

Advancing African agriculture - Proposal for agricultural development and food security in Africa

2007/2231(INI) - 24/07/2007 - Non-legislative basic document

PURPOSE: to present a proposal to strengthen cooperation on agricultural development in Africa.

BACKGROUND: agriculture remains the economic base for the majority of the poor in Africa and accounts for about a third of Africa's GDP and for the bulk of employment. It is regaining economic prominence, with a marked increase in agricultural sector growth: 2.7% in 2002, 3.0% in 2003 and 5.3% in 2004. Favourable price movements for a number of products have contributed to this trend, while improved production conditions have been another factor for growth. However, for sustained poverty reduction, agricultural growth will need to speed up further, particularly in low-income rural societies, where agriculture is likely to remain the main driver for economic growth and employment creation.

Agriculture is predominantly a private-sector activity, but will require significant public sector involvement. First, market failures have been prevalent and have negatively affected socially and geographically marginal groups. Second, environmental externalities exist, which require public regulation and intervention to maintain sustainability. Third, agriculture works much better when public-domain functions are more effective.

CONTENT: this paper proposes **principles and key areas for EU-AU cooperation on agricultural development in Africa**, focusing on regional and continental levels. Cooperation at these levels will complement and stimulate agricultural development at the national level, which is where the most intense cooperation will continue to take place. It will build on the policy orientations set out in the 'European Consensus' and the EU Strategy for Africa. Both documents reiterate that agriculture and rural development are crucial in terms of reducing poverty and stimulating growth. To contribute to growth, the Community has indicated it will focus on the sustainable intensification of production, competitiveness on regional and international markets and risk management. This should be facilitated in Africa by making use of technological development, supported by agricultural research and extension. Cooperation will be closely aligned with Africa's agricultural agenda and aims to stimulate progress towards the Millennium Development Goals (MDGs). Broad-based agricultural growth has direct significance in attaining the first MDG (eradicating extreme poverty and hunger) and will be a strong factor in progress towards the seventh MDG (ensuring environmental sustainability).

Africa's Agricultural Agenda: to foster agricultural development, the AU and NEPAD have launched the Comprehensive Africa Agriculture Development Programme (CAADP), while Heads of State agreed to significantly increase the share of national budgets for agriculture and rural development. The CAADP initiative takes a continent-wide view, but builds on national and regional plans for the development of agriculture. It contains a set of key principles and targets, in order to (i) guide country strategies and investment programmes, (ii) enable regional peer learning and review; and (iii) facilitate greater alignment and harmonisation of development efforts. For development partners, CAADP offers important opportunities for progress on the Paris Declaration. The December 2006 AU Summit called for some selectivity in pursuing the CAADP commitments, based on a recognition that limited resources and institutional capacities require priorities that will lead to quick but sustainable gains in terms of achieving food and nutrition security.

EU-AU cooperation on agriculture development: cooperation will be based on the following principles:

- Commitment to the Millennium Development Goals, with specific reference to the 1st and the 7th MDG.
- Alignment with African priorities, based on the CAADP processes, principles and targets.
- Donor harmonisation and alignment, following the principles of the Paris Declaration.
- Building on other AU-EU Partnerships and Facilities, complementing EU initiatives which directly or indirectly support rural development in Africa and using existing Africa-Europe partnerships.
- Drawing lessons from relevant EU experiences and good practice, building on nearly 50 years of agricultural policy experience in the EU.
- Application of subsidiarity, supporting only those regional and continental functions that add value to national level interventions.
- Policy Coherence, between EU development policies and agricultural, fisheries, trade, consumer and energy policies.

In line with CAADP demands, cooperation will focus on capacity building and institutional strengthening of regional and continental organisations. Cooperation will foster a more strategic and effective role for the State in agriculture, based on the view that the State will primarily: provide an effective policy and regulatory framework, create an enabling environment; intervene in situations of market failure; provide services with a public goods character; create safety nets; and be restrictive in its use of subsidies.

Priority Areas for Cooperation: 7 cooperation areas are listed in this paper provide a long-term framework for assistance. In a geographical sense, there is a focus on Sub-Sahara Africa, where the agricultural problems are most pressing. Nevertheless a continental scope is relevant in view of the alignment with AU initiatives and as several cooperation areas will have an Africa-wide dimension. These are as follows:

1) Agriculture in Development Strategies: this area will address the need for agricultural development to be an integral and strategic part of the development agenda at national, regional and continental levels, recognising agriculture as a key sector for economic growth and poverty reduction.

2) Sector Governance: this cooperation area will assist in capacity building at regional and continental levels, with a view to improving governance in the agricultural sector at national levels. Improved governance is expected to contribute to a smoother transition of smallholder farming towards commercially viable and sustainable family-based agriculture.

3) Research, Knowledge Systems and Dissemination: the aim of this cooperation area is to increase the impact of agricultural research and knowledge systems on rural productivity, poverty reduction, food security and sustainable management of natural resources, taking into account challenges posed by climate change. There will be an emphasis on multidimensional research approaches, on sustainable agricultural production systems and on research with positive impacts on the rural poor.

4) Trade Facilitation, emphasising Quality Assurance and Improvement: the aim of this cooperation area will be to strengthen Africa's ability to make markets work for poverty reduction, focusing on regional markets for agricultural produce. Current trade negotiations (EPAs, DDA) are meant to lead to enhanced agricultural trade opportunities for African countries requiring an appropriate supply response. Proposed cooperation includes strengthening the ability to influence, set and adhere to meaningful production and trade standards in order to (continue to) access remunerative markets for agricultural produce and to guarantee product safety for consumers.

5) Natural Resource Management: Land, Fisheries, Forestry: this cooperation area will back improvements in governance and management regimes for land, fish and forest resources that aim to combine environmental sustainability and biodiversity with profitable utilisation and poverty reduction.

6) Livestock Development and Disease Control: this cooperation area will enhance the sustainability of the livestock sector and its contribution to poverty alleviation and growth, with an emphasis on strengthening animal disease control knowledge and systems. Cooperation will aim to reduce animal mortality, lower livestock production risk and improve public health prevention, as well as to improve access to regional and international markets, facilitate rational land use and reduce livestock related environmental problems.

7) Risk Management: this area of cooperation will address capacities for reducing risks related to climate change, natural disasters and price shocks, with a focus on organisational questions and financial instruments. Cooperation will combine a competitiveness orientation, focused on productivity and growth, with broad-based development, focusing on poverty alleviation and social cohesion. For both aspects, regional markets for agricultural products will need development, underlining the importance of regional integration and trade facilitation. Moreover, sustainable production systems will be promoted, recognising the need to adapt to external challenges like climate change.

Coordination: coordination on EU-Africa agricultural development cooperation will have three interlinked dimensions: (i) with African institutions; (ii) with other donor coordination and (iii) intra-EU. Coordination with African institutions will use the CAADP framework and will be under the leadership of continental and regional organisations, with a central role for AUC/NEPAD. Donor coordination and harmonisation and alignment around CAADP will be enhanced by the Global Donor Platform for Rural Development (GDPRD), of which the EC and various Member States are members. Coordination within the EU will be reinforced through a proposed EU working group on African agriculture, technically supported by CTA. The working group will strengthen synergies in and improve the quality and visibility of EU financing for African agricultural development.

Monitoring and review: progress in implementing CAADP and in cooperation on agricultural development will be monitored predominantly at the CAADP Partnership Platform and the Africa Partnership Forum (APF). The relevance of the policy orientations and strategic directions of EU-Africa cooperation in agricultural development will be subject to the same review process as the overall EU-AU cooperation agenda, as currently covered by the EU Strategy for Africa.