

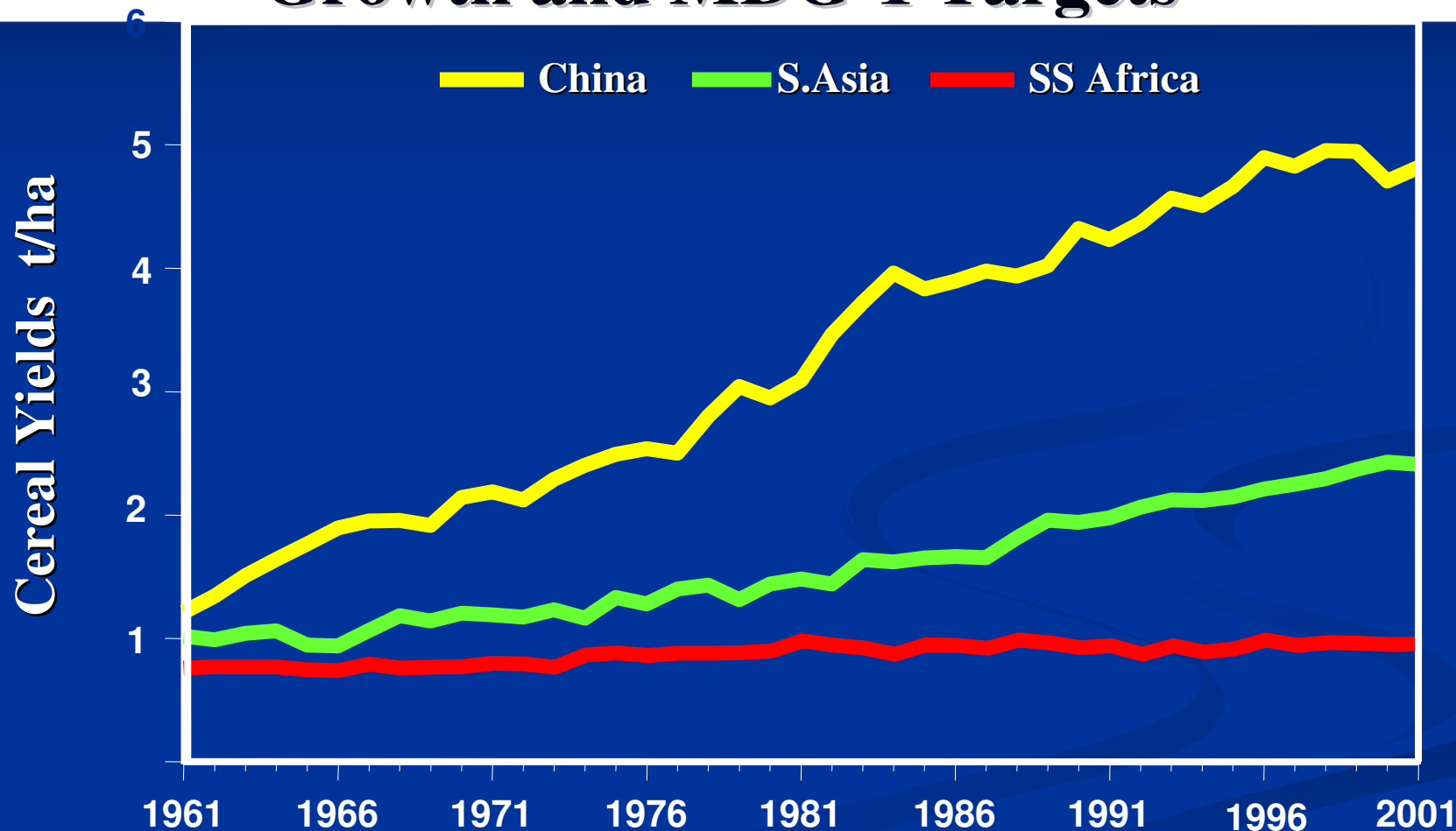


Alliance for a Green Revolution in Africa (AGRA)

