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insights

Feature Interviews

H.E. Tumusiime Rhoda Peace
African Union Commissioner
for Agriculture

José Graziano da Silva
Director-General, Food and
Agriculture Organization of the UN

Emma Bonino
Minister of Foreign Affairs Italy

Thematic Focus: Family Farming and Food Security

Farming and Food in Africa and the Mounting Battle over Land, Water and Resource Rights
UN Year of Family Farming - Africans Show the Way with a New Vision for Agriculture
CAADP at 10 - Water is a Missing Link in the Southern African Development Community
Promoting Family Farming: The European Union

Thematic Focus : Family Farming and Food Security

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Governance, Regional integration, Economics, Agriculture and Trade (GREAT) insights is ECDPM's monthly magazine covering a wide range of topics related to economic development in Africa and the developing world. *GREAT insights* gathers expert analysis and commentary from a wide variety of stakeholders with different perspectives

GREAT insights is published by ECDPM

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This publication benefits from structural support by ECDPM's following partners: The Netherlands, Belgium, Finland, Ireland, Luxembourg, Portugal, Sweden, Switzerland, Austria and the United Kingdom.

ISSN: 2215-0593 (print)
2213-0063 (online)

Editorial

Agriculture is a central piece of the agenda for African transformation. Declared the United Nations (UN) Year of Family Farming and the African Union (AU) Year of Food Security, 2014 will be particularly interesting, with key challenges in terms of policy directions and international processes.

While there is reason to rejoice about the gradual return of food security to the centre stage of African and international debates in recent years, intense debate prevails on the most appropriate policy direction and agricultural models that should take priority. Some believe that agricultural policies have been focused disproportionately on industrial farming, which often goes along with mono-cropping and heavy use of inputs (at the expense of environmental conservation). Others respond that this is important to produce enough to feed the growing African population, as alternative approaches focused on smallholder farming, multi-cropping and biodiversity protection will not result in sufficient agricultural growth.

In terms of international processes, all players should use the attention and focus in 2014 to effectively make progress on agriculture development and food security. This requires enhanced cooperation rather than divisive debates captured by polarising discourses around large-scale industrialised versus smallholder farming. The main issue is how best to harness sustainable agricultural growth and enhanced cross-sectoral linkages, while preserving rural development, livelihood and diversity. A big challenge will be to make bolder progress in the Comprehensive Africa Agriculture Development Programme (CAADP). This process, which will reach its 10th Anniversary in 2014, has achieved a lot in terms of raising overall awareness about the centrality of agriculture for African growth but public financing of CAADP national investment programmes and private sector-led activities are still insufficient.

In this issue of *GREAT insights* we have asked the 'custodians' of the UN Year of Family Farming and the AU Year of Food Security, the Director General of the Food Agriculture Organization and the AU Commissioner for Agriculture, what outcomes they expect from these international processes, particularly in terms of the progress required on concrete measures to promote family farmers and better harmonisation and alignment of development partners' support to those priorities. The Italian Minister of Foreign Affairs looks at agricultural dynamism in Africa in the context of the growing discourse in Europe on 'economic diplomacy' and exploring linkages between the AU Year of Agriculture and the 2014 Italian European Union Presidency.

Other articles are dedicated to the risks of heralding Africa as the new frontier for commercial farming, presenting 'alternative' development pathways and agricultural policies. Issues covered include food sovereignty based on customary land rights, agro-ecological approaches to diversifying farming systems, rehabilitating degraded farmland, the importance of water management, the need for an enabling policy and regulatory framework for smallholder farmers, and the key role of women. References to regional experiences in Africa, as well as family farming in Europe, also provide additional insights.

Finally, as 2013 draws to a close and a challenging New Year starts, the editorial team of *GREAT insights* proudly introduces a new look and format to your publication, part of our goal of continuously improving its relevance and quality. We would like to take this opportunity to thank all the contributors to *GREAT insights* this year, and the institutions that have joined forces with us to produce thematic issues. We hope you keep enjoying *GREAT insights* and welcome your suggestions and contributions. With our best wishes for 2014.

San Bilal (Editor), *Head of Economic Transformation Programme, ECDPM*
Francesco Rampa (Guest editor), *Manager Food Security Programme, ECDPM*





ECDPM talks to H.E Tumusiime Rhoda Peace, Commissioner for Rural Economy and Agriculture African Union (AU), on what the African Union Year of Food Security means for her.

Interview with

H.E. Tumusiime Rhoda Peace

Why did the African Union choose 2014 as the Year of Food Security, and what are the outcomes expected from this initiative?

Rhoda Peace: Over the last decade, through the instrumentality of the Comprehensive Africa Agriculture Development Programme (CAADP), African agriculture and food security concerns have been elevated on the policy agenda at national, regional, continental and global levels. Thanks to such concerted actions, the performance of Africa's agriculture has been encouraging – with annual agricultural GDP growth having averaged nearly 4% since 2003 – well above the agricultural share of GDP growth rates for the past several decades. It is absolutely necessary to sustain the momentum of such positive change and development taking place in Africa well into the next decade. It is in this context that African Union (AU) Heads of State and Government took the decision declaring 2014 the Year of Agriculture and Food Security in Africa, and marking the 10th anniversary of CAADP. It is, indeed, an important milestone and an opportunity that should be seized in the resolve to continue to prioritise agriculture and food security in policy and implementation to generate concrete results and impacts for the citizens of Africa.

In congruence with this labelling, the Africa Year of Agriculture and Food Security will be commemorated across Africa, in Member States, Regional Economic Communities (RECs), Continental organisations, and, of course, at the AU Headquarters in Addis Ababa, Ethiopia. It will be a year that gives opportunities to communities, state and non-state actors in Africa to interact, express their voices on what works in agriculture and chart the focus and targets for the next decade. The process will facilitate these voices to contribute towards setting the agenda for sustaining the CAADP momentum, which forms the basis for African leaders to recommit themselves to realising the vision set out in 2003 for a food and nutrition secure and poverty-free Africa.

It is also remarkable that the Africa Year of Agriculture and Food Security is to be commemorated in 2014 following, and overlapping with, the first half of the year, the continued celebrations of the 50th anniversary of the Organization of African Unity (OAU)/AU, particularly at a time when the thrust of the African Union Agenda 2063: "A Shared Strategic Framework for Inclusive Growth and Sustainable Development" will be adopted. Truly,

the agenda of agricultural transformation is strategically positioned to provide enormous opportunities for an inclusive and sustainable development in Africa.

This decision was reached after a debate amongst African Heads of State who had proposed that 2013 be marked as the Year of Agriculture and to mark ten years since CAADP was endorsed by AU Heads of State in Maputo in 2003. The Heads of State Debate noted that in 2013, the African Union would be celebrating 50 years since the establishment of the OAU, now the African Union. The Heads of State argued that agricultural issues are so important and they should not be missed or allowed to be submerged in the 50 years celebrations. This is how they came to the decision of the year 2014.

What will the AU's Year of Food Security mean for farmers on the ground, in particular family farmers? How will the AU Year of Food Security relate to the UN's Year of Family Farming?

The Year of Agriculture and Food Security has been informed by a number of studies, lessons and experiences. For example, the *Sustaining the CAADP Momentum* study noted that the smallholder farmers remain the bedrock and will continue to influence agricultural development on the continent. In Africa, you cannot talk of agriculture without linking directly to smallholder farmers because they constitute over 90% of all farming households. So, the African Year of Agriculture is for farmers more than anyone else.

The UN's Declaration of 2014 as the Year of Family Farming will augur well with the Africa Union Year of Agriculture in Africa. We will work with the UN system to ensure that the commemorations are used not only to celebrate but more so to chart the future of agriculture for the next decade. And to ensure that whatever innovations and initiatives come into play, the smallholder farmer and the family farm remain at the centre.

How will the AU's Year of Food Security advance the CAADP agenda?

Africa has recognised that enhanced agricultural performance is key to growth and poverty reduction through its direct impact on job creation and increasing

opportunities, especially for women and the youth, on food security and improved nutrition; and on building resilience. This is due to both the heavy weight of agriculture in African economies and livelihoods, and the strong linkages that agriculture forges with other sectors.

So, 2014 is an important year for CAADP. Why do I think this is so? Just as I mentioned earlier, in 2003, the AU Assembly of Heads of State and Government adopted the Maputo Declaration on CAADP setting broad targets of 6% annual growth in agricultural GDP, and allocation of at least 10% of public expenditures to the agricultural sector. The African leaders signalled their intentions to achieve these targets through collective actions across the continent focused on improving agricultural planning and evidence-based policies, scaling up investment to implement these plans and policies, and harmonising external support around Africa-owned plans.



There is much appreciation from many that a decade of CAADP experience has demonstrated that Africa as a region has a well-crafted, home-grown, country-driven framework guiding policies, strategies and actions for agricultural development and transformation, which has been instrumental in raising the profile of agriculture at the centre of the development agenda at national, regional and global levels. This has in turn facilitated mobilisation

and alignment of multi-stakeholder partnerships and investments around national agriculture and food security investment plans that have been developed through the CAADP process.

To what extent is CAADP contributing to a change in national agriculture policy making and planning? What has the CAADP changed at the level of farmers and has it promoted African agriculture development? Is there anything that CAADP could do differently?

In fact, CAADP has also encouraged and facilitated evidence-based planning and commitment to institutional and policy reforms with a sense of mutual accountability for actions and results, as well as for demonstrated African ownership, and for active engagement of partnerships of multi-stakeholders rather than leave the process to governments and donors. Mechanisms such as agriculture sector reviews at country level, and annual CAADP Partnership Platforms are increasingly being used as review and dialogue platforms in fostering accountability for results on agriculture performance.

It is significant to note that to date, 36 AU Member States have signed CAADP compacts; 30 among them have developed formal national agriculture and food security investment plans – and these have become their medium-term expenditure frameworks for agriculture; thus resulting in improved agricultural planning and raising the prospects for the desired results and impacts. At regional level, four out of eight RECs have also signed Regional CAADP compacts out of which three have developed fully costed investment plans. On average, public agricultural expenditures have risen by over 7% per year across Africa since 2003; nearly doubling public agricultural expenditures since the launch of CAADP.

Why do we think these compacts and investment plans are so important? This is simply because what Africa lacks is not resources; neither is Africa lacking seeds, fertilisers or other forms of technologies. What Africa has been lacking are evidence-based policies; systems, credible institutions to better deliver services. Africa needs to focus more on accountability systems that can better guarantee use of own resources. This is what CAADP has been trying to put in place and it brings in a heightened role of political leadership in all this.

Since one of the key principles of CAADP is to benchmark what is happening on the continent, CAADP has been supported by our knowledge support system Regional Skills and Knowledge Support System (ReSKASS) to put in place credible data and information for decision making. For example, demand for more clarity has been expressed in terms of further elaboration and refinement of the CAADP targets, and assessment of technical efficacies and political feasibilities for success as well as identifying key factors that define success in agricultural transformation. The AU Commission and the NEPAD Planning and Coordinating Agency (NPCA) have recently commissioned studies to try and provide some answers to these vexing questions. The outcomes of the studies are expected to provide an important input into the series of deliberations and mutual learning and experience sharing opportunities planned to span the entire Year of Agriculture and Food Security in Africa, marking the 10th anniversary of CAADP.

“ 2014 is just a base year for the next decade and, therefore, will be used to engage and consult national, regional, continental and global stakeholders on what should constitute goals, actions and targets for the next decade. ”

The benchmarking has also helped us to understand where we stand today in terms of performance. Just as an example, annual agricultural GDP growth has averaged nearly 4% since 2003 – well above the agricultural GDP growth rates for the previous several decades. Several AU Member States have also achieved significant improvements in tackling the challenges of hunger, undernourishment and extreme poverty. It is important to note that in most African countries, it is the improvement of agricultural performance that can contribute towards the achievement of pro-poor growth. Studies have indicated that a 1% gain in GDP originating from agriculture generates a 6% increase in overall expenditure of the poorest 10% of the population. In contrast, a 1% gain in GDP originating from non-agricultural sectors creates zero growth.

