

Taking Action for the World's Poor and Hungry People

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SPEAKER SUMMARY NOTE

Session:	Challenges and Opportunities for Poverty Reduction
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Title:	Poverty and Hunger in Eastern and Southern Africa: Challenges and Opportunities

Introduction

Many researchers estimate that over the next generation, growing trade in food staples will dwarf that in all other African agricultural markets. Currently, the market value of Africa's food staples is estimated at some \$50 billion per year, or nearly three-quarters of the value of all agricultural production. Given growing urbanization and the highest rates of poverty in the world, Africa's marketed share of food staples will grow dramatically in the coming decades. Thus, production of food staples, for growing urban markets and regional cross-border trade, represent probably the largest growth opportunity available for African farmers. Facilitating expansion of these markets will, therefore, be critical for efforts at stimulating agricultural production growth, broad-based income expansion and poverty reduction. Only by raising efficiency in food production and marketing—which together employ 70% of Africa's poor—can Africa simultaneously achieve broad-based rural income growth and at the same time reduce urban poverty, by moderating staple food costs which consume over 60% of poor households' income. This paper outlines some of the challenges and opportunities in poverty and hunger reduction efforts in Eastern and Southern Africa.

Challenges in Reducing Hunger and Poverty in Eastern and Southern Africa

Technological Related:

- Drought/Floods (Climate Change)—which threatens sector performance yearly
- Over-dependence on rain-fed agriculture, with the distinct exception of Egypt
- Low agricultural input use, organic/in-organic
- Lack of availability of high quality seed
- Inappropriate production technologies
- Pests and diseases

Market Related Constraints:

- High marketing costs due to poor infrastructure
- Poor availability of market information
- Subsidies provided by Western countries to their farmers that depress prices for our farmers
- Sanitary and phytosanitary (SPS) requirements and lack of harmonization
- Challenging and dynamic market standards and requirements
- Under-developed agro-processing markets

Policy Related Constraints:

- Under-developed agro-processing markets
- Under-funding of the agro and rural sector among other competing national and regional priorities
- Restrictive land tenure and trade policies

Conflict: Destabilizes organized production (Darfur, Eastern DRC, Somalia)

Opportunities

While poverty and hunger are presently real challenges in Eastern and Southern Africa, there are a number of opportunities to address them systematically. Below are some of the areas of collaboration that hold a significant level of promise to address poverty and hunger in the region:

1. Market Opportunities:
 - Increasing Urban Population represents a growing market for rural producers
 - Further Promotion of local procurement by the WFP in COMESA's food surplus areas. Perennial food surplus areas are found in Zambia, Malawi and Uganda and Ethiopia.
 - Strengthening markets for the commodities procured by regional traders and the WFP by promoting school feeding initiatives and ensuring effective distribution systems in food deficit areas in the region. Food deficit areas of the region include drought prone areas and conflict areas such as Somalia, Eastern DRC and Darfur.
 - Strengthening the promotion of market instruments such as Commodity Exchanges and Warehouse Receipt Programmes
 - Strengthening quality standards of the produce marketed by producers in the region
 - Strengthening market and production information to enable policy makers, the private sector and actors like WFP gain a higher level of confidence on the status of food production in the region.
2. Emerging Strong Farmer Groups: Strengthening farmer groups, farmer associations and producer cooperatives such as Southern Africa Confederation of Agricultural Unions (SACAU), East African Farmers Federation (EAFF), East African Grain Traders Association (EAGC), enables development of consistent producers and increase commodity bulking capacity in the region
3. The existence of Food Enhancing Hot Spots (FSHES) in the region (Northern Zambia, much of DRC, parts of Uganda) with adequate rainfall every year presents a real opportunity to develop stable rain fed production zones.
4. The CAADP Agenda represents a recommitment of Africa to the agricultural and rural sector in form of commitment of budgetary resources (10%), effective stock taking and planning (CAADP national and regional compacts) and establishment of strong alliances for agricultural development
5. Regional Integration as way to fully harmonize policies and regional trade rules
6. WTO Negotiations as well as other efforts under EPAs, AGOA and other related multilateral and bilateral efforts

Conclusion

While the twin problem of poverty and hunger is a challenge in Eastern and Southern Africa, there are real opportunities to effectively address it, promote agricultural trade and strengthen the involvement of smallholder farmers in commercial trade operations by strengthening collaboration among various stakeholders in the Eastern and Southern Africa Region. These include further promotion of the WFP local procurement initiative, establishing stable school feeding programmes, strengthening the promotion of commodity exchanges and warehouse receipt programmes, building farmer groups, promoting the use of quality standards and expanding market information systems. In this regard, COMESA is already planning detailed discussions with all cooperating partners to design the required programs. Also, ensuring a good deal for African producers is key.