**Solving Africa's food crisis:
The urgency of an Africa-driven
agenda for the Green Revolution**

**Akin Adesina
Vice President
AGRA**

Asia Achieved a Green Revolution But Africa Has Not and Cannot Meet CAADP 6% Growth and MDG-1 Targets

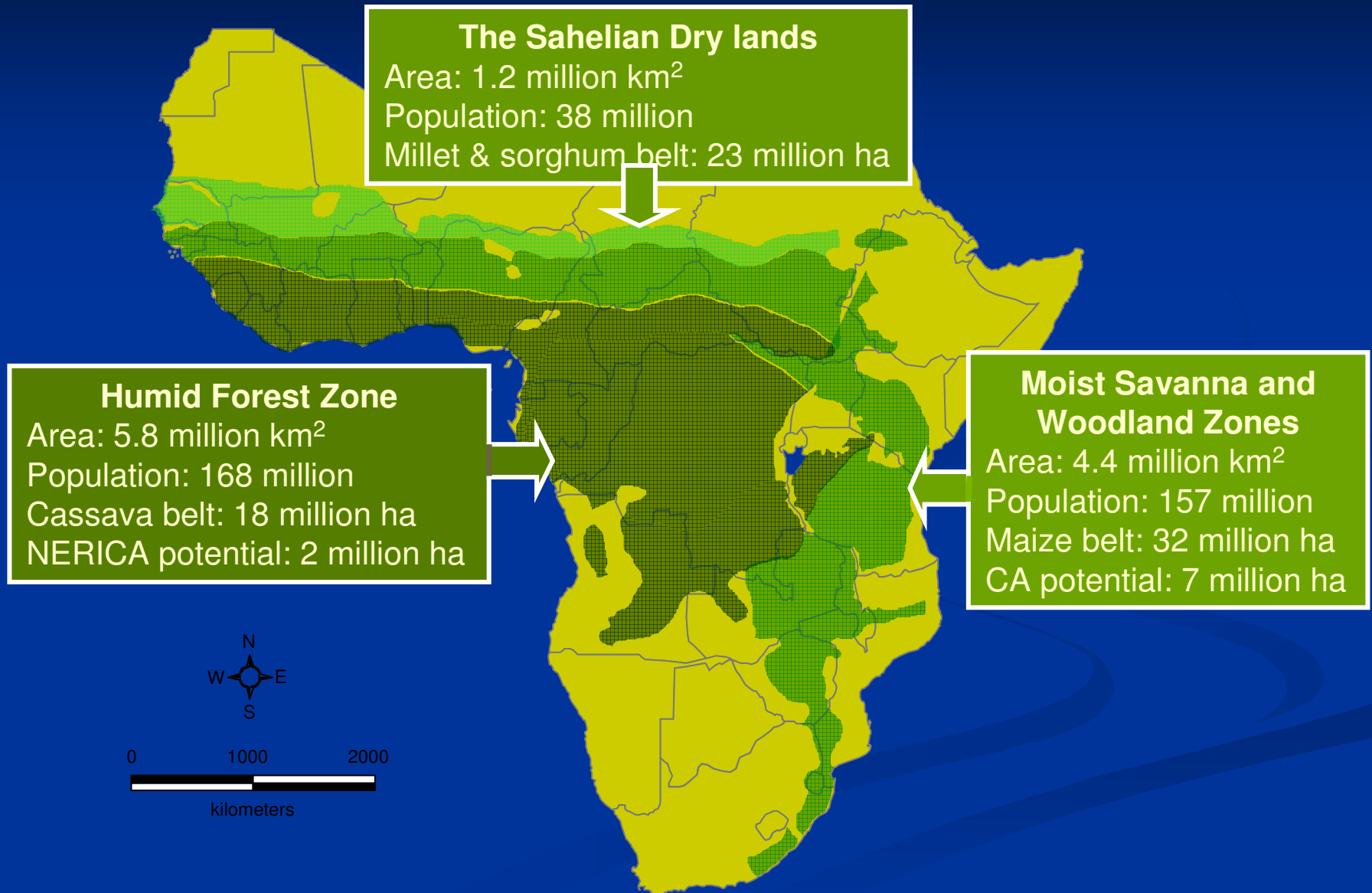


Source: FAOSTAT (2001)

