

**ASSURING FOOD AND NUTRITION SECURITY IN AFRICA BY 2020:  
Prioritizing Action, Strengthening Actors, and Facilitating Partnerships**  
April 1–3, 2004, Kampala, Uganda

**SUMMARY NOTE**

**What Industrialized Countries Can Do To Promote Agricultural and Rural  
Development in Africa: Perspectives of a Development Organization**

**Keynote Speaker:** *Bernd Eisenblätter*, Managing Director, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), GmbH, Germany

**Date:** April 2, 2004

Honorable Excellencies, Honorable Ministers, Ladies, and Gentlemen.

It is a great honor for me to address this high-ranking forum. I would like to take this opportunity to explain why I believe that the contributions of countries from the North to Africa's agricultural and rural development are highly important and perhaps even indispensable for the future of the continent. Secondly, as managing director of a development agency that is closely involved in implementing international cooperation, I would like to focus on real action that can make a difference to the lives of the African people.

Ladies and gentlemen, the challenges that we face are enormous. Much has been said during the past two days about the necessities and prospects of re-emphasizing agricultural development in Africa. We know that many African economies have fallen behind those of other nations in the developing world. More specifically, agricultural development has faced an uphill struggle for the last twenty years. Sometimes, this struggle has been lost as the news about recurrent food shortages have shown.

Yet, if in any sector it is in agricultural products — raw commodities and more importantly processed goods — where African countries can develop a comparative advantage in the world market. For most African countries wishing to integrate into the global economy, increased agricultural trade is one, if not the only option. This is true in spite of the fact that terms of trade for developing countries have deteriorated significantly. African countries can today buy less manufactured goods from other parts of the world for the same quantity of primary agricultural commodities than some years ago. As a consequence, Africa's share of world trade has fallen from about 4 percent in 1980 to less than 2 percent today.

However, there is no alternative to agricultural development. African economies need to diversify their production and exports. They must defend existing market shares and capture new markets. Worldwide, trade liberalization of the last two decades has been helpful to increase trade opportunities. But it has not yet enabled all countries to gain significant benefits from trade. Structural policies that could enhance economic efficiency and strengthen the competitiveness of the agricultural sector were often not successful due to a constant pattern of underinvestment, both from public and private sources.

Industrialized countries have contributed to distortions in agricultural trade through a vast array of import restrictions, subsidies, escalating tariffs for processed goods and non-tariff trade barriers. Industrialized countries therefore must act as soon as possible to tear those barriers down. Providing African countries fair trade opportunities in the global economy has definitely moved to the top of the international agenda. I wholeheartedly support Minister Wierczon-Zeul in her demand for reforms of the Common Agricultural Policy of the European Union. These reforms should offer developing countries real new trade opportunities. African economies need a fair deal in agricultural trade.

Development agencies like to support those governments who actively look for increased exports to high-value markets in industrialized countries. As a contribution to this objective, GTZ is currently providing technical assistance to a number of governments in strengthening their negotiation capacity in trade talks. We are also promoting consumer awareness in Europe for tropical products that are grown according to agreed social and ecological standards. Fair trade offers a significant potential for channeling additional income to producers through market-based mechanisms. We are looking forward to involve more African countries into these initiatives.

From the standpoint of an implementing agency I like to stress that we should not wait until the disputes of the World Trade Organization's Doha round are resolved. The countries and trade blocks of the industrialized world can act unilaterally by removing trade barriers, once governments make the right priorities. But we must also recognize the following: Even if agricultural trade distortions will be phased out, African farmers may not automatically benefit from it. After many years of underinvestment and decline, African agrarian sectors and rural economies need to be rendered competitive. For example, exports need to comply with standards prevailing in the market. In some instances, even domestic markets need to be recaptured. If the African agriculture sector is not prepared for trade liberalization, the benefits of increased global trade will simply bypass Africa. Other regions will capture market shares vacated by the OECD countries.

What is the specific role for development agencies when we want to strengthen African agriculture and rural economies? It is obvious that capacity development plays a decisive role. For GTZ, the term capacity building always means interventions in three ways: training people, strengthening the organizations they work in, and creating an enabling institutional environment.

