Synthesis of Discussions

Africa Regional Meeting
Addis Ababa
June 24, 2010

Suresh Babu
IFPRI
Why talk about 2007-08 food crisis now?

- Food crisis is not new to Africa

- But, has food crisis caused us to understand food security better?

Do we understand....

- domestic and global food systems better?
- price transmission better?
- effect of trade better?
- causes of volatility better?
- impact of safety nets better
Food crisis in Africa - the setting

- Long term chronic challenge – a reality
- Struggle to achieve food security for 40 years
- Political instability

However, crisis is a renewed opportunity
Common challenges (1)

- Land availability
- Seasonality
- Natural disasters
- Conflict – internal and external
- High level of poverty
- Chronic food security
- Infrastructure
- Rural migration
Common challenges (2)

- Low productivity
- Market imperfection
- Value addition
- Research – extension
- Low crop diversification
- Land tenure security
- Women as growers

Well known and agreed upon!
Underlying these challenges...

- Lack of political commitment – No progress made after signing Fertilizer summit agreement (Nigeria)
- Inconsistency in policy
- Lack of knowledge on returns to investment
- Need for good monitoring and evaluation system
- Institutional failure
- Trade off between short- and long-term policies?
- Corruption and governance issues

Can we do something about these?
What have we learnt?
Policy shifts happen!

Malawi experiment

- Famine situation in Malawi
- Political commitment....“No country can be sovereign unless we are food secure”
- No donor support to input subsidy approach
- Introduction of input subsidy programmes
- Immediate results, leading to increased donor support now
Market integration and price transmission

- Prices are transmitted to African countries
- Degree of transmission differs for commodities
- Evidence for price co-movement within countries as well – Ethiopia case
- High prices may not be a problem as much as price volatility!

Closing markets will not solve the problem because internal risks still persist and can lead to price changes
Regardless of high prices, keeping cost of production low is key

- Irrigation potential has to be increased
- Intensification of production including land tenure, credit facilities
- Investments in productivity
- Intensify public-private partnership
- Agriculture is an economic activity – profitable and business-like!
Social protection is crucial

- Development and social protection go hand-in-hand
- Gender dimensions of social protection are important – focus on female-headed households
- Food crisis also impacted social protection programs – Ethiopia PSNP (purchasing power declined from 2006 to 2009)
- Allowing flexibility – cash vs. food
Holistic approach needed

- Focus on inputs without markets can lead to losses (Kenya example)

- Yet, crucial to prioritize due to limited resources
New kinds of institutional coordination needed

- Institutional structure created in Nigeria to coordinate all donor projects
- Regionally, let few countries experiment first instead of everyone agreeing upon it simultaneously – faster progress
What are key risks and vulnerabilities?
Socio-economic impact

- Prices
- Land tenure
- Migration
- Health
- Education
- Rural infrastructure
- Credit

Climate/natural disasters

- Drought
- Floods
- Pests and diseases
- Erosion
- Land slides
- Earthquakes

Political

- Conflicts
- Social upheavals
- Policy reversal

Extent of each varies at country-level
Differences at country-level on....

- Who are vulnerable?
- How many are vulnerable?
- What are the characteristics of the location and the households that are vulnerable?
- Why are they vulnerable?
- What type of vulnerability - production, income, markets, infrastructure, what level?
- Which target groups are likely to benefit from agricultural growth? And non agricultural interventions? Rural households vs urban households?
- Quantity and quality of food matter?
What we still need to learn?
Still, knowledge gaps on....

- Sustainability of programs such as input subsidies
- Transmission of prices at farmgate
- Gendered impacts of food crisis in other countries
- Design of social protection programs (cash vs. food, targeting, insuring against price increases)
- Tracking mechanisms of policies

Others?
What from now on?
Paradigm shift

- Recognize agricultural potential (case of DRC!)

- Plenty of land/water/resources to cultivate crops

- Regional commodity belts? Preferential zones of development

- How to buy from African farmers (Africa buys 33 billion worth of food)?
Approaches

- Food crisis as opportunity
- Holistic approach to agriculture
- Regional value chains
- Strategic commodity approach
- Land policy and guidance
Linking with other food security initiatives

- UN-ECA
- AU
- A-HLTF on Food Security
- CAADP
- Feeding the Future

How to contribute and be ready for such initiatives?
Issues to address (1)

- Long-term investments in ag. - CAADP (encouraging supply response will reduce hunger in short-term as well!)
- Agricultural productivity – an absolute must, but how???
- More proportion of every dollar spent on agriculture to actually improving productivity (versus food aid, social protection)
- Reduce vulnerability from internal & external factors that lead to shocks (understand proportion of risk coming from global price movements)
- Reverse trend of food import and export
Issues to address (2)

- Tracking mechanisms of policies?
- Ways to fill gaps to existing food security strategies in countries
- Early warning systems – information, analysis, and sharing
Revisiting meeting objectives

- Strengthen policy responses at national level
- Identify important lessons from food crisis
- Learn from other country experiences
- Facilitate discussion on long-term food security

How? What? When?
Thank You