The Urgency of Now: Africa Must End Perennial Food Crisis

- “Silent Rural Hunger” turns into “Violent Urban Food Riots”
- Rising food prices pose economic, social and political challenges
- Low income food deficit countries are most affected
 - Food imports: \$88 billion (2006) → to \$ 119 billion (2007)
- Africa is a net-food importing region
 - Cereal imports increased by \$ 2.7 billion from 2006-2007
- Governments need to assure national security
 - Amartya Sen’s theory (ability to access is key) – does it hold?
 - “Food self-sufficiency” versus “food security”
- Solution to underlying cause of food crisis
 - Africa needs a Green Revolution

Africa is very different from Asia: Need a Uniquely African Green Revolution that Respects Diversity

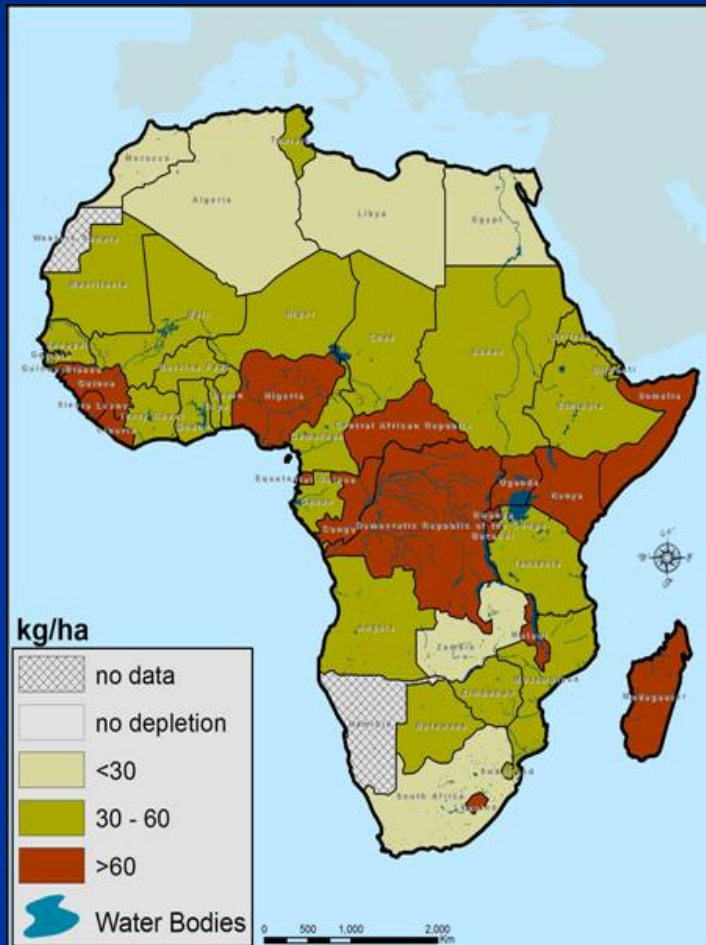


Advances in crop improvement could trigger the Africa Green Revolution...BUT

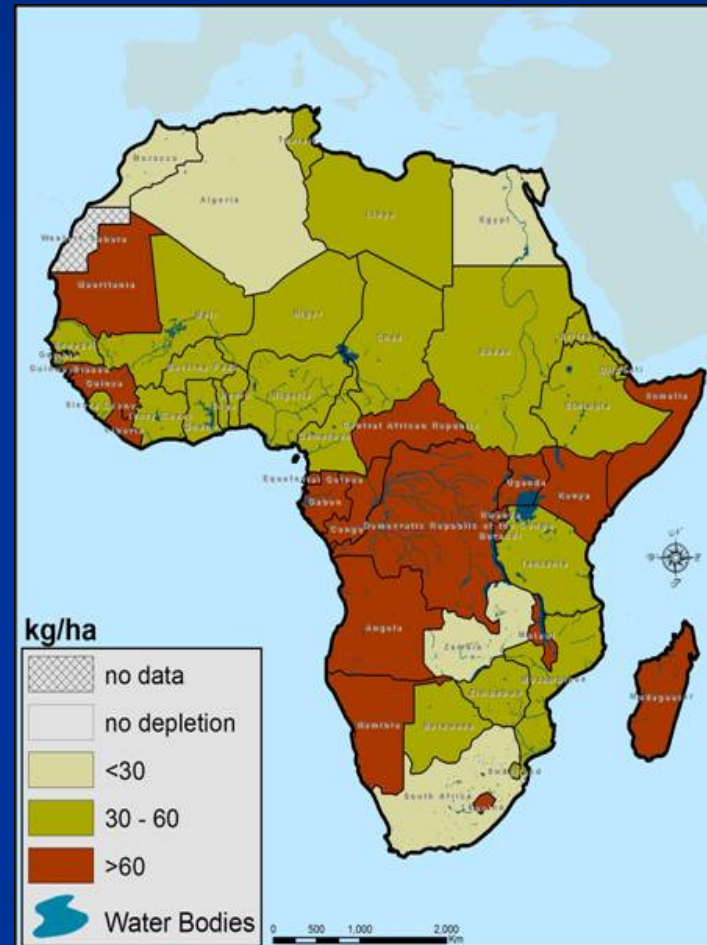


SOIL NUTRIENT MINING IS KILLING AFRICA

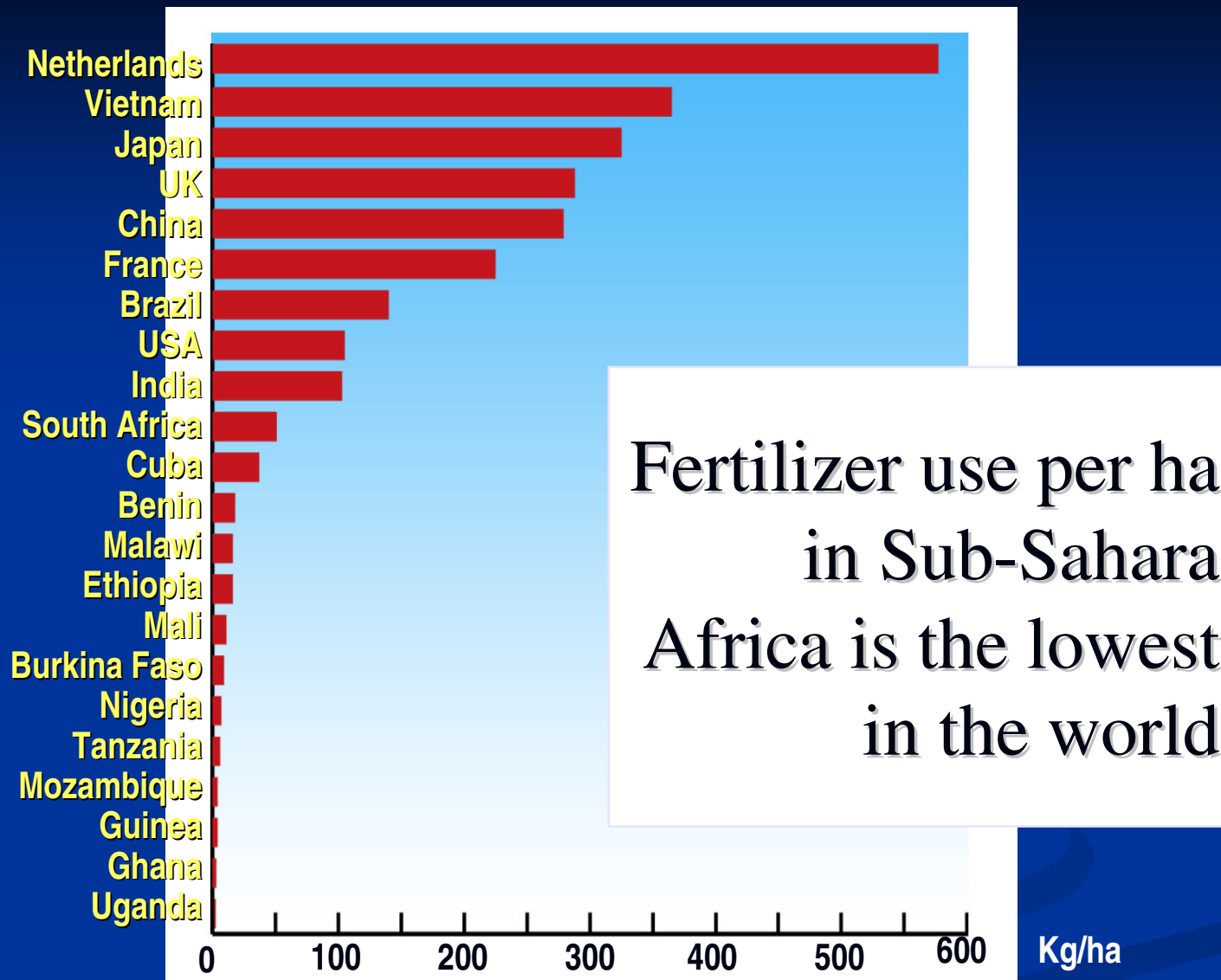
1995-97



2002-04



Source: IFDC



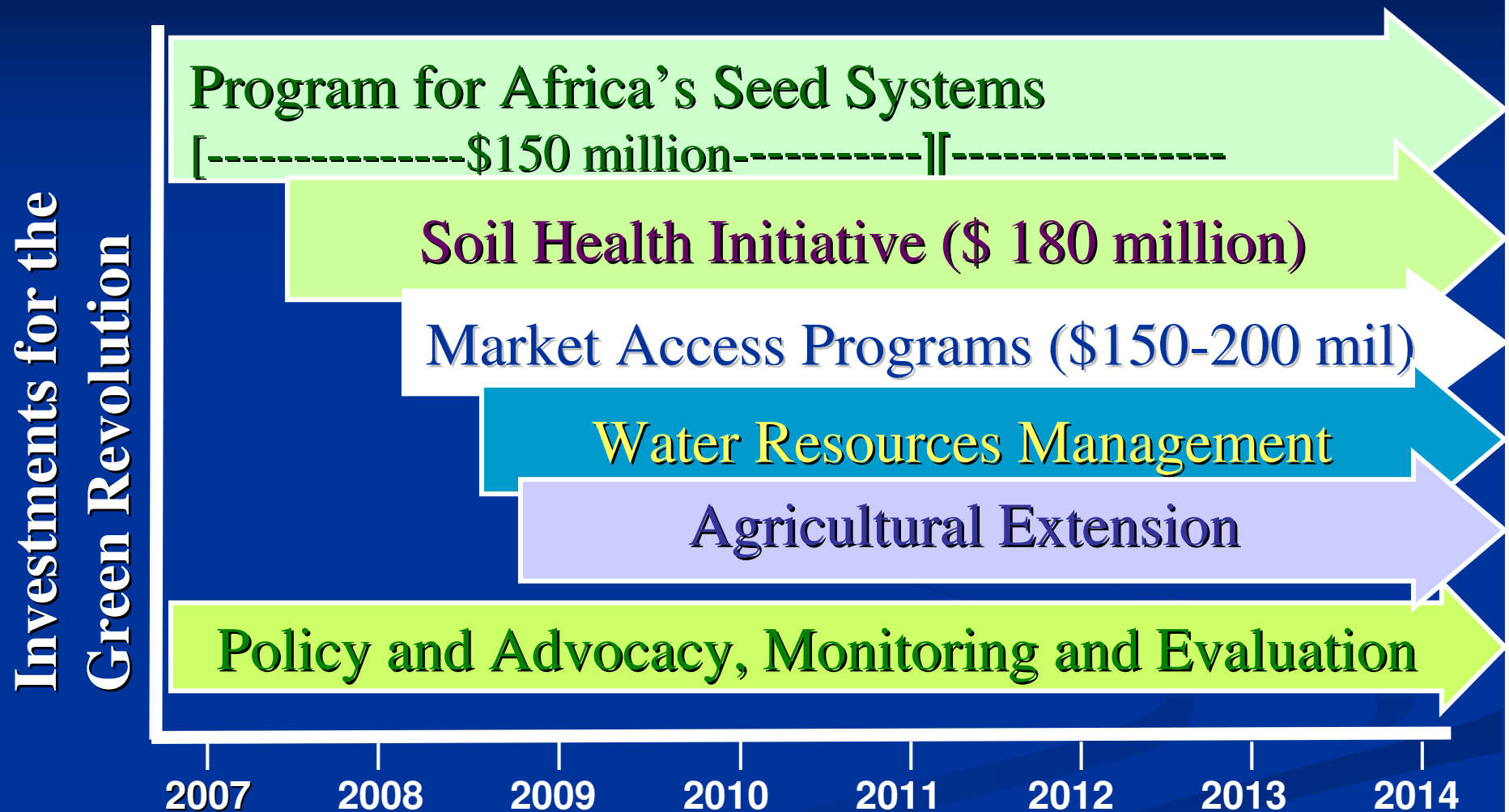
Source: FAOSTAT, July 2003; Norman
Borlaug, 2004