Capacity building for African farmers, processors and exporters, and for institutions that support them is a precondition for competitiveness in markets. Other nations are well aware of this, as the remark of Brazilian president Luiz Inacio Lula Da Silva on his recent visit to India shows: "Nobody is going to buy from us just because there are 70 million poor people in India or 50 million poor in Brazil. They will buy from us when we are ready to compete, our products have the quality and we are daring to go out and sell."

Capacity development stresses the importance of local knowledge, institutional development and social capital in the process of economic and social development. Going beyond technical assistance, it aims at strengthening national structures, supporting participatory processes of priority-setting and facilitating acquisition of knowledge. In our experience, capacity development is addressing institutional failure and reducing transaction costs of cooperation programs.

Capacity development should include the whole society and involve the public sector, civil society and the private sector. All too often, the private sector has been forgotten when development agencies were involved. Developing the private sector is vital for countries that face the tremendous challenge to build value chains from the level of the smallholder farm to globalized markets. Without capacity development, market shares will be lost to others. In countries like Ghana and Kenya, we are going to develop new concepts for improving service delivery to private sector organizations. GTZ has helped to broker public-private partnership arrangements between farmer organizations, processors, food retailers and local authorities in order to provide for secure market outlets for farm products. For example, in the Wenchi Tomato Processing Project in Ghana local farmers now benefit from high-quality processing and marketing facilities. This allows local production to compete against imports from Europe.

In the last two years, GTZ has renewed its emphasis on supporting agriculture and rural development in a number of countries, including Burkina Faso, Ghana, and Kenya. We follow a program-based approach that integrates support at national and local levels. Our programs provide new opportunities for cooperation with other development partners, the private sector and civil society. Because of our special emphasis on participatory approaches we see our role as complementary to the efforts of national governments, civil society, private sector, and the international donor community.

Our agricultural support programs foster market orientation by strengthening the capacity of actors and institutions in the public and private sector. We are convinced that an enabling environment for more private sector investment in agriculture is a key success factor for poverty reduction in Africa. However, the private sector will not invest unless there is more stable and reliable governance in the public sector.

Our programs address simultaneously constraints at various levels:

- At the project implementation level, we refocused our strategy towards strengthening groups and organizations of producers, processors, and other actors in the agricultural value chain. In this field, we can build on the specific German experience.
- At the level of the supporting organizations and institutions, we focus on reform of service delivery systems to provide rural actors access to a broader range of services. We also support institutional arrangements for conflict resolution between agriculture and livestock households.
- At the national level, we are engaged with our partners in reformulating agricultural policies and strategies and enhance their compatibility with national strategic objectives such as the PRSPs. The current urban bias in public sector investment has to be carefully reversed.

Supporting the emergence and development of market-oriented agriculture is only one element of our strategy. Successful rural development requires also support to private sector development and strengthening of local governance structures. For example, in South Africa we facilitated cooperation between local authorities and small-scale rural entrepreneurs in the development of business clusters of the furniture industry.

We all know that a social protection strategy for rural areas is urgently needed to reduce poverty and hunger. Such a strategy goes beyond the agricultural sector. In some parts of Africa, a large number of households do not have the resources to become successful agricultural producers. GTZ supports national food security strategies in Mozambique and Ethiopia. Since 1999, in Mozambique provincial action plans have been developed in a participatory manner. Food security aspects have been progressively integrated into sector investment programs. A further integration into the national poverty reduction strategy is envisaged. Pertinent issues (such as the national food aid policy), the consequences of HIV/Aids for food security, and disaster preparedness will be addressed.

I like to sum up my presentation by stressing that we should continue to press for fair trade opportunities for African countries in the world market. There is no other way: African agriculture has to be rendered competitive by preparing the key actors for the rough storms on international markets. However, promoting the agricultural sector alone is not the magic bullet for achieving the Millennium Development Goals of hunger reduction and poverty alleviation. Strategies for food security and general rural development should accompany agricultural development. We see our specific comparative advantage in capacity development in all these areas.

Thank you for your kind attention!

*Note: This note has not been edited. The views expressed in this summary note are those of the author and are not necessarily endorsed by or representative of IFPRI or of the cosponsoring or supporting organizations.*