These experiences are strong indicators that inclusive growth, as advocated under CAADP is a process requiring sustained and concerted actions and efforts in application of quality policies, strategies, programmes, and investments driven by strong political commitment and leadership and fostering effective partnerships. It is, therefore, desirable that the next decade will build on this momentum to deliver in an accelerated manner, positive changes towards prosperity that directly impact on livelihoods of African citizens through an inclusive agricultural transformation process.

What should the Development Partners do differently/better for African Food Security? For example, in the context of CAADP, which improvements (if any) can be expected from the Multi-Donor Trust Fund support to CAADP in the next 10 years?

First, and for the next decade, we want to pursue CAADP efforts differently. As such, we have developed a CAADP Results Framework that is comprehensive and beyond agricultural production productivity but to cover all parts of the value chain and support mechanisms that come with it. In practice, this will be the instrument that will rally all actors to pursue different efforts but are measured jointly and reported likewise. What we expect from different partners is to use or work with us in Africa and better harmonise their support, better coordinate their support and align to country-drawn and led priorities. The implementation of the CAADP Results Framework will require partners to do things differently because the instruments will call for supporting and reporting on country own policies and strategies.

Specifically to the Multi Donor Trust Fund, alignment and harmonisation will be expected to be enhanced. As you may recall, this trust fund was established to support African institutions to better coordinate CAADP support. This has been done to some extent and will be expected to continue measuring up to the momentum generated. But as we move more into creating and supporting country

actions for impact and results, we may need to see some of the support mechanisms targeted to country level. Some of these may need to support institutional reforms for ensuring better delivery of services. We may need to get into support to specific policy reforms in-country. We are currently discussing with other partners and our stakeholders on multi donor trust fund and so we will guide on the governance of this trust fund to better focus and help us to achieve better results for impact as we pursue prosperity for African citizens.

What role will development partners from the emerging economies play during the AU Year of Food Security? What is the plan for engaging with them in the future, also in regards to CAADP where they currently play no part?

We expect all partners to be on board in support of the 2014 Year of Agriculture. I should have indicated that 2014 is just a base year for the next decade and, therefore, will be used to engage and consult national, regional, continental and global stakeholders on what should constitute goals, actions and targets for the next decade. We call on non-traditional partners and those from emerging economies to come and we forge credible partnerships and bring in more private sector for investments in agricultural value chain. Private sector is going to drive agricultural transformation in the next decade. All efforts that are being put in place are intended to enable and create incentives and packages for investments for jobs and for wealth creation. We will support governments to better develop policies that can facilitate targeted investments. We want to ensure that agriculture is attracting others sectors for investment such as mobile phone companies, banks, energy sectors as well as infrastructure. This is going to be our campaign.

This interview was conducted by Francesco Rampa, Manager of Food Security Programme at ECDPM.

Her Excellency Tumusiime Rhoda Peace is the Commissioner for Rural Economy and Agriculture at the African Union.

ECDPM speaks with José Graziano da Silva, Director-General of the Food and Agriculture Organization (FAO), on what the United Nations Year of Family Farming means for the FAO.



Interview with

José Graziano da Silva

Why did the African Union choose 2014 as the Year of Food Security, and what are the outcomes expected from this initiative?

Graziano da Silva: By choosing to celebrate this year, we recognise that family farmers are leading figures in responding to the double urgency the world faces today: improving food security and promoting sustainability. This is crucial because of the challenge to feed a growing population expected to top the 9 billion mark in 2050, while at the same time responding and adapting to climate change.

Nothing comes closer to the sustainable food production paradigm than family farming. The preservation of natural resources is rooted in their productive logic and the highly diversified nature of their agricultural activities gives them a central role in promoting the sustainability of our food systems and ensuring food security.

With estimates indicating over 500 million family farms in the world, family farming is the predominant form of agriculture and main food producer in developed and developing countries. This group – which includes smallholders and medium scale farmers, peasants, indigenous peoples, traditional communities, fisher folk, pastoralists, collectors and many others – is also the main food producer in most of the world.

The International Year of Family Farming gives us a clear opportunity to highlight the strategic role of family farmers in rural development but also to promote policy and strategy changes that will strengthen their capacities. FAO is excited to coordinate this International Year, working together with other partners, including the World Rural Forum who presented the proposal in 2008 to hold the year and the European Union, both members of the International Steering Committee for the year.

It is important to recall that many family farmers, especially subsistence farmers, are part of the 70% of the world's food insecure population that lives in rural areas of developing countries. For a long time they have been treated as part of the hunger problem. But that is the mentality we need to change. Family farmers are part of the solution to the hunger problem.

With adequate support they can quickly realise their productive potential, increasing the availability of food in

poor communities, preserving traditional food products, supporting the shift to more balanced diets, safeguarding the world's agro-biodiversity and contributing to food security and sustainable development as a whole. All of this makes family farmers key actors to achieve the Millennium Development Goals and to participate in the post-2015 debate that all of us expect will bring us closer to the sustainable future we want.

What will the AU's Year of Food Security mean for farmers on the ground, in particular family farmers? How will the UN Year of Family Farming relate to the African Union Year of Food Security?

First and foremost, it is important to have an understanding of what policies work and what policies don't work. We want to see what we can do in terms of creating a policy environment in which small farms can thrive.

In fact, that is the main objective of the International Year: to foster an effective and supportive pro-family farming policy environment tailored to local conditions.

Regional dialogues with family farmers, which took place in preparation for the International Year, show that overall their needs are similar throughout the world: technical assistance and policies that build on their knowledge and bolster sustainable productivity increase; appropriate technologies; quality inputs that respond to their needs and respect their culture and traditions; special attention to women and youth farmers; strengthening of producers' organisations and cooperatives; improved access to land and water, credit and markets; and, efforts to improve their participation in value chains.

The exact mix of support will of course need to be adapted to the specific characteristics and circumstances of different regions and countries.

Governments can show their political commitment by building juridical frameworks, institutions and policies that address the needs of family farmers. Establishing platforms for policy dialogue with family farmers organisations in order to generate consensus and build and implement effective policies is another major target of the International Year of Family Farming. International cooperation can foster policy dialogue among all stakeholders and help build and support the implementation of concrete and sustainable solutions.

“The International Year of Family Farming gives us a clear opportunity to highlight the strategic role of family farmers in rural development but also to promote policy and strategy changes that will strengthen their capacities.

In these efforts, we are already exploring the synergies between the International Year of Family Farming and the African Union Year of Agriculture and Food Security. As 2014 is a critical year for the African Union and the Comprehensive Africa Agriculture Development Process (CAADP), we must find effective ways to link the discourses surrounding these events into a cohesive, valuable process.

How do you see the link between promoting family farming and the increased importance given to working with international investors for agriculture - through Grow Africa, for example?

African economies are expected to grow by 5.2% in 2013 based on increasing export growth, rising commodity prices and strong domestic demand from growing urban markets. These trends can provide market opportunities for smallholders (family farms) to make the transition from subsistence farming.

While these markets offer better opportunities for small farmers, they often struggle to respond to demands for larger production volumes, consistency of supply and higher quality, finding themselves at a disadvantage due to high transaction costs and low bargaining power. At the same time, there is also growing concern with the impact that certain international investments in agriculture, sometimes dubbed landgrabbing, can have on food security.

In both cases, a defining factor is how we will move forward. A study made by FAO shows that farmers are the main investors in agriculture in developing countries. That means that every policy and action should have farmers, especially family farmers, at their centre.

The quality of the investment and how they take into consideration local communities and their needs will also be crucial. That is why the Voluntary Guidelines on the Global Governance of the Tenure of Land, Fisheries and Forestry are important. Approved by the Committee on World Food Security (CFS) in 2012, these guidelines will help governments safeguard the rights of people to own or access land, forests and fisheries. FAO supported the process to approve the Voluntary Guidelines since the very beginning and we are as committed to work with governments and other developing partners in its implementation.

The Principles for Responsible Agriculture Investment, which is currently being discussed in the CFS, will complement the guidelines.

Together these two instruments help assure investments and other decisions affecting agricultural and rural development support food security.

To what extent is CAADP contributing to a change in national agriculture policy making and planning? What has the CAADP changed at the level of farmers and has it promoted African agriculture development? Is there anything that the CAADP could do differently?

Since 2003, CAADP has contributed to changing both the discourse and focus of African agricultural development. Placing agriculture at the top of the development agenda is an important achievement. The objective is to increase national investment in agriculture as well as mobilise additional international resources.

Currently, about 40 African countries are engaged in the CAADP process: 36 have signed CAADP compacts, about 28 have formulated investment plans, and 20 business meetings have been organised. The bulk of



the countries engaged in this process have increased the percentage of their national budget going to the agricultural sector, although most are still far from the 10% target of the Maputo Declaration. Further, 15 countries have received between US\$20 and 50 million from the Global Agricultural and Food Security Programme (GAFSP).

CAADP compacts and investment plans are helping to align investment in agriculture towards a combined growth-and-food security objective. Their development has been accompanied, in some cases, by transformative policy reforms and public expenditure analyses, and has helped to mobilise new innovative financing mechanisms in support of African agriculture.

To a certain degree, this process has provided a forum where civil society and the private sector – producer organisations in particular – can participate in continental, regional and national discussions on agricultural investment priorities.

FAO has been closely involved in the process, providing funding, technical assistance and human resources at country, regional and continental levels.

Food security and agricultural development in the region are also receiving strong and renewed backing. In July 2012, for instance, at a meeting co-organised by the African Union, FAO and the Lula Institute, African countries set 2025 as the target date to end hunger. African heads of state and government should confirm this target next year.

What should development partners do differently/better for African food security? For example, in the context of CAADP, what improvements (if any) can be expected from the Multi-Donor Trust Fund support to the CAADP in next 10 years?

Development partners have played an instrumental and supportive role in the CAADP process. The Development Partners Task Team (DPTT) has proven an effective instrument for partners to communicate, coordinate and support one another in an organised and coherent manner.

“ African economies are expected to grow by 5.2% in 2013 based on increasing export growth, rising commodity prices and strong domestic demand from „ growing urban markets. ”

Similarly at country level, agricultural sector working groups have played an important role.

The Multi-donor Trust Fund has helped develop the capacity of Africa's CAADP institutions. It does not however include all the donors supporting the CAADP process. So there is scope for further improving donor support. Moving forward, the MDTF may also want to consider how it could more systematically invest resources to strengthen capacity at the level of regional economic communities, particularly institutions which are meant to support countries in the CAADP implementation process. Establishment of a technical assistance facility that countries or regions could draw on would enable FAO to contribute our extensive human resources toward this goal, particularly the interface of policy/investment/programme delivery, which is at the heart of the issue of CAADP implementation at country level.

What role will development partners from the emerging economies play during the UN International Year of Family Farming (IYFF)? What is the plan for engaging with them in the future, also in regard to the CAADP where they currently play no part?

In the years leading up to the IYFF, FAO has engaged diverse countries across the globe in thinking about and planning for the UN Year of Family Farming. Experiences in every country provide opportunities for all actors to reflect on and distil lessons from good practices developed at country level, particularly with respect to effective models for delivering services to smallholder farmers and to increasing farmer income.

Development partners from emerging economies such as China, India, Brazil and South Africa have different histories related to supporting family farming. Sharing lessons in terms of the role of family farming in ensuring food security and equitable socio-economic development is crucial. Many of these countries also have a wealth of relevant technologies and capacities, which could be very useful in assisting implementation of investment plans.

This interview was conducted by Francesco Rampa, Manager Food Security Programme at ECDPM.

José Graziano da Silva is Director-General of the Food and Agriculture Organization of the United Nations.



ECDPM talks to Italy's Minister of Foreign Affairs, Emma Bonino, on food security in Africa and 'economic diplomacy' in her country.

Interview with Emma Bonino

What is the meaning of the United Nations (UN) Year of Family Farming for a G8 country like Italy? Are agricultural sustainability and protection of biodiversity still possible in European agriculture?