**Poorly developed markets constrain
income growth from agricultural technical
change**



AGRA Intervenes to Solve Problems Along the Value Chain



Technical change in Asia and Africa: Why the divergence?

- Asia Green Revolution (GR) catalyzed by High Yielding Varieties
- Policies boosted rapid adoption and income growth (subsidies, R&D, extension, credit, infrastructure)
- Technologies for a GR exists in Africa; more will be available
- Africa does not have conducive policy and institutional environment for a GR:
 - Poorly developed input-output markets
 - Limited access to finance for farmers
 - High uninsured risks
 - Collapse of public sector institutions
 - Weak infrastructure
 - Low investment in research and extension

Changing the Policy Environment: AGRA's Vision for Pro-Poor Growth

Supporting the development of pro-poor policies and institutions that create incentives for widespread adoption of agricultural technologies, and assisting governments to translate their policies into action, to bring about a sustainable green revolution and rural economic growth in Africa

Africa must learn from “Washington Consensus”: structural adjustment policies

■ Agricultural sector reforms

- Liberalization
- Privatization
- Removal of governments
- Correction of overvalued exchange rates

■ **Negative Impacts:**

- Rising poverty and exclusion
- Poorly organized markets
- Lack of access to finance
- High risks in commodity markets
- Rising costs of farm inputs
- Disincentives for adoption of technologies

