

ASSURING FOOD AND NUTRITION SECURITY IN AFRICA BY 2020:
Prioritizing Action, Strengthening Actors, and Facilitating Partnerships
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SUMMARY NOTE

**ASSURING FOOD AND NUTRITION SECURITY IN AFRICA:
PERSPECTIVE OF THE AFRICAN DEVELOPMENT BANK**

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Issues and Constraints in African Agriculture and Food Security

Food security, broadly defined, is access by all people at all times to enough food for active and healthy lives and involves not only the availability of food but also the means to acquire the food (in other words adequate income). We recognize that overall the food security problem is complex and multidimensional encompassing policy, institutional, and production features.

Food insecurity has been engendered by the traditional constraints of weather (rainfed agriculture), high post-harvest losses, and poor access to markets due to poor rural and marketing infrastructure; and weak rural financial intermediation and inadequate working capital for smallholder agriculture.

High producer taxes, weak access to foreign markets due to high tariff and quota restrictions, all contribute to poor supply response, unstable and low household incomes. These factors all contribute to making agriculture a non-profitable venture in most African countries.

Furthermore, the pursuit of adverse domestic policies such as high interest rates fueled by high inflation coupled with unreasonable producer taxes tend to shift the tide (terms of trade) against agriculture, exacerbating the low profitability problem of the sector.

Combined with certain exogenous shocks like the HIV pandemic, socio-political unrest, internal and cross-border conflicts leading to massive displacements of the rural folk, have led to a serious erosion of Africa's competitiveness in the agriculture sector on the domestic as well as the global markets. As we are also beginning to find out, since the September 11 events of 2001, extreme poverty, if not checked, can lead Africa's poor to despair and predispose them to terrorist networks.

Poor agricultural growth engendered by low rural labor productivity and low profitability tends to fuel rural-urban migration and adds to the socio-political tensions that continue to destabilize the urban centers of Africa.

What Should We Be Doing to Help Overcome the Above Challenges?

The African Development Bank firmly believes that a market-oriented and profitable agriculture remains the cornerstone to effective poverty reduction in a sustainable manner. With this in mind, our vision for African agriculture is to assume a leading catalytic role, within the next decade, in supporting the technological, institutional and policy changes that will trigger a lasting transformation of the rural economies of African countries, by empowering their rural populations to improve their productivity and real incomes in an equitable and environmentally sustainable manner.

Given that the vast majority of the poor in Africa make their livelihoods in the rural sector, we complement our assistance to agriculture and rural development with investments in the social sectors such as education and health. During the past decade when ODA flows to the sector declined, agriculture continued to dominate our investment lending to Africa, averaging roughly 20 percent of Bank Group lending via our concessional resources window.

We Believe We Must Each Play Our Part

Our strategies and interventions in addressing the food insecurity problem must continue to be multi-dimensional, and our programs multi-sectoral, aiming simultaneously at the policy, institutional, infrastructural and production factors. In the coming years, we will need to work more closely together to build synergy in our development efforts, because in an increasingly globalized world market, rural incomes will continue to depend more on the extent to which domestic and

international markets are integrated and complement each other. However, this international partnership will not yield lasting results if stakeholders and development partners do not play their respective roles as expected of them.

Following are the respective actions that need to be taken first, by the African countries themselves, then the donor community at large (including the MDBs), and finally by the developed countries.

At the domestic level, the African countries need to focus on the policy changes and institutional arrangements that can turn the “tide” (terms of trade) in favor of agriculture. This means that price controls and price distortions need to be minimized; government imposed taxes on agricultural produce must be reduced to competitive levels that can make agriculture attractive to both domestic and international private capital.

African countries also need to place more emphasis on post-harvest technology, marketing and rural infrastructure to engender strong linkages with agro-industry in order to add value to farm produce and enhance access to local and international markets. African countries need to adopt innovative land tenure policies that can strike an appropriate balance between smallholder and commercial agriculture and also promote increased access of women to agricultural land.

For the most vulnerable groups of society as well as for emergency situations, African Governments also need to put in place mechanisms through which they can effectively and timely manage emergency food purchase funds or physical food stocks for distribution to needy populations, with accurate targeting of the poorest groups to ensure minimum nutritional standards.

The developed economies also have a critical role to play. They cannot advocate for removal of distortions on Africa’s domestic front to free up their markets, while at the same time they spend billions of dollars to protect their markets from outside competition. The bulk of the global distortions in agriculture derive mainly from protectionist policies of the developed countries in denying fair access of Africa’s produce to their markets.

Various forms of trade barriers (tariff, quota and phytosanitary restrictions) constrain access of African produce to developed country markets. These barriers have to be removed to give African farmers a more equal access to the markets of the developed countries. The initial results from the AGOA initiative are quite encouraging and confirm that given a fair chance, African produce can compete on the world market.

The African Development Bank. Among the MDBs, and as the key development finance institution in Africa, we invest the most in agriculture and rural development, with regards to the share of concessional resources we allocate to the sector.

The Bank Group considers smallholder farmers as the dominant private sector group in the rural economy. We back our interventions in agriculture with complimentary investments in rural infrastructure such as roads, including feeder roads, market centers and storage facilities, rural water supply, and rural electrification.

The Bank will continue to support long-term investments in Africa countries to help create labor-intensive, nonfarm rural employment opportunities. We also intend to deepen our assistance to governments to build their capacity in establishing and maintaining early warning systems for food crops and more broad-based agricultural market information systems for effective decisionmaking.

The Bank adopts participatory approaches, both in the design and implementation of its projects and programs, to ensure that its interventions are sustained in the long run. And as part of this process, the Bank continues to support the decentralization of decisionmaking processes to enable rural communities have a real say in matters that affect their livelihoods. This approach has stimulated rural communities to set up their own development initiatives.

The Bank Group believes that, its future efforts should put more emphasis on three important areas: namely managing water for agriculture; building adequate institutional capacity; and scaling up the financial resources for agriculture.

Water management is one of the most important strategic entry points for achieving food security goal in Africa. We already know, from recent research results, of many low-cost innovative technologies and intervention packages that can make a difference.

On building adequate Institutional capacity, our efforts should not be tailored only to government institutions, but should address the needs of the local community organizations including farmers’ organizations as well as the private sector.

With respect to scaling up financing to agriculture, we feel that opportunities in the areas of microfinance and debt relief-related funds should be fully exploited.

We recognize that we have now more environmental and resource problems, more health crisis, more government and civil conflicts, which all pose serious risks on food security. These constraints or problems are not however, beyond the resource capacity and power of the international community at large. The call is therefore for a continued and revitalized joint fight against the challenges of food and nutrition insecurity, which need more focused, well coordinated, rightly directed, consistent, and adequately financed programs.

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