the capacity of eco-systems.

³³ Joint Statement by the Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: "The European Consensus", November 2005

³⁴ European Union Strategy for Africa: Towards a Euro-African pact to accelerate Africa's Development. COM(2005)489. October 2005.

³⁵ Council Conclusions of 27 April 2004, doc 8972/04

³⁶ Council regulation 1292/96 continues to guide assistance in the fight against hunger.

³⁷ COM(2000)724

³⁸ Developed by the EU Task Force on Land Tenure, November 2004.

Governance and Trade (FLEGT)³⁹ and the EC and EIARD Strategies in Agricultural Research for Development⁴⁰.

4. PROPOSALS FOR COOPERATION ON AGRICULTURAL DEVELOPMENT

This section makes proposals for an EU response at continental and regional levels to the current agricultural challenges in Africa and to the AU/NEPAD requests to better align external assistance with CAADP principles. The proposals will be addressing those aspects of the challenges to African agriculture (see chapter 2) that are best dealt with at regional and/or continental levels and will be aligned with African and EU policy principles and orientations (as described in section 3).

While most interventions related to agricultural development in Africa will continue to take place at the national level, these proposals concentrate on the continental and regional levels. There are several reasons why such a focus is expected to have a beneficial effect on agricultural development. First, continental organisations, in particular AUC and NEPAD, have been driving forces in stimulating agricultural development on the continent and they will need support to sustain and intensify their work. Second, a number of key issues in agricultural development, including trade, standards, natural resource use and research, have a strong regional and/or continental dimension and will only receive a meaningful stimulus if the capacity of organisations at these levels will be enhanced. Third, there is a need for national agricultural policies and strategies to be aligned and/or harmonised in a regional setting. Fourth, and in line with NEPAD principles, national sector governance can receive an important impetus through regional processes of networking, information exchange, lessons learning and peer review.

The aim of the proposals is to advance Africa's agricultural agenda by enhancing cooperation with regional and continental organisations, and specifically with the AUC, NEPAD and RECs. It will be based on a number of principles, including the subsidiarity principle (section 4.1.); will respond to the challenges and policy orientations outlined earlier in this paper (section 4.2); will consist of seven priority areas, each with distinct goals, key elements at supranational level and cooperation channels (section 4.3.); and will include coordination and cooperation arrangements (section 4.4). The specific role of the European Commission is described in section 4.5.

4.1. Cooperation Principles

The proposals to cooperate on agricultural development concentrate on continental and regional levels and have the objective to create an improved enabling environment for agricultural development on the continent. Cooperation of this type is expected to result in enhanced capacities for agricultural policy formulation, coordination and harmonization; in improved information systems, knowledge bases, expertise centres and dissemination channels; in expanded and institutionalised cross-country cooperation and lessons learning; and in the scaling up of successful pilot initiatives.

EU cooperation on agricultural development in Africa at the continental and regional levels is proposed to be based on the following principles:

³⁹ See COM (2003) 251 for the proposal for an EU Action Plan on FLEGT and Council Regulation (EC) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community.

⁴⁰ Adopted in 2001 and 2004 respectively.

- *Link with the Millennium Development Goals:* the proposals are built on the premise that widespread agricultural development is essential for economic growth, for poverty reduction, social stability and sustainable resource management in most African countries. Agricultural development contributes directly to reaching the first Millennium Development Goal: eradication of extreme poverty and hunger⁴¹, as well as the seventh: ensure environmental sustainability⁴².
- *Alignment with African priorities:* cooperation will be in line with priorities of the agricultural agenda for Africa, largely based on the CAADP process, principles and targets, as well as on more detailed principles and approaches worked out for specific themes⁴³.
- *Donor harmonisation:* support will be well-coordinated with and providing synergies to interventions by other donors, and using -where feasible- harmonised channels for support, monitoring, reporting and review.
- *Complementarity with other AU-EU Partnerships and Facilities:* the Partnership on Agricultural Development will complement other EU initiatives, which directly or indirectly support rural development in Africa. This refers specifically to the Infrastructure Partnership, the Water Facility and the Energy Facility, all of which have a strong orientation on investments in supportive infrastructure.
- *Purposeful capacity building:* capacity building of continental and regional organisations will be an important aspect of cooperation on agricultural development; such capacity building will be linked to long-term core functions of the organisations, and centre around practical implementation of immediate tasks related to these functions.
- *Drawing lessons from EU experiences:* nearly 50 years of agricultural policies in the EU have provided a wealth of experience that can usefully be drawn upon by regional and continental organisations in Africa. While many experiences may not be replicable, there are nevertheless important lessons to be learned in terms of sectoral organisation, relations between national and supranational organisations, applications of standards etc.
- *Application of subsidiarity:* a strict application of the subsidiarity principle will be applied, i.e. only supporting regional and continental initiatives and organisations where they add value to national level interventions.

With respect to the subsidiarity principle, it is not possible to be fully prescriptive on what types of actions are best suited at which level. Moreover, there are grey areas. Nevertheless, the following illustrative listing gives guidance to the application of the principle, and particularly to the envisaged role of regional and continental organisations:

Continental level: harmonization of regional agricultural policies; promotion of inter-regional trade (adoption of common/international SPS standards; reducing/eliminating tariffs on cross-border trade); development and implementation of continental agricultural research

⁴¹ Measured as '(i) halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day; and (ii) halve, between 1990 and 2015, the proportion of people who suffer from hunger.

⁴² Particularly 'integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources'.