Bonino: Italy is a country where smallholders still constitute an important portion of the agricultural sector. Our agricultural comparative advantages are based on quality rather than on quantity. Therefore smallholders are an asset for our agriculture. We therefore do attach great relevance on the need to support family farming, both within national boundaries and in international fora and activities, and to encourage youth to engage in the agricultural sector. The latest G8 Comprehensive Accountability Report shows that 70% of our international development initiatives related to agriculture include activities in support of smallholders, with a major emphasis on the role of women as main contributors to family feeding and food security of their communities. Moreover the Italian agro-food sector is mostly family-based with strong consortiums and cooperatives which ensure assistance to farmers including finance and training, research and marketing. The awareness of the importance of preserving and promoting agricultural traditions and biodiversity is deeply rooted in our country. Italy's experience clearly shows that protection of biodiversity is not only possible in advanced and intensive agriculture but it is the best way to diversify and add value to products, thus ensuring the economical and environmental sustainability of the agricultural value chain. Biodiversity is an economic asset for us: as a matter of fact, the Italian agro-food sector is known worldwide for the diversity, high quality and traceability of its products and the attention paid to policies and processes sensitive to environment and human health. Let me add that the EU financial plan for 2014-2020 indicates ambitious goals as far as environmental sustainability is concerned. The so-called "greening of direct payments" is one of the major innovations of the Common Agricultural Policy (CAP) reform proposals.

In the future, will 'economic diplomacy' in Italy include linking the Italian private sector to the growing African economies? Does the Italian government have a coherent position on this matter? Are Italian entrepreneurs ready to expand into the African markets (e.g. some African entrepreneurs would like to buy more Italian equipment but often do not succeed in entering business relations with Italian companies)?

First of all, I would rather use the present tense. Linking our private sector to African economies is the present, and for sure the future, of our economic diplomacy. Italian economic diplomacy is already working to foster links between Italian businessmen and those of our neighbours in the southern shores of the Mediterranean and in the Sub-Saharan Africa. Italian entrepreneurs are eager to find new opportunities in the African markets. We have a coherent strategy based on two major goals. First of all building on the experience and knowledge of local realities accumulated by our Development Cooperation to stimulate partnerships between non-governmental organisations (NGOs) and private sector. Second, increasing awareness on both sides: Italians still don't fully know the range and depth of opportunities of the African market, while Africans are not fully aware of the Italian leadership in many sectors. The Italian Ministry of Foreign Affairs encourages such reciprocal interest by supporting business delegations, for instance in the framework of outgoing missions: in the last two years, we took selected delegations of Italian CEOs to Ethiopia, Mozambique, Libya, Egypt and Algeria. Moreover, every time we host a political delegation we organise a Country Presentation and a Business Forum in order to increase awareness of such markets.

Do you think such business relations could include launching joint ventures between Italian agricultural small and medium enterprises (SMEs) and African farmers, using Italian expertise and/or technology to improve quality and add value to agriculture and water management?

African and Italian farmers are fully complementary: Africa has got the resources, particularly when it comes to soil and young people. We can offer know-how, technology and a special, unique sensitivity and respect for the land and its products, which is a distinctive aspect of the Italian culture. The Italian triennial cooperation guidelines include agriculture as a priority sector and the Sub-Sahara and North Africa regions amongst the priority areas. In this context, the Italian Cooperation has financed several projects both in the form of direct investment (joint venture) and in the form of Italian exports directed to African SMEs, active in the agro-industry sector. As an example, it is worthwhile mentioning that more than 30% of concessional credit lines granted by the Italian government in Tunisia are in favor of local SMEs operating in the agro-industry field. The Italian Cooperation has also financed several

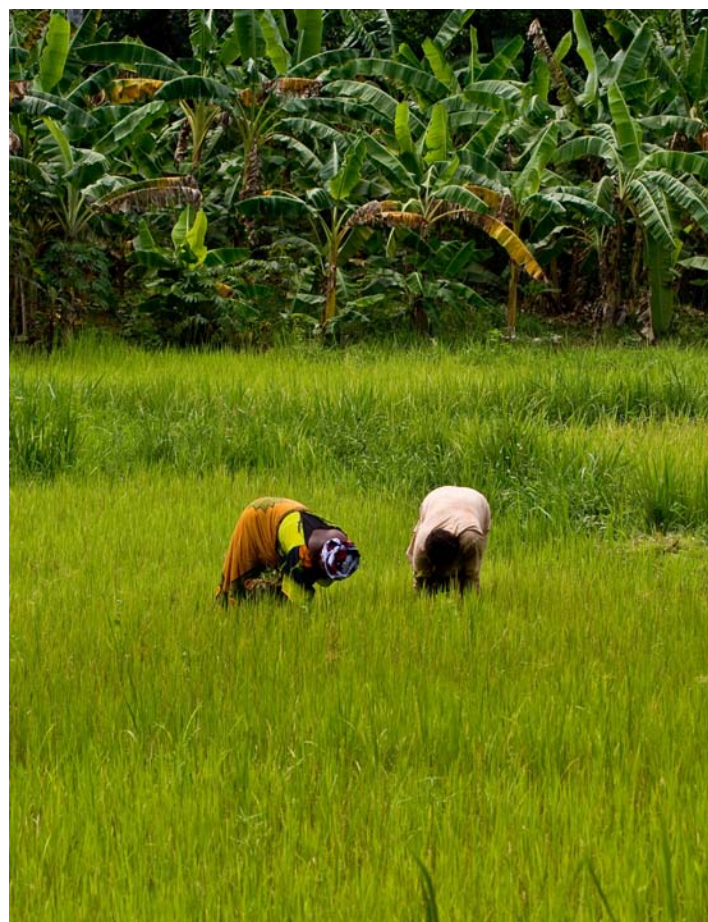
infrastructure projects in Africa (recently in Kenya and in Senegal) related to irrigation and water. Moreover, recent amendments of the law regulating our Development Cooperation encourage Italian companies to create joint ventures for the development of the private sector in beneficiary countries.

What do you think about linking extractive industries with Italian foreign direct investment (FDI) to the promotion of agricultural growth in Africa?

High cash flows generated by FDI by extractive industries can give a boost also to public investment in the agricultural sector, which is pivotal for the well-being of people considering the high percentage of African working population involved in agricultural activities. But such investment is beneficial to local communities only if it is managed with the highest standard of transparency. For these reasons Italy promotes transparency in the extractive sector and the fair use of its revenues through the support of the Extractive Industry Transparency Initiative (EITI)..

How could you connect the African Union (AU) Year of African Agriculture in 2014 to the Italian EU Presidency 2014 as well as to the Expo2015 focusing on “feeding the planet”?

We will closely link the Italian Presidency to the Expo 2015, whose theme is “Feeding the Planet: Energy for Life”. To do so, we identified Milan as the centre of gravity of those events related to the semester that will take place in Italy. The theme of the Expo may, in fact, become the leitmotif



for many European Union Councils, e.g. in the agriculture, energy or the environment fields, thus forging the European position on such matters. During the presidency, we look forward to working with our African partners on these crucial issues, building on the fruitful on-going dialogue we have with them at all levels. Africa has a great potential to become an agricultural power and is today a priority region for Italian Development Cooperation activities in sectors such as rural development, food security, microcredit, water and sanitation, sustainable economic growth, combating desertification. The Italian presidency is an opportunity to turn such national priorities into European priorities.

How important it is to promote policy coherence for development (PCD) given the growing discourse in Europe on ‘economic diplomacy’ (to the possible detriment of development cooperation objectives)? How can PCD help improve global food security?

Food and nutrition security rests on four pillars: food availability, accessibility, proper utilisation – which underpins good nutrition - and stability. In addition, nutrition is greatly impacted by non-food factors like health, gender equality, and sanitation. There is a clear consensus around the fact that eradicating hunger and malnutrition requires integrated and coherent strategies. We are confident that Expo 2015 will contribute to furthering PCD for Food Security since it will provide a unique platform for sharing experiences, knowledge, products and production processes. In our efforts for ensuring food security we must combine both approaches: the people-centred one and the market-oriented one. On one side, we do need functioning markets in developing countries in order to increase food production, distribution and conservation. On the other side, the main target must remain the well-being and economic sustainability of the small rural producers and the people in general. This balance could be ensured by microfinance, capacity building, and integration of smallholders in medium-scale enterprises or cooperatives. But I want to make this clear: I firmly believe that in most developing countries one of the most effective development cooperation tools has been to give women the means to become entrepreneurs. I think that this could be seen as the perfect link between aid and trade. Exactly for this reason, in view of the 2015 Universal Exposition in Milan, we launched last October “WE-Women for Expo”, a global network of women that in the next two years will work together to improve the universal right to food and to push forward the post-2015 development goals.

This interview was conducted by Francesco Rampa, Manager Food Security Programme at ECDPM.

Emma Bonino is an Italian politician, who has been Minister of Foreign Affairs in Italy since April 2013. She is a former European Commissioner for Consumer Policy, Fisheries and the European Community Humanitarian Office (ECHO).



Farming and Food in Africa and the Mounting Battle over Land, Water and Resource Rights

Africa is being heralded as the new frontier for commercial farming but, as governments and investors sign deals, a counter-movement of family farmers is promoting alternative pathways to development.

The International Year of Family Farming is now underway, and never before have family farmers in Africa been more under threat.

Large land deals between African governments and usually foreign (and sometimes domestic) investors have seen swathes of the countryside leased or concessioned, often for as much as 50 to 99 years. From Senegal in West Africa to Ethiopia in the Horn, and down to Mozambique in the South, land considered 'idle' and available has changed hands, with profound implications for local people and the environment.

With estimates ranging from 56 to 227 million hectares globally (with 60-70% of this in Africa), what is clear is that what has taken place in the past 5-10 years is a rapid transformation of landholding and agricultural systems, not seen since the colonial period. Underpinning these deals is the longstanding failure of many African states to recognise, in law and practice, the customary land rights of existing farming households and communities, and the perpetuation of the colonial legal codes that centralise control over such lands in the hands of the central state, as trustee of all unregistered property.

It is not only African land and water that is now so desirable for international investors, but also growing African consumer market demand for food. In the face of growing urbanisation and consumer demand in Africa's cities, the challenge is to scale up production and connect small farmers to markets, lest the benefits of rising consumer demand in Africa's cities be netted by importers and foreign supermarkets.

The 'land grab' raises questions not only about land rights and transparency in investment, but also what constitutes inclusive agricultural development and how to bring it about. With growing urgency among development institutions globally to arrive at agreement on how to stop land grabs while still promoting investment, the stakes are high.

Replace the farmers?

At a recent meeting of the Economic and Monetary Community of Central Africa (CEMAC), parliamentarians and small-scale farmers from across this resource-rich region butted heads over what kind of investment was needed. The Vice President of the Pan African Parliament, Honourable Roger Nkodo Dang of Cameroon, presented an argument in favour of the 'industrialization' and commercialisation of agriculture:

“We really need to attract investments in the agricultural sector... It is very important for us to work to find the solution for food shortage that we have. Most African countries have an old-fashioned agriculture. The industrialization of agriculture is very important. We need to have great areas of land to use agriculture. We see that when Africans do agriculture, it is not the type of agriculture that is bringing development. We have great, great areas of forests, and we need to work so that we can use those lands. How can we reconcile this development with the people who are in rural areas?”

Discourses such as these ignore the inevitable tensions that arise: clear-cutting tropical forests to make way for palm oil plantations destroys carbon sinks; removing local farmers to make way for commercial plantations might enable efficient food production for global markets, while undermining the food security of local people. Often the presumed outcome is that African farmers will become wage workers on their own land, yet most assessments – including The World Bank’s 2011 report on ‘rising investor interest’ in agriculture¹ – have found that they are inevitably worse off as workers than as self-employed farmers. Yet there are emerging answers, coming from Africa’s farmers themselves.

Invest in Africa’s farmers, don’t take their land

Invest in African farmers rather than give away their land, argued Alangeh Romanus Che, of the Regional Platform of Farmers’ Organisations of Central Africa (PROPAC), a network of membership-based farmers’ associations across ten countries in Central Africa. ‘All farmers depend on land as their principal capital, any denial of this access will impact negatively on farmers’ said Che.

The international movement of peasants and family farmers, *La Via Campesina* (literally, ‘the peasant path’), has rejected efforts to ‘clean up’ land grabs by creating good governance guidelines for the private sector to

“In the face of growing urbanisation and consumer demand in Africa’s cities, the challenge is to scale up production and connect small farmers to markets, lest the benefits of rising consumer demand in Africa’s cities be netted by importers and foreign supermarkets.”

regulate itself. And African farmers’ organisations from across West, East and Southern Africa are now mobilising around an alternative vision for the future, not of corporate-dominated industrial agriculture, but family farming feeding Africa and the world. Central to their programme are two inter-related concepts. *Land sovereignty* means that development should not be based on dispossession but on securing the rights of communities to their land, water and forests, and to supporting their types of farming methods, including low-cost agroecological farming. *Food sovereignty* means privileging the local, ensuring the farm and trade policies support local and regional markets, and limit the access and control over resources by corporations. In these ways, they argue, investment in African farmers – rather than investment that dispossesses them – can produce ample, healthy and safe food.

