



## Mainstreaming the Outcomes of the Policy Dialogues on “Promoting Access to Regional and International Markets for Agricultural Commodities” into the CAADP Country and Regional Processes

### Dialogue Synthesis Report



### 1. Background

As agriculture is one of the dominant economic sectors and the largest employer of labour in Africa, high and sustained rates of agricultural growth are critical for stimulating development, alleviating poverty, and improving food and nutrition security. Agricultural growth rates in Africa averaged less than 3% in the last two decades, despite in the last few of years all five sub-regions of Africa recorded improved growth rates (UNECA and AUC, 2008)<sup>1</sup>. The poor performance in the agricultural sector is largely attributable to declining investment in agriculture; inadequate physical infrastructures; high cost and

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<sup>1</sup> United Nations Economic Commission for Africa and African Union Commission (2008). Economic Report on Africa 2008. Addis Ababa, Ethiopia.

shortage of fertilizers and high quality seeds; restricted access to credit; limited access to regional and international markets; and lack of a conducive policy environment.

Africa is a net importer of agricultural products: in 2008 Africa imported US\$58.9 billion worth of total agricultural products compared to US\$30.8 billion worth of exports; draining US\$28.1 billion of its scarce foreign exchange on net food imports (FAOSTAT, 2011)<sup>2</sup>. Patterns of agricultural export are characterized by a small number of traditional commodities and dependency on preferential access to a few markets in developed countries. Erosion of trade preference and increasing non-tariff barriers such as sanitary and phyto-sanitary (SPS) measures are calling for more innovative agricultural trade strategies which focus on inter- and intra-African regional trade. There is a need for all stakeholders to be well-informed and involved in strategies and programmes promoting agricultural productivity and trade, with a focus on smallholder farmers who bear the brunt of lopsided global agricultural trade policies.

It is against this background that the Forum for Agricultural Research in Africa (FARA) in collaboration with the European Centre for Development Policy Management (ECDPM), the Technical Centre for Agricultural and Rural Cooperation ACP-EU (CTA), the Foundation for Democracy in Africa (FDA), the NEPAD Planning and Coordinating Agency (NPCA), the Conference of Ministers of Agriculture (CMA/WCA), West and Central African Council for Agricultural Research and Development (CORAF/WECARD), Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA), Southern African Development Community (SADC) and other regional organisations in Africa launched in 2010 a Policy Dialogue process *on Promoting Access to Regional and International Markets for Agricultural Commodities*. Regional Dialogues took place in East and Southern Africa (Nairobi, Kenya, 24<sup>th</sup> –25<sup>th</sup> March 2010), and West and Central Africa (Accra, Ghana, 23<sup>rd</sup> – 24<sup>th</sup>, June), while a final Dialogue brought together the key messages from the four sub-regions, with the objective of mainstreaming them into the CAADP Country and Regional Processes (Addis Ababa, Ethiopia 14<sup>th</sup> –15<sup>th</sup> December 2010).

## **2. Main Issues and Recommendations**

The critical issues that were discussed during the 'synthesis' Policy Dialogue in Addis Ababa included: how to bridge agricultural policies with trade policies in order to ensure that trade policy processes promote agricultural market access at all levels; how the different institutions and stakeholders involved in CAADP processes could promote inter and intra-African trade; the roles of the non-state actors in the formulation and implementation of agricultural and trade policies; and how the NPCA and the RECs could promote inter-pillar collaboration in the formulation and implementation of agricultural and trade policies.