⁴³ FAAP for agricultural research is a case in point.

programmes and coordination of regional research initiatives; facilitation of joint management of cross-border inter-regional resources (fish stocks, forestry, pasture grounds, water resources); development of continental expert centres, networks and dissemination channels on production technology and management, disease control, marketing, agricultural finance and risk management; strengthening of continental agricultural and/or umbrella organizations representing producers and (sub-) sectors;

Regional level: harmonization of national agricultural policies; development of common agricultural policy; facilitation of joint management of cross-border intra-regional resources (fish stocks, forestry, pasture grounds, water resources); promotion of intra-regional trade (adoption of common/international SPS standards; reducing/eliminating tariffs on cross-border trade); guidance to and implementation of (sub)regional research programmes and coordination of national research programmes; coordination and standardization of national information and early warning systems; regional strategies for emergencies/disasters; exchange of information/peer learning on agricultural practices, technology and policies; strengthening of regional producer and sector organizations; assistance in capacity building of national-level producer and sector organisation;

National level: development and implementation of agricultural policies and strategies, including on land tenure & management, input supply, marketing and sector organisation; fostering of public-private partnerships and consultation mechanisms; drawing up of investment programmes (in line with PRSPs) in rural/agricultural productive and supportive infrastructure (irrigation, storage, roads etc.); guidance to and operation of national research and extension systems; facilitation of access to credit; facilitation and capacity building for producer and sector organizations; quality assurance; national market and production information systems;

It is proposed to mainly cooperate with African continental and regional organizations, notably the AUC⁴⁴, NEPAD Secretariat and RECs. The RECs implied will mainly be the ones involved in implementation of the Cotonou Agreement⁴⁵ and in the CAADP process, i.e. ECOWAS, ECCAS, SADC and COMESA. In addition, specialized regional and continental organisations will be involved, where they are involved in CAADP implementation and add a specific dimension of expertise (e.g. FARA on research).

4.2. Cooperation Areas

EU-Africa cooperation on agricultural development is proposed to focus on seven areas. These seven areas are based on the main identified challenges to agriculture in Africa, on the African priorities, as reflected in CAADP, as well as on the EU policy focus on the sustainable intensification of production, competitiveness, risk management and research. The linkages between the challenges, the CAADP policy elements and the cooperation areas are schematically depicted in diagram 1.

The proposed seven cooperation areas are:

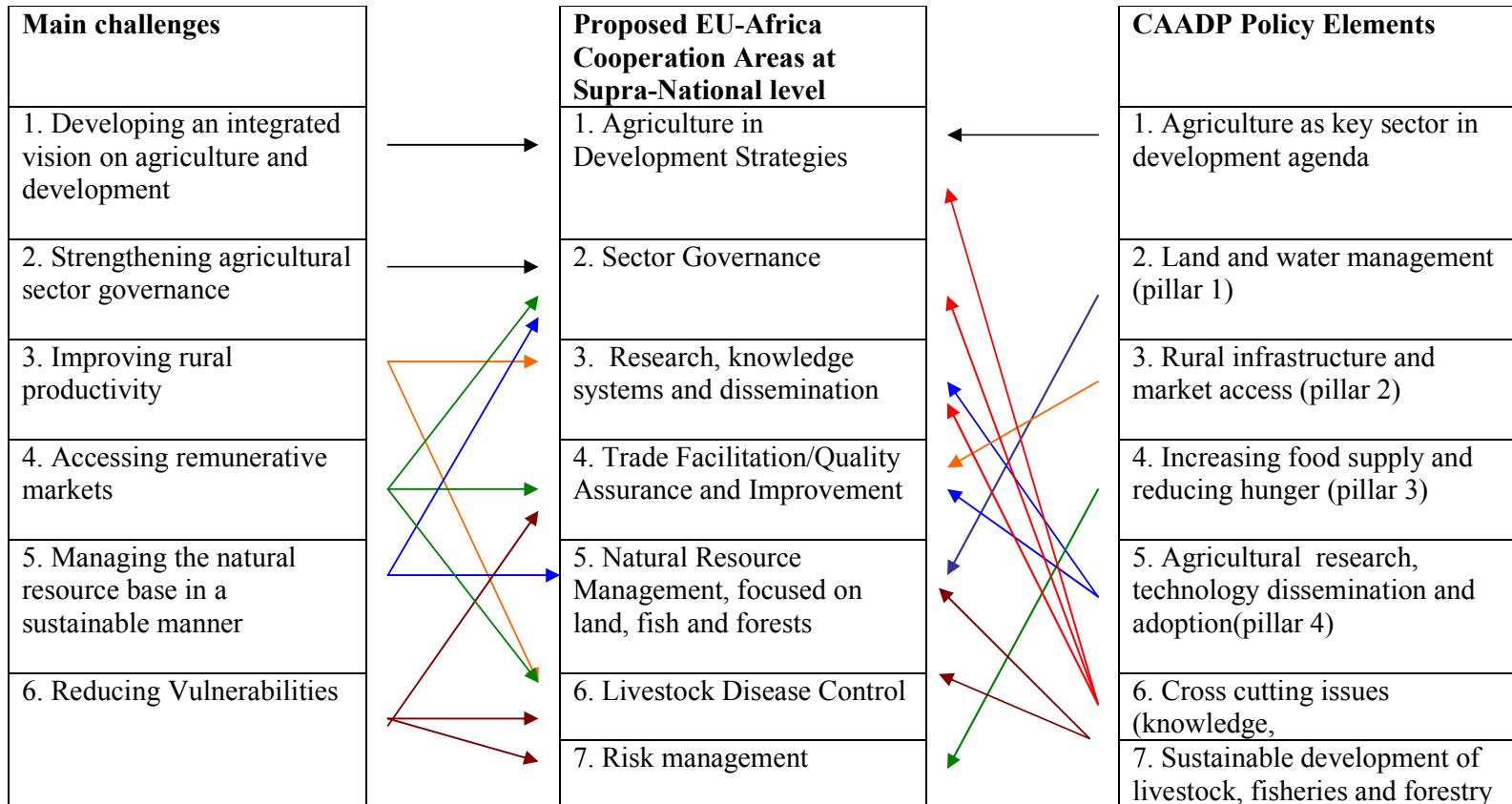
- *Agriculture in Development Strategies:* this area will address the need for agricultural development to be an integral and strategic part of the development agenda at national, regional and continental levels, and support CAADP's efforts to treat agriculture as a key sector in stimulating economic growth and reducing poverty.