From ‘land grabs’ to ‘responsible agricultural investment’

These arguments reflect the on-going battle over how to define and ensure ‘responsible agricultural investment’. On 28-29 November 2013, the Committee on World Food Security presented its ‘zero draft’² for discussion at an Africa-wide consultation held in Johannesburg – and the response was telling.

African farmer organisations insisted that transparency is just a starting point; any responses must grapple with the substantive question of what kind of changes are being brought about, in land use, in social relations, in wealth distribution. Following years of chronic neglect, African agriculture clearly is in desperate need of investment. Farming continues in the face of official neglect, poor infrastructure, farm subsidies in Europe and North America, and competition with these cheap imports in local markets. What is needed for a turnaround in African agriculture must start with reconsidering the slashing of



subsidies, agricultural deregulation and trade liberalisation that constituted the policy formula foisted on many African states over the past three decades.

Responsible investment frameworks tend to wrongly assume that ‘investments’ are necessarily external, private and land-based. Other possibilities include public as well as private investments in infrastructure, goods and services to enable farmers to commercialise and scale up production, access cheap and appropriate inputs, improve their productivity, add value to their products, access better markets, and fetch better prices for improved quality products.

As observed by Ambassador Mary Mubi of Zimbabwe, permanent representative to the Committee on World Food Security, at the Africa consultation: ‘Women provide most investment in food production in Africa. It is smallholder farmers who are the biggest investors. When we talk about investors, too often we think of a man coming off a plane with a briefcase – we need to rethink this. Most people in the world are fed by smallholder farmers, and they are women.’ The challenge remains to develop concrete alternative development programmes that confirm land and other resource rights in the hands of local farming families and invest in them.

Notes

1. See: http://siteresources.worldbank.org/INTARD/Resources/ESW_Sept7_final_final.pdf
2. See: http://www.fao.org/fileadmin/templates/cfs/Docs1314/rai/CFS_rai_Zero_Draft_01_August_2013_EN.pdf



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EPA UPDATE

by San Bilal and Quentin de Roquefeuil

The success deal reached in Bali on 7 December is an important milestone, the first under the World Trade Organization (WTO). Hopefully, similar successes will also prevail in the Economic Partnership Agreement (EPA) negotiations in 2014. But the Bali deal also further highlights the question of erosion of preferences for EPA signatories, in particular given the improved market access package for least-developed countries and potentially improved rules of origin foreseen in the WTO deal.

European Development Commissioner, Andris Piebalgs and Trade Commissioner, Karel De Gucht, also announced in Bali on 6 December some €400 million support over five years, through EU regular aid channels, to help developing countries “most in need” (including ACP ones) implement the Trade Facilitation package agreed at the WTO, including “a contribution of up to €30 million to a dedicated international trade facilitation facility”.

Southern African Development Community (SADC): negotiations dragging on
GREAT has been able to gather details on the two latest rounds of EPA negotiations in the SADC region. Little concrete progress

seems to have been achieved and offers have been reduced; whether the parties will manage to reach an agreement in early 2014 remains to be seen.

Market Access issues in the agricultural sector appear to be one of the main sticking points in the negotiations. In September, the European Union (EU) agreed to provide a “downwards revised” offer in agricultural goods, since it considered South Africa’s revised offer insufficient to match its own. In a later round in November 2013, where it presented its revised offer, the EU indicated that it would be ready to settle for Southern African Customs Union’s (SACU) current offer, should SACU accept the EU’s.

The said “revised downwards offer” was apparently not enthusiastically received by South Africa during the November negotiations, for various reasons, including that the proposed quotas did not cover current trade flows. South Africa reportedly asked for additional time to consult with its industry on whether the EU’s more modest offer was acceptable. On this last point, the EU is said to have remarked that this request did not show “a sense of urgency” on the part of the SADC negotiating group.

Further, and still on the topic of agriculture, no common position seems to have

emerged on agricultural safeguards. As we have reported in the past, Southern African countries demand the inclusion of a specific agricultural safeguard, something the EU has opposed up until now, arguing that the horizontal safeguard clause provides ample protection.

Positions also remain entrenched on the coverage of Export Duties in the agreement, with SADC squarely refusing the current text. The EU, for its part, considers the securing of a supply of raw materials from the region as crucial for its industries, and does not appear ready to budge on this issue.

On a more general note, a list of outstanding issues in the SADC EPA seen by GREAT insights gives a sense of the way to go if an agreement is to be reached in time for the October 2014 “deadline”. Producers dependent on preferential margins to the EU market in the regions are “preparing themselves” for a disruption of exports, according to information received by GREAT.

The next round is planned for January 2014.

Dr. San Bilal is Head of the Economic Transformation Programme and Quentin de Roquefeuil is Policy Officer at ECDPM.



United Nations Year of Family Farming - Africans Show the Way with a New Vision for Agriculture

Despite successes, rampant hunger, malnutrition and poverty in Africa revolve around land degradation and rural poverty. Solutions require rehabilitating degraded farmland and developing a new source of income for farming households.

Despite the successes of the Green Revolution we still have rampant hunger, malnutrition and poverty in Africa. It seems we still have not learnt that hunger, malnutrition, poverty and many of the other things on our 'to-do' wish list are part of a bigger and inter-related complex of issues that revolve around land degradation and rural poverty. A solution, I believe, has to address these issues by rehabilitating degraded farmland (which today affects 38% of agricultural land), as well as developing a new source of income for farming households. In Cameroon, smallholder family farmers have made great progress in this direction.

Let's start by looking at why we have not made better progress towards solving Africa's agricultural problems. Maybe it is to do with the size and complexity of all the interacting factors impacting on the lives of people scattered across numerous sectors and strata of society. Additionally, the 'development' agenda is very

multi-disciplinary and is partitioned between rural and urban situations. Furthermore, it requires some detailed understanding of biophysical and socio-economic issues best addressed within holistic integrated rural development programmes. Unfortunately, however, we live in a world where problems and solutions are confined to disconnected silos. How to proceed is also influenced by the very different perspectives of people depending on whether they are looking at the issue from industrial or the least developed countries.

Land degradation and rural poverty

Many of the problems arising from poverty in urban areas of least developed countries stem from inward migration from the countryside, thus central to making progress across all the development targets is tackling the root causes of land degradation and rural poverty. The biggest issue in the rural tropics is that actual crop

yields are well below the yield potential of modern varieties (this difference is called the Yield Gap). The reasons for this are complex. First, there is the crippling decline of soil fertility and a loss of agroecological functions. This results in land degradation and the loss of biodiversity above- and below-ground. This is then exacerbated by persistent high levels of poverty which deny farmers access to modern technologies, such as fertilisers and other agricultural inputs.¹ Consequently we have billions of marginalised people, many of them farming households, trapped in poverty and suffering from malnutrition, hunger and poor health. They also lack access to clean water, medical and other social services, and opportunities for education and employment – indeed all the things highlighted by the Post-2015 Development Agenda.

Closing the Yield Gap

To try to get a better understanding of the issues in rural Africa, staff of

the World Agroforestry Centre asked farmers in Cameroon what they would like to see from agriculture. This was twenty years ago. Their illuminating and unexpected request was for the chance to reintroduce and cultivate the indigenous trees from which they used to gather fruits, nuts, leaves, medicinal products etc. when they were hunter-gatherers before the destruction of forests and woodlands. The response to this request has led to a multi-disciplinary innovation to address the complex set of issues driving the downward spiral of land degradation and social deprivation in which land degradation drives poverty and poverty drives land degradation.

“Central to making progress across all the development targets is tackling the root causes of land degradation and rural poverty.”

This is the cause of the Yield Gap. To close this Yield Gap it is necessary to reverse the downward spiral by rehabilitating the land and creating a source of income. In simple terms, this involves a 3-step approach², which can easily be adapted to the needs of different sets of biophysical and socio-economic situations found in different locations.

Rehabilitation

Rehabilitation involves restoring the ecological health of the farming system to address declining yields and to promote food security by ensuring the proper functioning of the agro-ecosystem (Step 1). Central to this agro-ecological approach, is the diversification of farming systems with a wider range of crops (the planned biodiversity), which create niches for numerous natural organisms (the unplanned biodiversity) that are vital for the completion of complex food chains and the closure of numerous interactive life cycles. These, together with nutrient, carbon and water cycling, perform nature's ecological balancing tricks that ensure the proper functioning of the agro-ecosystem to address declining yields.

In Cameroon, the farmers said they wanted to grow the indigenous fruits

and nuts that they used to gather from the forest. Diversifying the farm with these local tree species has many ecological advantages, but, even more importantly their products are also highly nutritious and marketable, as well as being traditionally and culturally important. These species also have large tree-to-tree genetic variation which offers enormous potential for the simple, inexpensive and rapid development of horticultural cultivars with superior quality and commercial potential. The domestication of these species is Step 2 and it is being done successfully in participatory mode by the farmers within their family farms.

The final step is to commercialise and promote local cottage industries adding value to these products (Step 3). As a result of this third step it is becoming clear that, in addition to getting farmers onto the bottom rung of the ladder out of poverty, men and women in villages and small towns are setting up small businesses and cottage industries to process tree products for wider markets. This occurs as part of an integrated rural development programme that is introducing access to micro-finance and a range of training programmes. This is creating business and employment opportunities in value-adding that lift communities out of poverty. An important 'take-home message' from this is that while agro-ecological approaches to farming can substantially enhance food security, it is the addition of commercialisation which provides the incentive for further diversification and which lifts small family farmers out of poverty.

“It is the addition of commercialisation which provides the incentive for further diversification and which lifts small family farmers out of poverty.”

The 'Trees of Life'

The second step, mentioned above, is crucial in solving Africa's problems and it is one where Africa has enormous untapped potential. It is also where great progress is being made. The World Agroforestry Centre, together with other research teams around the world, has developed a participatory approach engaging local communities to domesticate these 'Trees of Life' using appropriate village-based technologies which can be implemented by poor farmers in remote villages around the tropics. This process and how it addresses big global issues is the subject of a book by this article's author.³ The trees are also of course long-lived perennial plants that sequester carbon both in their biomass, in the soil and in other vegetation.

Albeit on a small scale (around 10,000 farmers over 500 villages), the results of this initiative in Cameroon have been spectacular and the integration of these trees in local farming systems has acted as a catalyst for the stimulation of social, economic and environmental benefits – a list too long to present here, except to say that lives are improving and the average income from community nurseries has risen from US\$145, US\$16,000, and US\$28,350 after two, five, and ten years, respectively. One consequence of this is that some youths have decided to stay in the community rather than seek urban employment because they can see a future in their villages. These benefits are addressing many of the constraints arising from the failure of modern agriculture - malnutrition, poverty and environmental degradation, including climate change. These are the same constraints that are responsible for the loss of productivity, the global food crisis and hunger in nearly half of the world population.

The most innovative thing about this approach is that it is based on a request by poor marginalised African farmers who are struggling to survive by scratching a living from seriously degraded farmland while living outside the cash economy and so without the money to take advantage of modern technologies. Their illuminating and unexpected request for the chance to reintroduce and cultivate the indigenous trees producing fruits, nuts, leaves, and medicinal products has actually identified the key which unlocks the Rural Development Syndrome (relief from hunger, malnutrition, poverty, social injustice, environmental degradation and loss of ecological services). A list of 12 lessons from this study was presented at a recent Food and Agriculture Organization workshop on Food Security in Rome⁴. This is based on the delivery of Multifunctional Agriculture to simultaneously rehabilitate degraded farmland and diversify poor smallholder farming systems with the types of indigenous species that the farmers in Cameroon were

looking for. These principles point the way to integrated rural development through the sustainable intensification of tropical agriculture, rural business development for economic growth, and enhanced well-being for billions of marginalised people.