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<sup>2</sup> FAOSTAT 2011: <http://Faostat.fao.org/site/535/desktopDefault.aspx?>

### ***Towards More Coherence and Synergies between Agricultural and Trade Policies at National and Regional Levels***

- Regional agricultural trade should be strategically mainstreamed into Africa's economic development plans such that trade policies respond and adapt to the needs of agricultural policies and not the other way round. Further, agricultural and trade policies must be systematically harmonized at national and regional levels, for instance through a 'bridging process' led by the permanent secretaries of the trade and agriculture ministries (with regular input of private sector) to design and implement a comprehensive strategy for both agricultural and trade guiding all trade negotiations and aid programming.
- African governments should ensure that trade and investment policy frameworks effectively promote the development of agriculture. This could be achieved by: (i) designing tariffs and other trade policy tools (safeguard mechanisms, rules of origin, et cetera) that would protect farmers from disruptive imports while contributing to gradually building up farmers' competitiveness; (ii) providing fiscal and monetary incentives for investing in agriculture; and (iii) strengthening relevant institutions for trade facilitation.
- Agricultural trade policies should focus on linking small farmers to markets and promote the use of relevant institutions and tools (e.g. risk management instruments, ICT-based Market Information Systems, Warehouse Receipt Systems, Commodity Exchanges, etc.).
- All this requires regular policy-dialogue among all actors to facilitate building up consensus at regional level on bottlenecks to more coherent agricultural and trade policies, without overlooking the political economy of agricultural trade; solutions cannot be purely technical but have to be rooted in political and institutional realities.

### ***Towards More Involvement of the Non-state Actors in the Formulation and Implementation of Policies***

- Private sector should be actively and transparently involved in the pre- and post-CAADP compact processes, starting with an active role in CAADP country teams and including the planning, implementation, monitoring and evaluation of agricultural and food investment plans.
- Joint venture initiatives between public and private sectors, such as Public Private Partnerships (PPPs), should be supported in order to leverage agricultural productivity and market access programmes.
- Funding for agricultural and food security investment plans could be made contingent upon evidence of the participation of all relevant stakeholders (private sector, non-state actors, et cetera) in the design of CAADP compacts and investment plans.

- Continuous consultations between stakeholders along the supply value chain is important to ensure ownership, sustainability and relevance, enabling trade policy instruments to benefit from right partnerships to leverage for synergy, skills and resources.

### ***Towards More Evidence-based Policy Research and a Multi-stakeholder Knowledge Sharing and Dialogue Process***

- There should be a more efficient dialogue between researchers, policy makers, private sector and CSOs. Platforms for sharing case stories are an essential tool and catalyst for fuelling sectoral policy analysis and development.
- All stakeholders should make more use of the media to highlight lessons learnt and to influence policy processes, starting with CAADP implementation at all levels.
- Every CAADP pillar should enhance its capacity to generate and disseminate through various channels (e.g. knowledge and information web-based portal, electronic and print media, workshops/seminar) the pillar-specific evidence-based research results, including the pillar-specific success stories or best practices. This will add value to the formulation and implementation of sound agricultural and trade policies in Africa.
- Every CAADP pillar should work closely with the country teams, Regional Strategic Analysis and Knowledge Support Systems (RESAKSS)/SAKSS and other stakeholders in order to generate and utilize accurate data for modeling agricultural and trade-related priority investment areas and growth options.
- FARA in collaboration with the African Union Commission (AUC), NPCA, Pillar Lead Institutions, RECs (and with relevant other partners like ECDPM and CTA) should continue to support multi-stakeholder regional policy dialogues and ministerial policy brief series on vital agricultural development and trade issues. This would contribute to the formulation and implementation of agricultural development and trade policies that are driven by research evidence and broad-based consensus.

### ***Enhancing the Roles for NPCA and RECs in Promoting Inter-pillar Collaboration and Supporting Agricultural and Trade Policies Formulation and Implementation***

- NPCA should guide the intensification of efforts for an increasing involvement of the non-state actors in the CAADP processes at all levels.
- NPCA and RECs should further strengthen the capacities of private sectors and farmers organizations at the national and regional levels in order to allow them to engage with government technically on agricultural and trade policy issues.
- RECs should develop regional CAADP compacts and regional agriculture and food security investment plans that clarify how to bridge agricultural and trade policies and how to coordinate the programming of financial resources devoted to agriculture and trade, including Aid for Trade. These compacts would be important tools for promoting regional integration.