⁴⁴ Particularly the Department of Rural Economy and Agriculture, and its specialised technical agencies.

⁴⁵ Through the implementation of Regional Indicative Programmes and in the framework of EPA negotiations

- *Sector Governance*: in line with the CAADP cross-cutting orientation on governance and based on the challenges to improve agricultural sector governance (clarification of roles, strengthening of institutions, responsiveness to market developments, development of key policies etc.), this cooperation area will particularly assist in capacity building at regional and continental level, including for organizations to foster governance improvements at national levels.
- *Research, knowledge systems and dissemination*: with an aim to lead to an improvement of rural productivity at large, this area of cooperation will, inspired by CAADP's fourth pillar, support agricultural research and knowledge systems and their links with producers, both in terms of being responsive to needs of producers and of improving the effectiveness of dissemination of research results and messages;
- *Trade Facilitation through Quality Assurance and Improvement*: in order to access international markets for agricultural produce, strict quality standards need to be met, as recognized in CAADPs pillars two and four. This cooperation area will assist in strengthening Africa's ability to set and adhere to meaningful production and trade standards (SPS, quality standards, certification systems).
- *Natural Resource Management, focused on land, fish and forests*: a key policy orientation in CAADP is the sustainable management of natural resources (as recognised in Pillar One and in the Companion Document), which are being eroded at a high pace, a trend that needs quick reversal for intensification of production to be feasible. This cooperation area will particularly focus on fostering improved governance and management regimes for land, fish, forest and genetic resources. The approach will aim to combine environmental and productivity concerns.
- *Livestock Disease Control*: livestock has a special place in Africa's rural production systems, but has been subject to high rates of mortality, related to various diseases (cf. CAADP Companion Document). Livestock production risk can be reduced by improved disease control systems, which take on cross-border and supra-national dimensions to be effective. This sixth cooperation area, built on strong previous experiences, will strengthen regional and continental animal disease control systems, with strong links to national ones.
- *Risk Management*: to increase agricultural production, including food supply (cf CAADP Pillar 3), to enhance investments in the sector and to reduce the vulnerabilities of particularly small-scale producers, agricultural risks will need to be better managed, both from a technical, social and from a financial perspective. This area of cooperation will particularly address capacities to reduce risks related to natural disasters and price shocks, with a focus on financial instruments.

Diagram 1 – Linkages between challenges, policies and cooperation



4.3. Focal Areas for AU-EU Cooperation on Agricultural Development

The seven focal or priority areas for continental/regional cooperation on agricultural development in Africa each comprise various components. In this section, these priority areas are further detailed, indicating the overall goals, the key elements for cooperation at regional and continental levels, and the main envisaged cooperation partners.

4.3.1. *Agriculture in Development Strategies*

The aim of this cooperation area is for agricultural development to form an integral and strategic key part of the development agenda at national, regional and continental levels.

Key aspects include: analysis, lesson learning and peer review on the role of agriculture in economic development, as a driver for change, and in poverty reduction and social stability; capacity building in analysis of linkages between agriculture and the rest of the economy; evidence-based advocacy on agriculture-centred development and on enhancing supportive investment; capacity building on inclusion of agriculture in national development and poverty reduction strategies and budgeting. In addition, it will include the strengthening of policy coherence functions (ensuring coherence between agricultural, general economic, infrastructural, human health, trade and other developmental policies).

Cooperation at regional and continental levels will focus on:

- analysis, lesson learning and peer review of national experiences, including of sectoral reforms;
- capacity building and institutional strengthening in fostering policy coherence and advocacy.
- strengthening of analytical and monitoring functions in comparing and contrasting agricultural development paths of individual countries.

AUC, NEPAD and RECs will be the main cooperation partners and cooperation with them will be in support of their respective functions of policy analysis, monitoring, peer review and advocacy, as well as their capacity building roles for national level organisations, e.g. in fostering policy coherence. Involvement of international organisations in implementation is envisaged⁴⁶. Cooperation with the AUC may also involve developing a twinning arrangement with the European Commission, including exchanges and peer learning in collaboration with appropriate Directorate Generals (like AGRI, FISH, SANCO, ENV and REGIO).

4.3.2. *Sector Governance*

The overall aim of this cooperation area is to improve governance within the agricultural sectors of African countries.

Key aspects include: reviewing, clarifying and (re-)defining state - private sector - civil society relationships; establishment of consultation and conflict resolution mechanisms; capacity building for stakeholders to engage in policy and strategy development; strengthening of producer organisations in policy, productive and marketing functions; capacity building for policy development, harmonisation, monitoring and implementation; and for information provision on technological, production and market developments.

⁴⁶ e.g. IFPRI on agro-economic modelling.

While much of this area is national-level oriented and should be addressed through national-level cooperation, there are also important regional and continental aspects implied. This includes:

- regional and continental policy harmonisation,
- monitoring of policy undertakings and conducting of peer reviews,
- strengthening of regional and continental-level representations of producer and professional organisations, and
- comparative analysis and lessons learning from liberalisation processes, public-private relations and government performance.

Support will be used to strengthen continental and regional, public and private (professional) organisations and networks. Support is particularly envisaged to (i) strengthening of AUC's political and facilitation role in policy development⁴⁷, as well as of policy coordination and harmonisation on the African continent, (ii) strengthening of NEPAD and RECs roles in capacity building, monitoring, policy analysis and peer review; and (iii) enhancing capacities of private regional and continental organisations, representing producers and professional organisations, in advocacy, negotiation and service provision. Learning lessons from EU experiences, involving exchanges with the European Commission (mainly DG AGRI), may be used as one form of capacity building on agricultural sector governance.