Hopefully, “a new Eden is around the corner” if we put our minds to it and put our money where our mouths are. This could be the “kick-off” to a match were we start scoring many of the Post-2015 Development Goals through an explosion in sustainably intensified family farming in Africa and beyond.

Notes

1. See p. 192 of UNCTAD's *Trade and Environment Review 2013 Wake up before it's too late* at <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=666>.
2. A more detailed description is available at: <http://www.foodsecurity.ac.uk/blog/index.php/2013/01/three-steps-to-bridging-the-yield-gap/>
3. Leakey, R. 2012. *Living with the Trees*

of Life – Towards the Transformation of Tropical Agriculture. CABI. <http://blog.worldagroforestry.org/index.php/2012/07/24/leakey-book-says-trees-of-life-could-nourish-the-planet-build-wealth/>

4. Leakey, R. 2013. *Twelve Principles for Better Food and More Food from Mature Perennial Agroecosystems*. <http://www.rogerleakey.com/publication/>



Dr. Roger Leakey is the Vice Chairman of the International Tree Foundation, UK.

Monthly highlights from ECDPM's Weekly Compass Update

www.ecdpm.org/weeklycompass

Development Co-operation Report 2013: Ending Poverty,

Weekly Compass, No. 171, 6 December 2013

The Development Co-operation Report (DCR) from OECD is the key annual reference document for analysis and statistics on trends in international development co-operation. This year, the DCR explores what needs to be done to achieve rapid and sustainable progress in the global fight to end poverty. The OECD launched the report with a meeting with experts discussing the key issues that the report raises.

European Development Days: first look,

Weekly Compass, No. 170, 29 November 2013

The EDDs 2013 brought 5,000 people to Brussels to discuss big global development issues and the post-2015 development agenda this week. ECDPM participated in a number of panels, including on Corporate Social Responsibility, private sector for development and on blending finance. Read this short blog which outlines some of the outcomes from the event, and displays a gallery of selected images from across the two days. ECDPM interviewed a number of people including the OECD Development Assistance Committee (DAC) Chair Eric Solheim, Owen Barder from the Centre for Global Development, and seventeen others that gave their take on the issues and challenges. These will be released over the next few weeks.

EU support for conflict prevention,

Weekly Compass, No. 169, 22 November 2013

Approximately 1.5 billion people live in countries affected by repeated cycles of political and criminal violence. The European Union has released two notes on how the European External Action Service (EEAS) and the European Commission can better work on peacebuilding and security issues using a comprehensive approach. The first note explores how all the external cooperation instruments of the EU are relevant to conflict prevention, peacebuilding and security issues and how these can be addressed in a cross-cutting manner. Among the typical areas of specific peacebuilding support that more often require external assistance is continuous support to mediation and dialogue processes and to the long-term implementation of peace agreements.

Ideas trump interests in political economy,

Weekly Compass, No. 168, 15 November 2013

Recognising ideas rather than interests is crucial to understanding political economy, according to Dani Rodrik in his report. He says that hidden assumptions play a role in all economic models, but the failure to see the role of ideas in shaping interests has especially serious implications in political economy. He argues there are three components of the problem in political economy - preferences, constraints, and choice variables. Once ideas enter these frameworks, a much richer and more convincing set of results can be obtained, he adds.



CAADP at 10 -Water is a Missing Link in the Southern African Development Community

Water has a low profile in Comprehensive Africa Agriculture Development Programme (CAADP) processes in the Southern African Development Community (SADC), presenting an opportunity to develop stronger ties between the agriculture and water sectors in the region.

Why water in SADC?

One third of the population in the SADC region live in drought stricken areas, and over 200 million are at risk of seasonal water shortages due to climate variability. Most predictions suggest regional climate will be characterised by increased incidences of extreme weather events, including droughts and floods. Combined with increasing populations, particularly in urban areas, the SADC region faces a growing challenge in sustainably managing its water, food and energy demands. Of particular interest to the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN) is the water and food relationship across SADC, especially considering that over 70% of the region's fresh water resources are shared between two or more member states.

CAADP

It has been ten years since the signing of the African Union's Maputo Declaration that launched the Comprehensive Africa Agriculture Development Programme (CAADP), through which governments pledged to invest 10% of national budgets in agriculture to reach 6% sectorial growth. The CAADP framework has helped put agriculture back onto national and regional development agendas, and turned the tide on declining public and private sector investment in the sector. The CAADP process uses evidence-based analysis and prioritisation in the design, implementation and evaluation of agricultural investment programmes to ensure national agendas reflect the needs and aspirations of local communities, along four pillars.

Water in SADC national CAADP compacts

Water is only explicitly mentioned in CAADP Pillar 1, which seeks to promote sustainable use and productivity of agriculture water in both rain-fed and irrigated systems. Water is, however, implicit in Pillars 2— improving rural infrastructure and trade related capacities for market access; 3— increasing food supply and reducing hunger; and 4— agriculture research, technology dissemination and adoption.

To date, ten of fifteen SADC member states have signed national CAADP compacts to focus implementation of agreed agriculture sector priorities within each country. Only Malawi, Mozambique and Zambia explicitly mention water among their proposed priority investments, whilst Lesotho and Madagascar mention sustainable natural resources management and Zimbabwe names irrigation as a priority. The limited profile of water in CAADP processes is a missed opportunity for linking water and food in national priority setting and investment planning.

Experiences from the Limpopo River Basin

Over the past three years, FANRPAN has been implementing the Limpopo Basin Development Challenge Programme aimed at increasing the productivity of rain-fed agricultural systems, while reducing risk in Limpopo River Basin countries (Botswana, Mozambique, South Africa and Zimbabwe).

Most of the 7 million rural residents of this basin have a vested interest in water in national CAADP compacts and investment plans. The people largely rely on smallholder agriculture for their livelihoods, and require predictable access to adequate quantity and quality. Per capita water storage in the region is very low, and highly variable rains make sustainable agriculture even more challenging. Investment in infrastructure through CAADP—particularly small water infrastructures designed for multiple uses—should feature prominently in Limpopo Basin country compacts and investment plans.

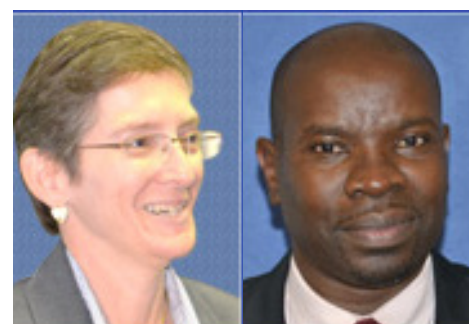
“The success of CAADP can only be realised if water is addressed as a critical component of planning and investment in agriculture,” - especially smallholder agriculture.

Linking planning processes in meaningful ways

The CAADP processes provide an opportunity to develop stronger ties between the agriculture and water sectors in the SADC region. Concurrent with CAADP are on-going Integrated Water Resources Management (IWRM) planning processes at the very same regional, national and sub-national levels. These processes are rarely—if ever—undertaken with an awareness of each other. This is particularly critical in a region such as SADC, where 15 rivers are shared by more than one country, so called trans-boundary river basins.

SADC is uniquely placed to be a test case for linking CAADP and IWRM processes given its capacity, level of economic activity, infrastructure and enabling policy environment. The region has both water and agriculture sector policy frameworks that should be linked to ensure economic growth and build resilience.

The success of CAADP can only be realised if water is addressed as a critical component of planning and investment in agriculture— especially smallholder agriculture. Because this sector supports well over half of the region's population, it is imperative that CAADP and IWRM processes begin acknowledging their co-dependency. Failure to do this means the vision of a food and nutrition secure SADC region without hunger and poverty will remain elusive.



Dr. Amy Sullivan (Left) is Programme Manager for Natural Resources and Environment, and Mr. Ian Mashingaidze (Right) is CAADP Programme Manager at the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN), South Africa.



Smallholder Commercialisation in Africa: A Framework for an Enabling Environment

Smallholder farmers require a policy and regulatory environment which directly supports them if they are to freely and fairly participate in markets and contribute to poverty alleviation. This article explores what such an enabling environment framework for smallholder farmers could look like.

Smallholder farmers, in all their diversity, form the backbone of economic activity in most African countries. Given the right support, they have the potential to feed the continent in future and make a serious contribution to equitable rural economic development.

Donors and African governments are increasingly convinced that this sector has a role to play in the continent's social and economic revival. The Comprehensive African Agriculture Development Programme (CAADP) states that 'the smallholder sector dominates much of Africa's productive activity and its labour market, and will continue to do so for the foreseeable future. The sector therefore constitutes a core component of long-term growth and poverty-reduction strategies and should be at the heart of efforts to expand the supply base and raise the competitiveness of African economies.'¹ To this end, CAADP aims to 'raise the capacities of smallholders to meet market requirements'.

In a similar vein, the World Bank has recognised that African economic transformation will be driven by a more modern agricultural sector, built primarily on the basis of commercially viable small family farms.² To support this transformation, the World Bank has started to develop a collection of indexes measuring different factors affecting farmers, on and off their farms. One of these, the Benchmarking Business in Agriculture (BBA) programme, aims to inform and leverage policy reforms to enable the emergence of a stronger commercial agricultural sector. Its focus is on factors affecting market-

oriented smallholder farmers beyond the farm gate. It will aim to compare data on regulatory reforms, as well as longer-term policies and investments in areas such as fertiliser, seeds, mechanisation, land, water, finance, rural energy, trade, market access, and rural transport that are needed to commercialise the agricultural sector.

Initiatives such as the BBA can be a useful tool to help gather and disseminate analysis and information on government policies, regulations and interventions that have succeeded or may succeed in addressing the market failures faced by market-

“The key to broad-based transformation of rural livelihoods in Africa is the development and implementation of policies, regulations and interventions that facilitate increased and better quality production on-farm.”



oriented smallholders. However, the key to broad-based transformation of rural livelihoods in Africa is the development and implementation of policies, regulations and interventions that facilitate increased and better quality production on-farm, in addition to enabling market integration beyond the farm gate.

The majority of African smallholders are facing shrinking landholdings, input and output market failures, nutrient poor soils, increasing climate variability and shocks, asset poverty, inability to self-organise commercially, and limited to no political power. At the same time, urban populations are growing, creating more domestic and regional demand for agricultural produce, and thus more opportunities for rural transformation and poverty reduction.

Evidence and experience show that targeted and well-implemented government policy interventions and regulations, which address both the production and marketing challenges facing smallholder farmers, combined with policies to deliver basic infrastructure and essential services, can enable even subsistence-oriented farming households in marginal areas to become economically viable and market-oriented. To explore the policy options necessary for such a transformation, the African Smallholder Farmers Group has developed a framework which groups the enabling environment into foundations, pillars, and cross cutting issues.³ Based on a review of the literature, we have made suggestions for indicators that would

show whether the foundations and pillars for rural smallholder market integration are in place.⁴

I. FOUNDATIONS

Our framework begins with the need for the necessary foundations to be put in place. Without these, rural households cannot exercise choice or respond to opportunities in the economy. These foundations are the policies and regulations that support:

- **Rural infrastructure**, including rural feeder roads, modern energy services, irrigation and large-scale drainage, and storage and warehousing. Investment in such infrastructure has been shown to be essential for agriculture growth and poverty alleviation and is also strongly associated with better functioning markets.
- **Rural public services** that support human development, such as health, education, water and sanitation. Recent evidence suggests that services can influence input productivity and efficiency in agriculture.⁵
- The rural **investment climate** or enabling environment for business, including small-scale businesses which provide the basis on which entrepreneurship can flourish.

II. PILLARS

These are policies that target marginal and market-oriented smallholder farmers to help improve their economic viability, production, and market access. These interventions constitute the **pillars of an enabling environment for smallholder farmers**.

There is broad agreement on the set of challenges that need to be addressed in order to increase smallholders' success but the conventional approach to addressing these challenges often focuses on solutions that are likely to benefit only a small group of wealthier and better-connected farmers – for example, those near roads or irrigation systems, or belonging to efficient farmer organisations – while failing to address the particular constraints faced by smallholders

with fewer assets or who lack access to infrastructure, resources and representation.