4.3.3. Research, Knowledge Systems and Dissemination.

The aim of this cooperation area is to increase the impact of agricultural research and knowledge systems on rural productivity, poverty reduction, food security and sustainable management of natural resources.

Key elements for agricultural development in Africa include the strengthening of National Agricultural Research Systems (NARS)⁴⁸, as well as of regional research and knowledge systems; capacity building in defining research agendas; strengthening research linkages with producers (responsiveness to research needs; dissemination of results); empowering agricultural producers and their organizations; fostering public-private research cooperation, as well as cooperation with civil society; promoting harmonization and strategic prioritization of research agendas; and strengthening and widening agricultural support services.

Regional and continental level cooperation will include:

- strengthening of cross-country collaboration in research to reduce fragmentation and create synergies;
- development of continental and regional research strategies;
- co-financing of priority research with supra-national implications;
- capacity building for new forms and channels of extension, training and education;
- creation of networking platforms; and
- enhanced coordination between national, regional and international research programmes.

Cooperation in this area will take into account the guidelines agreed under the auspices of the European Initiative for Agricultural Research for Development (EIARD) to foster cooperation

⁴⁷ E.g. the AUC facilitative role in land policy

⁴⁸ NARS ideally include various stakeholders such as research institutions, universities, NGOs, extension services, farmers organisations, farmers, private sector etc.

of European partners, be inspired by CAADP Pillar 4, which constitutes Africa's strategy for revitalising, expanding and reforming Africa's agricultural research, technology dissemination and adoption efforts, and will be aligned with the FAAP principles, aiming to have a more pronounced impact on smallholder productivity and food security. Main partners are proposed to be FARA, the SROs, the institutions of the CGIAR system and international organisations involved in capacity building for research (e.g. IFPRI).

4.3.4. *Trade Facilitation, emphasising Quality Assurance and Improvement.*

The aim of this cooperation area will be to strengthen Africa's ability to set and adhere to meaningful production and trade standards in order to access or to continue accessing (international) markets for agricultural produce.

Key elements under this area include the establishment, harmonisation and control of standards for agricultural produce, in order to improve access to regional and international markets. Specific attention will be paid to food safety and other SPS standards and to classification systems, but also to certification schemes that will allow access to remunerative (niche) markets and imply sustainable and socially acceptable production methods.

Support at regional and continental level could cover:

- harmonisation of national schemes or adoption of common regional classification systems and standards, and alignment with international ones;
- strengthening of regional reference laboratories and other organisations involved in testing and compliance;
- enhancing regional capacities in training to improve understanding and compliance with standards;
- promotion of certification schemes related to sustainable and socially accepted production; and
- capacity building for international negotiations on trade facilitation.

Main partners will be the AUC specialised agencies (notably IBAR and IAPSC), international normative institutions, research centres, RECs, regional producers and exporters' organisations and reference laboratories.

4.3.5. *Natural Resource Management: Land, Fisheries, Forestry.*

This cooperation area will aim to improve governance and management regimes for land, fish and forest resources that will combine environmental sustainability with profitable utilization and poverty reduction.

Key elements include: participatory development of sustainable resource management programmes; developing policies, legislation and enforcement mechanisms on sustainable resource utilisation; developing adapted genetic resources management regimes; establishing and/or strengthening institutional and management arrangements, as well as in the enforcement of access regimes; assessment and monitoring of natural resources and of processes of change; incorporating biodiversity concerns in agricultural strategies and production processes; introduction and expansion of certification and compliance schemes; combating corruption in securing access to resources and illegal trade (e.g. in forest produce).

Regional and continental aspects implied under this cooperation area are:

- policy coordination and harmonisation, particularly on cross-border resources;

- establishing and strengthening cross-border resource management organs;
- development of regional and continental guidelines on sustainable resource use, combining economic and environmental dimensions;
- exchanging lessons learned and peer review on management regimes and their effectiveness;
- monitoring the state of natural resources at regional levels; and
- fostering cooperation in combating illegal resource use and trade in illegal products.

Under this area, the sustainable use of natural resources in all its dimensions will be supported, with an emphasis on land, fisheries and forestry resources. There will be a focus on policy and governance, as well as on management and institutional arrangements around natural resource use. Main partners will be AUC, NEPAD, RECs, specialised NGOs, and (sub-)regional land management, fisheries and forestry organisations.

4.3.6. *Livestock Disease Control.*

The sixth cooperation area aims to strengthen animal disease control knowledge and systems in order to reduce animal mortality, lower livestock production risk and improve public health prevention, rational land use, as well as access to regional and international markets.

Key elements of this area include: strengthening epidemio-surveillance systems or networks, including all stakeholders, for immediate detection and rapid reaction; capacity building in technical and economic assessment of animal diseases; strengthening veterinary services, including laboratories for diagnostics; vaccine development and production; research and development on other disease prevention methods; facilitation of market access for livestock and livestock products through enhanced SPS compliance.

A supra-national dimension is an integral part of the improvement of disease control systems in Africa. It involves:

- the strengthening of regional veterinary disease control systems, while linking them effectively to national level systems;
- strengthening of the pan-African system to coordinate regional and national health systems in the fight against animal diseases; and
- research, trials and knowledge dissemination on disease prevention methods, including vaccine development, as well as other prevention methods.

Main partners envisaged are the specialised livestock agencies of the AUC (IBAR, PANVAC and PATTEC), ILRI and livestock agencies at (sub-)regional levels.

4.3.7. *Risk Management.*

The seventh cooperation area aims to better manage price and production risk of (small-scale) producers and reduce their vulnerability to external shocks.

Key elements of this axis include: development and application of risk-reducing farming methods; early warning information systems on production, prices and major threats (locusts, weather); capacity building to scale up the use of market-based price risk management instruments; piloting crop-specific price smoothing schemes; development and application of insurance instruments to cover risks related to natural disasters (including animal diseases); strengthening disaster preparedness, both institutionally and planning-wise;

creation/strengthening of productive and social safety nets; reducing the specific risks related to chemicals use in agriculture and of agricultural chemical stockpiles.

Cooperation at regional and continental levels would include:

- assistance in disaster preparedness strategy formulation at various geographical levels;
- institutional capacity building in disaster preparedness;
- research into and dissemination of information on reduced-risk farming methods;
- exchanging information on lessons learned, as well as supra-national level capacity building in using market-based price risk management instruments and smoothing schemes; and
- development and application of regional early warning systems and linking them to national ones.

Within this area, there will be a focus on the preparedness for and the reduction of risks related to natural disasters and price shocks, i.a. through support to disaster preparedness, as well as through the scaling up of the use of market-based instruments and exchanging information on lessons learned. It will include capacity building of key public and private organisations and improving access of African countries to international financial and insurance markets. Main partners are expected to be AUC, RECs, and international organisations like the World Bank and FAO.

4.4. Cooperation and Coordination

In the European Consensus, and in line with the Paris Declaration, the EU has committed to promote donor coordination, including by using common implementation mechanisms. As a number of development partners are engaged in or have expressed their interest in supporting Africa's agricultural agenda, as framed by CAADP, through continental and regional organisations, effective cooperation and coordination among partners will be essential in order to avoid duplication, create synergies and increase the effectiveness of aid. This particularly refers to capacity building programmes, which will be provided through coordinated programmes, preferably through multi-donor arrangements. Moreover, use will be made of joint monitoring, reporting and review mechanisms.

Coordination will take place under the leadership of continental and regional organisations. The CAADP Partnership Platform has been instituted by NEPAD/AUC and provides a mechanism to coordinate involvement of development partners at the continental level. Similar platform meetings are being organised at regional level by RECs. At national level, Country Round Tables provide a platform for reviewing and defining a country's agricultural policies and programmes in the light the CAADP targets of sector growth (6%) and budget provision (10%), as well as for alignment of donor support to the revised national programmes. These meetings will be used to advance donor coordination and alignment of agricultural development support programmes.

Monitoring of overall progress in the implementation of CAADP and of cooperation on agricultural development will predominantly take place in the framework of the existing CAADP PP meetings. Common indicators of progress in CAADP implementation are being revised and will be used to assess general progress in agricultural development in Africa. In addition, the Africa Partnership Forum (APF) meetings provide another platform for monitoring and for high-level discussions. The regular meetings between AUC and EC staff will provide a more technical platform to address issues on progress in cooperation.

4.5. The Role of the European Commission

For the European Commission, most of its support to agricultural development in Africa will continue to take place at the national level, as guided by Country Strategy Papers (CSPs). Within the CSP framework, various sources of funding⁴⁹ are combined in an integrated manner in support of national policies and strategies, reflecting national priorities. The elaboration of national level support is country specific, depends on local circumstances, needs and opportunities, and is formulated in a consultative manner in the context of CSP design and revision. The anticipated increase in the share of the national budgets allocated to agriculture will implicitly be supported in many countries through budget support financed from the 10th EDF.

At the regional level, support to meeting the various agricultural challenges is generally provided in the context of Regional Strategy Papers (RSPs) and mainly financed from the European Development Fund (Regional Indicative Programmes). However, the current proposals will expand the possibilities for support to capacity building, institutional strengthening and operations in agriculture-related institutions at regional levels, also from other sources (e.g Thematic Programme on Food Security). Cooperation will specifically enhanced at the continental level, where a number of loosely-connected support programmes (on livestock, SPS, fisheries, forestry and natural resource management) have been implemented. Future support programmes will be well-aligned with the priorities and principles outlined in this paper.

To finance the cooperation proposals, various Community support instruments exist (EDF at continental and regional levels; Thematic Programmes; Research) that are all likely to be used in support of agricultural development at continental and regional levels. Table 1 gives an overview of the various instruments and their planned use in support of the priority areas for cooperation. To facilitate coordination between the various instruments, the proposed main instrument per response area has been highlighted⁵⁰, implying that other instruments will be used to supplement and complement the main one.

The European Commission will ensure that Community support projects and programmes at the various levels (national, regional, continental) will be well coordinated and adhere to the subsidiarity principle. It will facilitate this task by (i) compiling and regularly updating a consolidated overview of agricultural assistance programmes at national, regional and continental levels (both from Community and Member States resources); and (ii) annually reporting on programming and progress in implementation of development assistance related to agricultural development at national, regional and continental levels.

⁴⁹ Funding from the European Development Fund (including Stabex resources) within National Indicate Programmes; from the European Community Budget (budget lines related to specific crops like sugar and bananas, or to thematic programmes on food security, environment etc.); as well as national aspects of intra-ACP projects and programmes (like on SPS, livestock, commodities and fisheries).

⁵⁰ By a larger and bold cross.

Table 1. EU support instruments per priority area

Axes\ Instruments	EDF Intra-ACP	EDF- RIP	MEDA??	TP Food Security	TP Environment	Research (FP7)
Agriculture in Development Strategies	X	X		X		
Sector Governance	X	X		X		
Research, Knowledge Systems and Dissemination	X			X		X
Trade Facilitation: Quality assurance and improvement	X	X				X
Natural Resource Management: land, fish, forests	X	X		X	X	X
Livestock Disease Control	X	X				X
Risk Management	X			X		