Under each of the pillars identified, we pose a set of questions to indicate whether government policies, actions and regulations are addressing these constraints in a manner that is gender-sensitive and promote environmentally sustainable production approaches.⁶

Pillar 1: Access to land and water

The natural resources on which agriculture is based – above all land and water – are becoming degraded and there is growing competition for their use. It is essential that there are policies in place to support smallholder farmers' access to these resources.

With regards to land for example, we need to consider, amongst other factors, whether smallholder farmers, in particular women farmers and the poor, have access to justice and affordable legal services to resolve land disputes.

For water, a possible indicator would be whether the government prioritises investment in infrastructure to improve on-farm water management and water harvesting technologies?⁷

Pillar 2: Inputs and credit

To scale up their participation in markets, smallholder farmers need to produce more of the right kinds of products to allow them to take advantage of market opportunities throughout the year. To this end, they need inputs such as affordable, good quality seeds and soil fertility management services, along with affordable credit.

Pillar 3: Markets

In considering ways to support smallholder farmers, the focus has tended to be on the supply side and ways to increase production. But being able to sell their output and ensuring adequate returns is often an even more critical issue, and is a serious challenge, for Africa's smallholders.

Farmers need more support from both the public and private sector to access buyers and optimise their returns. Governments can take steps to boost local demand and provide incentives to buyers, both in the public and private sectors, to source from smaller producers. Issues of power also need to be considered as the majority of farmers will not benefit from being integrated into corporate supply chains without concerted action to protect their interests and ensure fair value sharing, and support for farmer groups.

Pillar 4: Research and extension services

Evidence confirms that investments in agricultural research for development have a significant effect on growth in the agricultural sector. Investment levels in Africa are far below what is needed to help farmers effectively respond to the challenges of increasing production sustainably and building resilience in the face of climate change. Farmers also need to have a greater say in setting research agendas and participating in research trials.

A strong extension system is critical to moving research between the laboratory and the field, but extension coverage in Africa is very low, requiring renewed investment from the state, including in providing incentives for private providers. Appropriate research and extension can also help narrow the gender gap in agriculture.

Pillar 5: Collective action

Collective action allows farmers to utilise economies of scale to lower their costs and improve their competitiveness, as well as strengthening their marketing capacity and helping them manage risks. Groups are better placed to lobby policy makers and influence research and development assistance agendas. Collective action is particularly beneficial to women farmers. Governments should recognise farmer groups, including more informal ones, and encourage and facilitate collective action, including through offering tax incentives to producer organisations.

III. CROSS CUTTING ISSUES

Finally, policies need to address the crosscutting issues of gender inequality, climate change resilience and adaptation, and food security. These issues need to be integrated into both foundation and pillar policies, particularly in marginal areas where smallholder farmers are more vulnerable and asset poor.

Conclusion

Few dispute that support for smallholder farming will contribute to food security, poverty reduction and climate resilience both in Africa and globally. Consensus is also growing that smallholders need to increase their participation in markets if they are to escape poverty and contribute to national and household food security. Our research suggests that the policy and regulatory environment in most African countries is not conducive to smallholder market participation. Future policies, laws, budgets and interventions would need to be based on consultation with smallholder farmers, and should include more recognition of the specific constraints they face and make greater allowance for their needs, as set out in the above framework.

Notes

1. CAADP Pillar 2 Strategic Area D: Strengthening the commercial and technical capacities of farmer organisations and trade associations, Conference of Ministers of Agriculture for West and Central Africa CMA/WCA.
2. World Bank, 2008, World Development Report: *Agriculture for Development*.
3. See www.asfg.org.uk/framework-report/ overview for a detailed literature review and analysis of these policies. This framework is based on a literature review done by Hester Le Roux and was prepared with the assistance of ASFG member organisations who participated in the ASFG Farmers as Entrepreneurs working group meetings. Self Help Africa, Christian Aid, Practical Action, and CAFOD staff members have led the process with contributions from Garden Africa.

4. We have not included a full list of the indicators in this article. To see our full work and list of indicators view the executive summary (<http://www.asfg.org.uk/downloads/asfg-executive-summary.pdf>) and the full report (<http://www.asfg.org.uk/downloads/ASFG-Framework-Report.pdf>)
5. Data is however limited and further research is needed.
6. See <http://www.asfg.org.uk/>
7. The full list of indicators as well as a further explanation for the 'access to land and water' pillar can be accessed on our website: <http://www.asfg.org.uk/framework-report/access-to-land-and-water>



Kato Lambrechts (Left) - Christian Aid- and Sarah Montgomery (Right) -CAFOD- are members of the UK-based network the Africa Smallholder Farmers Group (ASFG). For more details see <http://www.asfg.org.uk/>



CAADP at the Regional Level – State of Play in the Regional Economic Communities

African regional economic communities (RECs) are key to increase recognition of the importance and potential added value of regional action on agriculture. All RECs, in general, recognise agricultural development as a priority, but the manner in which regional action on this thematic area is taken forward, and the degree of progress, has differed.

The Comprehensive Africa Agriculture Development Programme (CAADP) is increasingly being used as a comprehensive tool to direct existing regional food security strategies, policies and programmes towards addressing regional agricultural challenges. Following the trailblazing example of West Africa, most RECs are now in the process of finalising or validating their regional CAADP compacts and investment plans. Experiences from the regions show that a regional approach to food security can catalyse political and investment traction, attracting important stakeholders from all sectors to the regional cooperation processes. Below we present brief summaries of the current state of play in each REC¹.

COMESA

In October 2012, the Common Market for Eastern and Southern Africa (COMESA) adopted a roadmap on how to move towards a regional compact and investment plan. The roadmap was developed in consultation with representatives of member states, regional farmers' organisations, the NEPAD Planning and Coordination Agency (NPCA), the African Union Commission (AUC) and

development partners. The CAADP Unit of the COMESA Secretariat engages with other relevant divisions within the Secretariat and specialised regional agencies, to ensure coherence and create synergies. Due to the specificities of the COMESA region the roadmap furthermore developed a twin-track approach of developing a CAADP compact and investment plan at COMESA level, while enhanced cooperation in specific areas (e.g. production and value chain development) will be pursued together with EAC and SADC in the tripartite context. The roadmap also includes analytical work required to inform the investment plan and an agreement to establish a regional CAADP coordination group for development partners at COMESA level, in order to strengthen alignment and harmonisation of development partners' support. To ensure effective implementation of the roadmap, the capacity of the COMESA CAADP Unit has been strengthened through the recruitment of a CAADP Regional Process Facilitator and a Policy Analyst. Following an initial review meeting in May of this year, the COMESA CAADP Compact and Investment plans were validated in September and will soon be signed by the regions' Ministers of Agriculture.

EAC

The East African Community (EAC) developed a regional Food Security Action Plan and other initiatives geared towards regional agricultural development. This was done outside of the CAADP framework up until August 2011, when the EAC agriculture ministers mandated the EAC Secretariat to start the regional CAADP compact process. To deliver on this mandate, the EAC Secretariat developed a roadmap for the regional CAADP process in August 2012, which has been approved by the EAC Council of Ministers. To address capacity constraints of the Agriculture and Food Security Department of the EAC Secretariat, a regional process facilitator was recruited in early 2013 with the support of NPCA. The roadmap contained an ambitious timeline to develop a compact and investment plan by early 2013. A stocktaking meeting took place in Bujumbura in September 2013 to review the draft of the current compact and ensure its alignment with existing regional policies such as the EAC Food Security Action Plan. It is expected that EAC CAADP compact and investment plans will be signed in early 2014.

ECCAS

The Economic Community for Central African States (ECCAS) initiated the development of a regional agricultural policy in 2008, while launching the regional CAADP process in May 2012. A meeting of the regional CAADP steering committee was held on 14-15 March 2013 to guide the preparations of a regional Round Table for the adoption of the regional compact and investment plan. Followed by a consultation workshop with Non-State Actors to collect their views on the regional policy, compact and investment plan. After this period of consultations the region adopted its CAADP compact in July 2013 and the regional investment plan was validated at the technical level in September of the same year. The ECCAS Secretariat is also seeking to set up a CAADP Development Partners' Coordination Group at the regional level.

ECOWAS

The Economic Community of West African States (ECOWAS) is currently implementing the region's agricultural policy (ECOWAP) adopted in 2005 through the regional compact of 2009 and the Regional Agricultural Investment Plan (RAIP), finalised in 2010. In recent months, the region has put in place a number of multi-stakeholder task forces on specific themes (e.g. regional food reserves and value chains), in order to identify gaps and develop investment programmes to implement the RAIP and deliver on the objectives of the ECOWAP. Most progress has been made on regional food reserves, one of the key areas of regional cooperation specified in the RAIP, for which support has been mobilised, including from members of the G20. Alignment and harmonisation of development partners' support is promoted through the regional ECOWAP/CAADP Donor Working Group, which generally is perceived by both the ECOWAS Commission and development partners as a well-functioning and useful platform. To facilitate the implementation of the RAIP, a Regional Agency for Food and Agriculture (RAFA) was launched in September 2013. This aims to address severe

capacity constraints of the Department of Agriculture and Rural Development of the ECOWAS Secretariat, primarily equipped for coordination and monitoring – not implementation – of the ECOWAP/CAADP. The Agency, based in Lomé will implement initiatives that aim to translate policy instruments into concrete action, such as regional agricultural intensification and pastoralism development programme, regional market regulation programme and the social safety nets programmes. The adoption of the ECOWAS common external tariff, in October 2013, also contributes to foster regional agricultural development, with a common trade policy including for agricultural products.²

IGAD

The Intergovernmental Authority on Development (IGAD) launched the process of developing a regional CAADP compact in January 2012. A team of regional experts was recruited to support the IGAD Secretariat. It has organised and facilitated consultations with national stakeholders in all IGAD member states on the priority issues to be addressed in the regional CAADP compact. A regional consultative meeting with Non-State Actors followed in October 2012. It is important to note that this initiative is being developed simultaneously with the IGAD Disaster Resilience and Sustainability Initiative (IDDRSI), a scheme aiming at ending drought emergencies in the Horn of Africa by developing a mid- and long term response to current and eventual future crises. The region's CAADP compact was validated in May 2013 and an investment plan is currently being developed.

SADC

The Southern Africa Development Community (SADC) initiated a process to develop a Regional Agricultural Policy (RAP) in 2008. For a long time the RAP and CAADP were considered to be two separate frameworks, but this perception has gradually shifted. The Ministers of Agriculture and Food Security endorsed a 'CAADP-compatible' RAP in June 2013. Preparations for a regional CAADP investment plan are underway.

Common challenges and shared lessons

The approach and stage of advancement in each region differs considerably. This is partly due to the mandate, priorities and the overall ambitions of the member states and respective RECs; nevertheless they face a common set of concerns and challenges³.

A first challenge is the need to articulate the national-regional nexus by ensuring a certain level of coherence between national and regional initiatives while respecting the principle of subsidiarity. So far the level of vertical coherence (between regional and national levels) is not sufficiently visible. Specific analyses to better articulate the coherence between national and regional compacts and agricultural policies is required to identify gaps where compacts can complement existing efforts. Indeed, the regional CAADP compacts should focus on positive spill over effects and providing synergies with member states' national priorities. For regional integration to work, including cooperation on agriculture and CAADP at regional level, it is fundamental to better match the bottom-

up regional integration processes and dynamics, which tend to be driven by the private sector and various forms of investment, with the top-down regional integration moves, such as policy frameworks and protocols that are usually driven by the governments and the public sector.

A second concern is ensuring inclusion of non-state actors, especially Farmers Organisations (FOs) and the private sector for a comprehensive multi-stakeholder approach. Here it is important to identify stakeholders that can fully participate and shape the policies by providing clear roles and responsibilities, especially when it comes to the implementation stage of the compacts. The consultation should be more than a box ticking exercise, giving ample time and proper space for the consultation processes. The experience of the West African FO, ROPPA, in shaping the ECOWAS investment plan is a good example. The formulation of a regional compact should guarantee stakeholders' ownership and aim at gathering support for its implementation.

A third point relates to the strengthening of institutional capacity of the regional organisations to coordinate CAADP activities. While it is generally recognised that regional organisations in Africa have weak institutional capacity, most RECs have benefit from donor support to strengthen their agricultural departments. The ECOWAS Commission and COMESA Secretariat are commended by national and regional stakeholders for providing effective and timely assistance to member states with the identification of their food security needs and coordination of external support to them, especially during the national CAADP processes. In the end, political will and the ability to drive CAADP often proves the major determining factor for the success of this framework at the regional level.