Acronyms

AARINENA	Association of Agricultural Research Institutions in the Near East and North Africa
AU	African Union
AUC	African Union Commission
ASARECA	Association for Strengthening Agricultural Research in Eastern and Central Africa
CAADP	Comprehensive African Agriculture Development Programme
CGIAR	Consultative Group on International Agricultural Research
COMESA	Common Market for East and Southern Africa
CORAF/WECARD	Conseil ouest et centre africain pour la Recherche et le développement Agricole/West and central African Council for Agricultural Research and Development
EC	European Commission
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West-African States
EDF	European Development Fund
EIARD	European Initiative for Agricultural Research for Development
EU	European Union
FAAP	Framework for African Agricultural Productivity
FAO	Food and Agriculture Organisation
FARA	Forum for Agricultural Research in Africa
FLEGT	Forestry Law Enforcement, Governance and Trade
GDP	Gross Domestic Product
IAPSC	Inter-African Phytosanitary Council
IBAR	Inter-Africa Bureau for Animal Resources
IFAP	International Federation of Agricultural Producers
IFPRI	International Food Policy Research Institute
ILRI	International Livestock Research Institute
JRC	Joint Research Centre (EU)
NEPAD	New Partnership for Africa's Development
REC	Regional Economic Community
RIP	Regional Indicative Programme
RTA	Regional Trade Agreement
SADC	Southern African Development Community
SADC-FANR	SADC's Food, Agriculture and Natural Resources Directorate
SPS	Sanitary and Phyto-Sanitary measures
SRO	Sub-regional Research Organisation
TP	Thematic Programme
WFP	World Food Programme
WTO	World Trade Organisation

Annex 1 – CAADP and the Consolidated African Agricultural Agenda

1.1. Context and Scope

Agriculture is one of the NEPAD⁵¹ priority areas for policy reform and enhanced investments in Africa. The Comprehensive Africa Agriculture Development Programme (CAADP) is NEPAD's implementation programme for agricultural development on the continent and forms one of the most developed sectoral programmes of NEPAD, reflecting NEPAD's belief that agriculture will provide the engine for growth in Africa. CAADP forms the Africa-wide framework to drive such agricultural growth and to assist in achieving the Millennium Development Goals related to poverty and hunger.

CAADP is a response to the African agricultural crisis and to the neglect of the sector, while recognising the need to achieve progress in agricultural growth, productivity and incomes to reduce poverty and fight hunger on the continent. Its objective is to stimulate agriculture-led development, which would eliminate hunger, reduce poverty and improve food security, enabling the expansion of exports and putting the continent on a higher economic growth path.

Although CAADP is continental in scope, it is at the level of individual countries that efforts will have to be made to promote agricultural growth. CAADP merely forms a common framework, reflected in a set of key principles and targets, to guide country strategies and investment programmes; allow (regional) peer learning; and facilitate greater alignment and harmonisation of donor efforts. It therefore offers a broad frame of priorities from which more precise strategies and programmes can be derived for operationalisation.

1.2. Development of CAADP

CAADP has been prepared through the facilitation of FAO in 2002. It originally focused on immediate actions that would address Africa's agricultural crisis and had a relatively 'technocratic' orientation, encouraging countries to present 'bankable investment projects' to donors. At the request of Africa's agricultural ministers, a 'research and technology' pillar was added to the three pillars identified by FAO and subsequently incorporated in the CAADP main document. This main document⁵² has not been redrafted since, but a Companion Document⁵³ has been added to better cover livestock, fisheries and forestry, whereas in the course of operationalisation and implementation the process aspects of CAADP have received more attention. Nowadays, CAADP is usually referred to as a 'framework' rather than as a development programme or plan.

The CAADP framework has been endorsed by the African Heads of State at the AU Summit in Maputo in July 2003. At the same Summit, it was agreed to better integrate the sub-sectors forestry, fisheries and livestock into the CAADP. A Companion Document was subsequently produced which was submitted to the AU Summit of July 2004. An implementation Road map was approved by the African Partnership Forum (APF) in October 2004.

⁵¹ New Partnership for Africa's Renewal – both a vision and a framework to address the challenges facing the African continent (poverty, underdevelopment, marginalisation).

⁵² See <http://www.nepad.org/2005/files/documents/caadp.pdf>

⁵³ See <http://www.fao.org/docrep/meeting/007/J1711E.HTM#5>

In 2005, the NEPAD Secretariat has accelerated the drive for implementation of CAADP. Five regional ‘CAADP implementation planning meetings’ were organised, followed by a high level ‘wrap-up’ meeting in Accra in May 2005. This meeting produced the ‘Post-Accra Action Plan’ for actions to be taken at the level of countries, regional economic communities and the NEPAD Secretariat. Furthermore, a CAADP Retreat on the Post Accra Action Plan and on advancing the implementation of the CAADP agenda at regional and country levels was held in Pretoria in October 2005. This retreat brought together RECs, AUC, NEPAD and Development Partners to agree on actions, commitments and partnerships.

1.3. CAADP Contents

CAADP should primarily be considered as a *framework* to stimulate African countries and regions to enhance agricultural development. As such, it encompasses a set of *principles and targets*:

- agriculture-led growth as a main strategy for poverty reduction and for the achievement of MDG 1 (eradication of extreme poverty and hunger);
- pursuit of a 6% average annual agricultural sector growth rate at the national level;
- allocation of 10% of national budgets to the agricultural sector;
- exploitation of regional complementarities and cooperation to stimulate growth;
- application of principles of policy efficiency, dialogue, review, and accountability;
- usage of partnerships and alliances, including farmers, agri-business and civil society;
- assigning of roles to countries (programme implementation), RECs (coordination; regional level implementation) and NEPAD Secretariat (facilitation; mobiliser of resources and expertise).

In addition, the CAADP documents have been organised around a set of pillars and cross-cutting areas. These are also used to structure discussions and programmes in the CAADP framework. The following pillars are distinguished:

- *Pillar 1 - Land and Water Management*. Pillar 1 concerns the extension of the area under sustainable land management and reliable water control systems. As such it focuses on soil fertility, the moisture holding capacity of soils and an extension of the area under (small-scale) irrigation in order to raise output on a sustainable basis and contribute to the reliability of food supplies. To stop, prevent, and reverse further land degradation in line with the objectives of this pillar, TerrAfrica has been developed, a multi-partner initiative, aiming to increase the scale, efficiency and effectiveness of investments towards sustainable land management (SLM) in sub-Saharan Africa
- *Pillar 2 – Rural infrastructure and trade-related capacities for market access*. The second pillar focuses on rural infrastructure improvements (roads, storage facilities, markets, packaging and handling systems, input supply networks) in order to raise the competitiveness of African production vis-à-vis imports, as well as in export markets. It also includes (export) quality issues and trade negotiation capacities.
- *Pillar 3 – Increasing food supply and reducing hunger*. The third pillar is concerned with increasing yields and farm productivity levels in general by i.a. facilitating access to improved technology (through improved support services and a supportive policy environment). It is closely linked to the FAO Special Programme for Food Security (SPFS) and focuses on community-based

programmes. In addition, it calls attention to disaster preparedness, including the need to prepare for responses to food emergencies, like the creation of safety-nets.

- *Pillar 4 – Agricultural research, technology dissemination and adoption.* This pillar aims at an enhanced rate of adoption of new technologies to increase productivity (through better delivery systems and mechanisms that reduce the costs and risk of adopting new technologies), as well as the ability of the research systems to generate and adapt new knowledge and technology. The Forum for Agricultural Research in Africa (FARA) is taking the lead in implementation of CAADP Pillar 4 and has developed a strategic document, the Framework for African Agricultural Productivity (FAAP), which sets out the principles and orientations for agricultural research and extension in the near future. It aims to make research more relevant and to establish the capacity to implement an integrated agricultural research approach, ensuring that researchers work together with smallholders, pastoralists, extension agencies, the private sector and NGOs to increase impact on the ground.

In addition, two cross-cutting themes have been identified, one around training, knowledge systems and governance, and on institutional strengthening. These cross-cutting themes are sometimes also (confusingly) referred to as ‘Pillars 5 and 6’.

The CAADP Companion Document (also sometimes referred to as ‘Pillar 5’) describes the current state of forestry, fisheries and livestock in agricultural and rural development and lists priority areas for intervention, listing strategic issues as well as investment areas and needs. In addition, it proposes to mainstream environmental sustainability into CAADP.

Though the various documents do include broad investment proposals, CAADP is generally seen as a framework to inspire policy makers, development partners and others at national and regional levels to place more emphasis on agriculture as a source of growth and a promising avenue in poverty reduction and food security. The various pillars and priorities can serve as inspiration for the development of more concrete strategies, plans and projects, depending on national and regional situations. Country Round Tables (see 1.5 below) are organised to assess whether current policies and investment plans will lead to the envisaged 6% agricultural growth rate and to identify policy changes and additional investment needs.

1.4. CAADP as the African Agricultural Agenda

While the AU Summit of 2003 in Maputo adopted CAADP, an extraordinary Summit, held in Sirte (Libya) in February 2004, focused on Agriculture and Water and provided further, but largely overlapping and complementary, directions on agricultural development in Africa. Moreover, the overall commitment to allocate 10% of national budgetary resources to agriculture was confirmed in the Sirte Declaration.

Recently, the AUC has been working on the integration of CAADP and the Sirte Declaration into one document that forms Africa’s consolidated agenda for agriculture and natural resources, providing the basis for actions and identifying leadership for each of them. The consolidated agenda follows the CAADP pillars as well as the companion document and fits action points from the Sirte Declaration under it. Consolidation will lead to a common reporting mechanism, to AU Ministers and Heads of State, on implementation of Africa’s agricultural agenda.

1.5. CAADP Implementation

1.5.1. Roles of various organisations

Implementation roles of the various organisations involved in CAADP have somewhat shifted over time. While originally implementation was mainly foreseen to take place at the regional level, nowadays the national level is seen as the most appropriate one for most of CAADP implementation. Implementation at national level should be well aligned with general development priorities, as described in Poverty Reduction Strategies. Currently, the roles of the various CAADP actors can be characterised as:

- *AUC/DREA*: political leadership and strategic guidance; advocacy; donor relations (with NEPAD)
- *NEPAD Secretariat*: technical decisions and guidance; advocacy; facilitation of implementation, coordination and learning; development of frameworks and guidelines for CAADP pillars (in collaboration with AUC); donor relations (with AUC)
- *RECs*: facilitation of implementation at regional level; coordination of country-level implementation; peer review; facilitation of mutual learning and provision of expertise to countries; development and implementation of policies and programmes in areas where added value exists at regional level.
- *Regional bodies*: associated as technical partners
- *Countries*: implementation of CAADP principles and targets; leadership of the country-level process; development and implementation of Country Compacts.
- *Donors*: harmonisation of aid to agriculture; alignment on the basis of CAADP principles and with national /regional level policies and plans; support to these policies, strategies and plans.
- *International organisations* (FAO, WFP, IFPRI, UNECA): advice, capacity building of actors and technical assistance to implementation

1.5.2. Implementation process

The implementation process involved five Regional Implementation Planning Meetings in early 2005. These meetings defined governance structures for each region in order to allow effective coordination during implementation. They also identified a number of priority ('early') actions which would maintain the momentum of CAADP implementation. Furthermore, it was agreed that Regional Action Plans would be produced before mid-2006. In these regional plans, RECs develop their regional roles of peer review, information sharing, harmonisation of national projects with regional perspectives, and co-ordination of country-level processes.

Roles of and cooperation arrangements between AUC, NEPAD and RECs were discussed and agreed upon in a meeting in November 2006. Further meetings between these key stakeholders are planned to take place regularly.

At national level, Country Round Tables are being organised⁵⁴. These meetings aim to review national policies in view of the 6% sector growth and 10% budget allocation

⁵⁴ In a number of countries these processes have started (e.g. Rwanda, Zambia, Niger, Mali) and an objective of organising at least 20 Country Round Tables by mid-2007 has been set.

targets, to identify gaps and to devise ‘action plans’ to fill these gaps. The country process is supposed to build on ongoing country efforts and be led by national governments, supported by RECs and the NEPAD Secretariat.