Fourth, regional CAADP initiatives should be linked to efforts in other sectors, as agriculture itself is also inherently linked to other sectors. Actions and policies on regional trade, infrastructure and other related regional initiatives have direct consequences for regional food security and agricultural development. While many linkages will emerge naturally, such as in sanitary and phytosanitary regulations, agricultural trade corridors and irrigation. The first-ever joint conference of the African Union (AU) Trade and Agriculture ministers provided an opportunity to discuss these synergies and boost intra-African trade as a key to agricultural transformation with the participation of all the key policy stakeholders.

And lastly, the role and coordination of development partners (DPs) in the CAADP process needs improvement. In many RECs coordination is often still defined by ad hoc exchange of information. Several DPs finance regional programmes that contribute to agriculture but without inscribing themselves fully within the CAADP framework. Setting up (informal) coordination structures around the regional CAADP compact, incentivising harmonisation of interventions around, not only, regional agriculture and food security but also DP support in related sectors (trade, infrastructure, resource management).

As we enter the 2014 AU Year of Agriculture and Food

Security, national and regional CAADP compacts and investment plans will be a reality in most RECs, and the momentum will need to shift towards the implementation stage as regional and national CAADP compacts that exist only on paper will serve no one.

This article is based on an updated version of information presented in Rampa, F., and Seters, J. van. 2013. *Towards the development and implementation of CAADP regional compacts and investment plans: The state of play*. ECDPM Briefing Note 49. Maastricht: ECPMD. www.ecdpm.org/bn49

Regional approaches to food security in Africa in the context of CAADP had been initially reviewed in a series of ECDPM Discussion Papers No 128. Maastricht: ECDPM. www.ecdpm.org/dp128

Notes

1. At the regional level the Arab Maghreb Union (AMU) and the Community of Sahel-Saharan States (CEN-SAD) have not yet launched the CAADP implementation process but many of their member states have already prepared national compacts and investment plans.
2. See Roquefeuil, Q. de. 2013. *Initial reflections on the ECOWAS Common External Tariff*. GREAT Insights, Volume 2, Issue 8. November 2013. Maastricht: ECDPM. www.ecdpm.org/great_2_8
3. For more detailed presentation of key lessons for regional CAADP processes see Afun-Ogidan, D., Rampa, F. and J. Van Seters. 2012. *Getting ready for take off: Lessons for regional CAADP*. ECDPM Briefing Note 38. Maastricht: ECDPM. www.ecdpm.org/bn38



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Promoting Family Farming: The European Union

Domestic and donor-driven development agendas for African agriculture are spurring smallholder family farming as a catalyst for food security and poverty reduction. Family farms are also the backbone of agriculture in the European Union, although the process of concentration has gone further than in Africa. European agricultural policy reforms now provide more options to promote sustainable family farms over the growth of larger holdings.

Large incorporated farms versus family farms

There are around 12 million farms in the European Union (EU) with an average size of 14.2 hectares. The vast majority of these farms are family farms which are operated as family-run businesses with the farm being passed down from generation to generation. One indication of the importance of family farming in the EU is that about three quarters (77.8 %) of the labour input in agriculture came from the holder or members of his/her family in 2010. For some countries, such as Ireland and Poland, the proportion is over 90%.

Only in a few Member States (France, Czech Republic, Slovakia) did non-family labour account for the majority of the labour force in 2010.

Large incorporated farms operated mainly with wage labour exist. They are found in confined livestock enterprises and in the successors to the former state and collective farms in the countries of Central and Eastern Europe that previously had centrally-planned economies. But, apart from a few EU Member States, they account for a relatively small share of the area farmed or of agricultural output.

However, family farms operate at very different scales within the EU. On the one hand, there were a large number (5.7 million or almost half of all holdings) of very small farms (less than 2 hectares in size) that farmed a small proportion (2.5%) of the total land area used for farming in 2010. On the other end of the spectrum, a small number (2.7% of all holdings) of very large farms (over 100 hectares) farmed almost half (50.2%) of the farmland in the EU-28 in 2010.

The contrast is even more marked if the comparison is made in terms of the economic size of holdings. 5.5 million farms (44.6%) had a standard

output below €2,000 in 2010 and were responsible for only 1.4% of total agricultural economic output. By contrast, the 1.9% of holdings that had a standard output in excess of €250,000 accounted for almost half (47.8%) of all agricultural economic output.

The overall number of farms is steadily declining as labour moves out of the agricultural sector making land available for consolidation. This land tends to be acquired by larger farms benefiting from economies of scale where the farmer often has a higher level of education and skills. Thus, the concentration of land use, and more particularly production, has increased over time.

agricultural policy to lower the amount of consumer and taxpayer support transferred to agriculture and as farm prices in the EU are increasingly linked to world market prices. A major issue is access to land. In family farming structures, land is mainly passed on within the family, meaning that younger farmers must wait until their parents are willing to relinquish management control and pass on the farm to the next generation. With older farmers living longer, and with significant inducements for them to remain in farming and few incentives to leave, Europe's farm workforce is gradually ageing, creating substantial barriers for new entrants. With the growing capital needs of agriculture, another issue for young farmers is access to capital

household food security in countries which otherwise have relatively low levels of social safety nets.

Given the political salience of these issues, a wide range of policy measures has been pursued to support family farming in Europe. The measures adopted by Member States to influence structural change or to support family farming include land consolidation schemes to reduce farm fragmentation by land re-parcelling and amalgamation; land market regulations to regulate land sale and price; special agricultural taxation arrangements that favour family-owned businesses such as partial or total exemption from property, or inheritance taxes or social security

“Smaller farms are also seen as playing an important role in supporting rural employment and maintaining the social fabric of rural areas, thus contributing to the objective of balanced territorial development.”

There is strong political support for the maintenance of family farming in Europe. Family farming as a political objective refers to the sub-set of family-owned farms where the family provides the bulk of the labour, thus focusing on small and medium-sized farms. This is the interpretation of family farming which is used in the rest of this article. Family farms are seen as being better custodians of the countryside, ensuring more varied landscapes, more sustainable use of natural resources and better provision of public goods than larger farms. Larger farms are seen as more prone to specialisation and monocultures, to the removal of hedgerows and to unsustainable intensification. Smaller farms are also seen as playing an important role in supporting rural employment and maintaining the social fabric of rural areas, thus contributing to the objective of balanced territorial development.

Challenges faced by family farmers

However, family farms face particular challenges as the EU has modified its

which must all be supplied through credit. These two problems come together in the relatively very high land prices in Europe, in part due to the density of population and the demand from alternative land uses.

Another particular challenge for the EU concerns the future of the very large number of very small farms. Half of all farms are smaller than 2 hectares; 2.7 million of these farms are in Romania alone. Many of these may be characterised as semi-subsistence farms, meaning that more than 50% of their output is self-consumed; Eurostat has estimated that there were around 6 million such semi-subsistence farms in 2007. Their problems are low cash incomes and a high incidence of poverty. Frequently, these semi-subsistence farms are run by older farmers with low levels of general and agricultural education and less interested in innovation. From a production point of view, they represent a sub-optimal use of land and labour and make a poor contribution to rural growth. However, they can be important from a welfare point of view in reducing the risk of rural poverty by providing a basic minimum of

taxes; and measures to facilitate access to farm credit or insurance. In addition, policy instruments at European level under the EU's Common Agricultural Policy (CAP) influence structural change and the viability of family farms.

The Common Agricultural Policy

The EU's CAP operates through two 'pillars'. Pillar 1 is concerned with direct income aids and market management measures and accounts for about three-quarters of the CAP budget. The remaining quarter is accounted for by Pillar 2 which funds the rural development budget designed to encourage structural change in agriculture, to improve the environmental management of land, and to improve the quality of life in rural areas.

The substitution of direct payments for market price support allows the targeting of support to smaller farmers (market price support, by definition, benefits all farmers in proportion to their marketed output). However, there has been very limited targeting

“European experience suggests that the solution to the problem of low-income agriculture requires broadly-based rural development initiatives which create income-earning opportunities both in agriculture and non-agriculture rather than just a focus on agriculture alone.”

of support payments in the EU. In the recent political agreement which set the shape of the CAP for the next seven years, 2014-2020, a new option to target support to smaller farms (a 'redistributive' payment) has been introduced but Member States have the option to use it or not. Also, the possibility to reduce payments above a (rather high) threshold has been introduced but again, apart from a small mandatory reduction, any further degressivity is at the discretion of individual Member States.

The new rural development regulation in this political agreement does not explicitly mention family farms, yet family farming will benefit from many of its measures, including investment grant aid, aid to farmers in areas of natural constraints, funding of agri-environment measures and aid to form producer groups and to take part in other forms of collective action. There is also an optional element for Member States to subsidise risk management measures including insurance schemes. Additional funding is targeted in Pillar 1 to younger farmers (defined as those under 40 years old) in an attempt to loosen up the inter-generational transfer of holdings. As the problem lies more in the unwillingness of the older generation to exit farming and hand over their farm to their heir, the efficiency of this new measure in encouraging earlier transfers is doubtful, and there is likely to be a high degree of deadweight loss.

A 'transitional' measure to support semi-subsistence agricultural holdings undergoing restructuring was introduced in the rural development regulation following the accession of the Central and Eastern European Member States in 2004. Essentially, these farmers could be granted a flat-rate aid for a maximum period of five years provided they submitted a business plan. The purpose of the scheme was to encourage semi-subsistence farms to increase their engagement in commercial agriculture. Uptake of the scheme was below expectations in those Member States that introduced it. In part, this may reflect the nature of the scheme which might not have been well suited to the target population and to the restrictive rules surrounding eligibility. A more general critique is that the measure focused solely on supporting agricultural production when the ultimate objective should have been to assist the household to improve its income whether or not it was coming from agricultural or non-agricultural activities. This measure has not been renewed in the latest CAP reform; instead, a simplified scheme of lump-sum payments to small farmers funded under Pillar 1 has been introduced, although again this is optional for Member States. Europe's agricultural success is based on a family farm model where the key ingredients are well-functioning output and input markets,

ready access to new technology supported by close contact with research and extension services, and well trained farmers. The policy issues related to EU farming structures are the socially-motivated goals to constrain the growth of very large farms in some Member States, to address the poverty and lack of employment opportunities on the very small farms in other Member States, and to make more flexible the inter-generational transfer of holdings among the remaining small and medium-sized family farms. Only some of these policies will have a resonance in Africa, with probably the most relevant being the issue of semi-subsistence farmers. Here, European experience suggests that the solution to the problem of low-income agriculture requires broadly-based rural development initiatives which create income-earning opportunities both in agriculture and non-agriculture rather than just a focus on agriculture alone.



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“Europe's agricultural success is based on a family farm model where key ingredients are well-functioning output and input markets [...] and well trained farmers.”



CAADP in a Nutshell

Brief overview of the Comprehensive Africa Agriculture Development Programme's rationale, principles and objectives.

The Comprehensive Africa Agriculture Development Programme (CAADP) is a continent-wide agriculture initiative of the New Partnership for Africa's Development (NEPAD), which is the strategic economic development framework of the African Union (AU). Established by the AU assembly in 2003, CAADP's goal is to eliminate hunger and reduce poverty through agriculture. To do this, African governments have agreed to increase public investment in agriculture to a minimum of 10% of their national budgets and raise agricultural productivity by at least 6% per annum. CAADP identifies four key pillars for food security improvement and agricultural investment: (1) Sustainable Land and Water Management; (2) Market Access; (3) Food Supply and Hunger; and (4) Agricultural Research¹.

The CAADP is centred around the definition of national and regional plans ('Compacts' and 'Investment Plans'), an agreement between all stakeholders (public, private, non-state actors and development partners) serving as a framework for partnerships, alliances, and dialogue to design and implement the required policy interventions and investment programmes. The formulation of national and regional investment plans is one of the most important activities to implement CAADP after the definition and signature of the Compact. To date, 36 out of 54 countries in Africa have signed the national CAADP compacts, of which 28 have investment plans valued at US\$50bn and 24 have convened Business Meetings. One regional CAADP compact and investment plan has been launched in West Africa,

while other regions are currently making efforts to develop and launch similar compacts.

CAADP therefore is not a (donors') programme, it is a common framework for stimulating and guiding national, regional and continental initiatives on enhanced agriculture productivity and food security which each region and country can develop and implement as preferred. The framework is an attempt at fully implementing the Paris Declaration and Accra Agenda on Aid Effectiveness, as well as at achieving the Millennium Development Goals (MDG) of halving the proportion of people living on less than a dollar a day and suffering from hunger (MDG1). CAADP is the first 'Africa led, Africa owned, Africa wide' agriculture and food security initiative. The endorsement of CAADP by African

heads of states renewed interest in and prioritised the continent's agriculture agenda, as well as putting food security objectives at the fore of national, regional, continental and even global processes. With CAADP, governments and regional economic communities (RECs) are more inclined to initiate, take ownership and commit to being responsible for their own national and regional agricultural development actions.

The process of introducing, developing, launching, implementing and eventually monitoring CAADP, holds great potential to serve as a rallying point for a wide range of stakeholders. A broad range of actors drives formulation and implementation of CAADP-related initiatives. CAADP being a continental framework, the AU, and the NEPAD Planning and Coordinating Agency (NPCA), is tasked with its coordination. RECs facilitate the formulation and implementation of a regional compact and a regional agricultural investment plan, while supporting their member states with CAADP initiatives on the national level. At the national level, governments facilitate the formulation and implementation of a national compact and investment plan. Bilateral and multilateral donors, and private sector partners with African stakeholders, to provide financial and technical support to CAADP processes and investments.

The CAADP process is organised in a way that key stakeholders meet once a year at the CAADP Partnership Platform (PP) meetings, to mutually review progress and challenges around CAADP at all levels- national, regional and continental. This is followed by a CAADP Business Meeting, half way to the next Partnership Platform meeting. In addition to these platforms, development partners who support CAADP come together through the CAADP Development Partners Task Team (DPTT), to promote dialogue, shared learning and harmonisation among development partners on their support to African CAADP process and institutions. The DPTT operates on the basis of a concrete work plan and exchanges information through regular phone conference meetings.

One specific financial donor vehicle to support the CAADP processes (but not investments), is the CAADP Multi-Donor Trust Fund (MTDF) hosted by The World Bank. The MTDF aims to strengthen institutional capacities of African drivers of CAADP, particularly on the continental and regional level, to effectively lead, implement, monitor and evaluate CAADP processes. Resources from the MTDF are allocated to CAADP institutions, such as the NPCA and RECs through 'Child Trust Funds'. Finance for the investment plans could be mobilised through public sector funding, development finance, private sector partnerships and applications to the multilateral financing mechanism as well as through the Global Agriculture and Food Security Programme (GAFSP)².

Traction around the regional dimension of CAADP has gradually increased. There is widespread consensus in most African regions that the value of regional CAADP lies in strategic regional action and investments that individual countries, acting alone, cannot achieve or afford. Most stakeholders concur that regional compacts would serve to accelerate individual country agricultural growth by enabling them to benefit from regional spillovers and economies of scale in technology, human and policy development, as well as in trade and investment. Currently, processes are underway to launch compacts in the Intergovernmental Authority on Development (IGAD), Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and Economic Community of Central African States (ECCAS).

As CAADP has now reached its 10-year mark, the priority for African stakeholders is to sustain the momentum by focusing on policy and investment decisions that will help the continent transform its agriculture sector and ensure food security. The next stage of CAADP seeks to move away from the process of developing compacts towards mobilising concrete sustainable investments for the priorities identified in these compacts³. In this respect, and in order to strengthen

the performance and competitiveness of the continent's agriculture sector, the focus will be on increasing public sector budgets for agriculture and exploring partnerships with the private sector, beyond development finance, for countries that are now at the investment stage. At the regional level, trilateral cooperation (development partners, governments and private sector) is also seen as a way to finance cross-border agricultural development initiatives and contribute to overall regional integration and regional food security.

(For more information see www.caadp.net)

This article has previously been published in GREAT Insights Vol.1(7), 2012. Original reference: Afun-Ogidan, D. 2012. *CAADP in a nutshell*. GREAT Insights, Volume 1, Issue 7. September 2012. Maastricht: ECDPM.

Many thanks to Ian Mashingaidze at FANRPAN for providing additional information and updates to the original article.

Notes

1. Francesco Rampa, Dolly Afun-Ogidan, Jeske van Seters, and Frauke de Weijer. 2012. *Regional Approches to Food Security in Africa*. ECDPM Discussion Paper 128. February 2012. Maastricht: ECDPM.
2. More information available at: <http://www.gafspfund.org/gafsp/>
3. NPCA. 2012. *CAADP- Sustaining the momentum into the next decade: Implementation report*. Draft report. July 2012. Midrand: NPCA.



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Talking Points

Current discussions on ECDPM's blog on the challenges of the EU's international cooperation
www.ecdpm-talkingpoints.org



Nelson Rolihlahla Mandela (1918 – 2013): Condolences to a Nation, Talking Points, Jan Vanheukelom, 6th December

“Trevor, where are my weights?” At 4 am, those must have been Mandela’s first morning words as a free man on 12 February 1990. Trevor Manuel was one of the Cape leaders of the United Democratic Front, and an organiser of the welcoming committee for Mandela’s release. This anecdote says a lot about Mandela. About his discipline to stay fit. About his fine nose for talent (six years later, President Mandela will ask the ex-political street fighter Trevor to become South Africa’s first black Minister of Finance). Without a masters degree in economics, Trevor would (...)



Crossing the border between Malawi and Zambia. How to convince informal traders to give up the 'Zalewa' route?, Talking Points, Kathleen van Hove, 4th December

There is still room for improvement to facilitate the trade integration between Malawi and Zambia. We recently took a trip hoping for smooth passage, but it took us two hours to cross the border at Mchinji, even though we had the Permanent Secretary for Trade on board – as well as officers from customs. Besides the normal formalities on both the Malawi and Zambian side of the border, the main delay was linked to an insurance necessary for the Malawian bus to drive on Zambian roads. This is the kind of non-tariff barrier that business (...)



European Development Days: Feeding the 5000 (delegates), Talking Points, ECDPM Editorial Team, 29th November

‘The [EU] institutions need to change’, said the Centre for Global Development’s Owen Barder in an interview with ECDPM at the European Development Days this week. There is a feeling that Europe has so much to offer, due to being in a ‘remarkable position’, as Barder puts it, of States that have come together voluntarily, to share that experience to shape policy in developing countries. This is the so-called added-value of the EU. He said that despite this strong position, Europe must be respectful of other nations’ different starting points. It should change its own (...)



Challenges 2014: Family Farming, African Food Security and EU-AU relations, deadlock or turning-point in 2014?, Talking Points, Francesco Rampa, November 21

+++ ECDPM Challenges blog series. Post number six +++ Declared the UN Year of Family Farming and the AU Year of Food Security, 2014 will be particularly interesting. With key challenges in terms of policy directions, international processes, and Europe-Africa relations, conflicts can certainly arise; but next year we could also see some break-through in all these three dimensions. Policy dilemmas The main challenge, in terms of policy choices, is going to be related to the agricultural model that public and private decision-makers promote through their efforts to enhance food security in Africa. Some believe (...)

Latest ECDPM Publications

EU Policy Coherence for Food Security: Aligning Parallel Agendas, Paul Engel, Brecht Lein, Jeske van Seters, Bas van Helden, ECDPM Discussion Paper 153, October 2013, ECDPM

After over 20 years of legal and policy commitments as well as political rhetoric, this paper lays out why it is necessary for the EU to get serious and realistic about PCD at the political level in the area of food security. While many of the considerations noted in this paper are of a technical nature, the four policy processes discussed show there is a real need for political sponsorship and leadership on PCD for food security. Without such strong political drive, there is a distinct lack of scope to promote genuine change toward a more development-friendly EU policy-making and 'success stories' will remain small and anecdotal. Boldly stated, the EU will need greater progress on PCD in order to maintain its credibility.



Building a Sustainable Partnership for the Future? The EU-Africa Relations in the Run-Up to the 2014 Summit, Geert Laporte, Manfred Ohm, Florian Koch, ECDPM-FES conference report, November 2013, ECDPM

The Friedrich-Ebert-Stiftung (FES) and the European Centre of Development and Policy Management (ECDPM) held a conference on 17-18 September 2013 on future perspectives of EU-Africa relations in the run-up to the 2014 Summit that will be held in Brussels on 1-2 April 2014. The conference brought together some 40 senior officials from the African, ACP and EU institutions and member states, as well as participants from think tanks and civil society organisations from both continents.



What Would it Take to Make an EPA Economically and Politically Feasible for Europe and Africa? Isabelle Ramdoo, San Bilal, ECDPM Briefing Note 57, November 2013, ECDPM

EPA negotiations have been lingering for over 10 years, but should be concluded within a year. Preserving regional integration processes and cohesion is key. Solutions exist, but require flexibility and political will. Failure and possible regional break ups will seriously damage Europe-Africa relations.

see also:

Trade Talks Set to Disrupt Africa-Europe Relations and Poison the Upcoming Africa-EU Summit, San Bilal, ECDPM Briefing Note 58, November 2013, ECDPM

The Enriching Business of Nutrition. Market-based Partnerships and Regional Approaches to Nutrition: What Role for CAADP? Bruce Byiers, Simona Seravesi, ECDPM Discussion Paper 149, July 2013, ECDPM: Maastricht

Emerging Economies and the Changing Dynamics in African Agriculture: What Role for CAADP? Dan Lui, Anna Rosengren, Quentin de Roquefeuil, ECDPM Discussion Paper 145, June 2013, ECDPM: Maastricht

The CAADP and Emerging Economies: The Case of Ghana and Brazil, Quentin de Roquefeuil, ECDPM Discussion Paper 146, June 2013, ECDPM: Maastricht

The CAADP and Emerging Economies: The Case of Tanzania, Anna Rosengren, ECDPM Discussion Paper 147, July 2013, ECDPM: Maastricht

Private Investment and Regional Approach to Nutrition Security: Summary Report of Informal Policy Dialogue. ECDPM, GAIN-ECDPM meeting report, December 2013

Looking Beyond 2013: Are Africa-Europe Relations Still Fit for Purpose? Conference Report, ETTG, ETTG High Level Conference, 28 October 2013, December 2013

The EU's State Building Contracts: Courageous Assistance to Fragile States, but how effective in the end? Volker Hauck, Greta Galeazzi, Jan Vanheukelom, ECDPM Briefing Note 60, December 2013

Other Publications

Corridor Transport Observatory Guidelines, Olivier Hartmann, Working Paper No.98, November 2013, SSATP Africa Transport Policy Program, The World Bank: Washington D.C.

Eliminating Anti-Dumping Measures in Regional Trade Agreements: The European Union Example, Jonas Kasteng and Camilla Prawitz, November 2013, National Board of Trade, Sweden: Stockholm

Effects on Trade and Competition of Abolishing Anti-Dumping Measures: The European Union Experience, Camilla Prawitz and Jonas Kasteng, November 2013, National Board of Trade, Sweden: Stockholm

UNCTAD and the Post-2015 Agenda, Richard Kozul-Wright, Post-2015 Policy Brief, November 2013, UNCTAD: Geneva

Delivering the Post-2015 Agenda: Options for a new Global Partnership, Alex Evans, November 2013, New York University, Center on International Cooperation: New York

Trade Facilitation from an African Perspective, November 2013, UNECA: Addis Ababa

Left out of the Bargain: Settlements in Foreign Bribery Cases and Implications for Asset Recovery, Jacinta Anyango Oduor, Francisca M. U. Fernando, Agustin Flah, Dorothee Gottwald, Jeanne M. Hauch, Marianne Mathias, Ji Won Park, Oliver Stolpe, November 2013, Stolen Asset Recovery Initiative, The World Bank: Washington DC

Why Europe needs a new Global Strategy, Susi Dennison, Richard Gowan, Hans Kundnani, Mark Leonard and Nick Witney, October 2013, Policy Brief, European Council on Foreign Relations.

Watch out for GREAT insights (February, Vol3, Issue 2)

on "Fostering more and better jobs".