The CAADP Round Tables should deliver three types of outcomes:

- An *assessment* of (i) the extent to which a country’s policies, strategies and investments are aligned with and conducive to meeting the CAADP sector growth and expenditure targets; and (ii) the extent to which development assistance in that country is aligned to help it meet its targets; and possibly an indication of the gaps to be bridged to put the country on track to reach the targets.
- A *Country CAADP Compact* that would include defined actions, commitments, partnerships and alliances. The Compact will guide (i) country policy and investment responses; (ii) planning of development assistance; and (iii) public-private partnerships and business to business alliances to raise and sustain the necessary investments.
- The *institutional arrangements* for the coordination and review of implementation progress and performance.

1.5.3. Donor coordination

Donor coordination at national level should be integrated into ‘normal’ coordination and consultation mechanisms around Poverty Reduction Strategies and sectoral programmes. At regional levels, coordinators have been identified in the RECs to establish appropriate links with Member States, development partners and the NEPAD Secretariat.

At the continental level, a CAADP Partnership Platform (CAADP-PP) has been created that facilitates the exchange of views and information between the CAADP actors (NEPAD Secretariat, AUC, RECs) and development partners on the main lines of the initiative. CAADP PPs are intended to be held twice per year.

Annex 2 – Key continental and regional organisations involved in Africa’s agricultural development (to be further completed)

A. Regional Economic Communities (RECs)

No.	Abbreviation	Name	Comments
A1	SADC	Southern Africa Development Community	CAADP focal point in Southern Africa
A2	COMESA	Common Market for Southern and Eastern Africa	CAADP focal point in Eastern Africa
A3	EAC	East Africa Community	
A4	IGAD	Inter-Governmental Agency for Development	
A5	UMA	Union du Maghreb Arabe	
A6	CEN-SAD		
A7	ECOWAS	Economic Community of West-African States	CAADP focal point in West Africa.
A8	ECCAS/ CEEAC	Communauté économique des Etats de l’Afrique centrale	CAAADP focal point in Central Africa. Covers: Angola, Burundi, Cameroon, CAR, Chad, Congo (Brazzaville), DRC, Equatorial Guinea, Gabon, Rwanda, Sao Tome & Principe

B. Other Regional Economic Organisations

No.	Abbreviation	Name	Comments
B1	UEMOA	Union économique et monétaire ouest africaine	
B2	IOC	Indian Ocean Commission	
B3	IGAD	Inter-Governmental Agency on Development	Involved in issues of drought, land management and food security in the Horn of Africa:

C. Research Organisations

C1	FARA	Forum for Agricultural	Continental umbrella organisation;
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		Research in Africa/ Forum Africaine pour la Recherche Agricole	requested by NEPAD to take the lead in implementation of the CAADP research pillar; has produced 'Framework for African Agricultural Productivity' (FAAP) to guide agricultural research orientations
C2	ASARECA	The Association for Strengthening Agricultural Research in Eastern and Central Africa	SRO for Eastern and Central Africa. See: www.asareca.org
C3	CORAF/ WECARD	Conseil ouest et centre africain pour la recherche et le développement agricole/ West and Central African Council for Agricultural Research and Development	SRO for Western and Central Africa ; see : www.coraf.org
C4	SADC-FANR	Southern African Development Community's Food Agriculture and Natural Resources Directorate	SRO for Southern Africa; see www.sadc.int/english/fanr
C5	AARINENA	Association of Agricultural Research Institutions in the Near East and North Africa	North African members constitute the SRO for North Africa; see: www.aarinena.org
C6	CIRDES	Centre International de Recherche-Développement sur l'Élevage en zone Subhumide	Members: Mali, Burkina Faso, Togo, Benin, Niger, Cote d'Ivoire Guinea-Bissau. www.cirdes.org
C7	INSAH	Institut du Sahel	Public, intergovernmental agency. Coordinates, promotes and harmonises studies and research on environment, agriculture and sustainable development in the Sahel. www.insah.org
C8	FANRPAN	Food, Agriculture and Natural Resources Policy Analysis Network	Research, analysis and advocacy network operating in SADC region www.fanrpan.org

D. Farmers Organisations

D1	ROPPA	Réseau des organisations paysannes & de producteurs de l'Afrique de l'Ouest	Le ROPPA) a formellement été fondé en juillet 2000. Il regroupe des organisations ou "cadres de concertation" de 10 pays d'Afrique de l'Ouest (Bénin, Burkina Faso, Côte
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			<p>d'Ivoire, Gambie, Guinée, Guinée-Bissau, Mali, Niger, Sénégal, Togo.). L'ambition, à moyen terme, est d'accueillir des organisations paysannes de l'ensemble des pays de la CEDEAO, qui représente l'Afrique de l'Ouest réelle.</p> <p>See : www.roppa.info</p>
D2	EAFF	Eastern Africa Farmers Federation	<p>EAFF is a non-political, non-profit and democratic organization of farmers in the Eastern Africa Region. It was formed in the year 2001. The role of EAFF is to voice the legitimate concerns and interests of the farmers in the region, with an aim of enhancing regional cohesiveness and socio-economic development of farmers.</p> <p>See: http://eaff.peasantsworldwide.net</p>

E. Other Continental/Regional Organisations

E1	IBAR		Key actor on livestock on behalf of AUC
E2	ANBO	African Network of River Basin Organisations	
E3	CILSS	Comité Permanent Inter-Etats de Lutte contre la Sécheresse dans le Sahel	Burkina Faso, Gambia, Cape Vert, Mali, Guinea Bissau, Niger, Chad, Senegal
E4	The Hub/La Plateforme		The Hub's goal is to assist West and Central African stakeholders (States, Inter-governmental Organisations, Civil Society Organisations and Development Partners) to promote coherence in rural development programmes worldwide