Africa must learn from prior experiences to achieve productivity growth

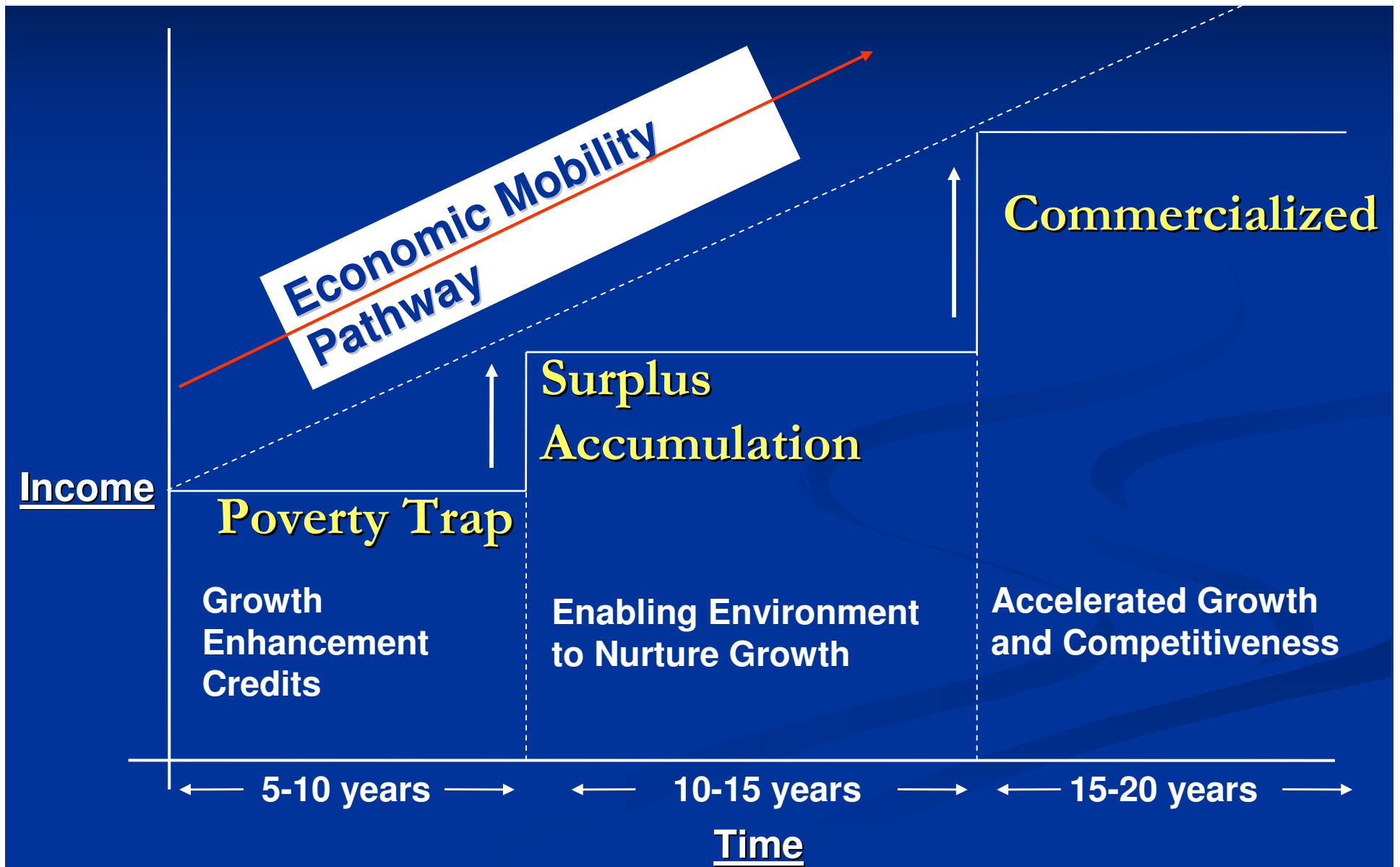
- **Smallholder-led maize revolution in ESA (1980s)**
 - General subsidies for seeds, fertilizers, credit; and heavy extension focus
 - Rapid adoption of improved seeds and fertilizers – “maize revolution”
 - Maize revolution collapsed due to structural adjustment policies
- **Sasakawa Global 2000 (1990s)**
 - Technology led model: High input packages
 - Rapid adoption by farmers
 - High yields achieved in pilot countries → Output Prices Collapsed
- **Millennium Village Model (2000s)**
 - Free distribution of seeds and fertilizers (initially)
 - Integrated rural development focus
 - Achieving farm and village level impacts
 - To be sustainable, needs markets and enabling policies

Turning Point on Hunger in Africa: Malawi “Smart subsidies” Feed a Hungry Nation

- 2005/06: \$50 Million subsidy with Government distribution
- 2006/07: \$60 Million “smart subsidy” (with DFID support)
- 2006/07: Private sector distribute inputs for the 1st time
→ *Private sector sold \$25 million of seeds and fertilizers*
- Maize green revolution
 - *400,000 MT surplus in 2005/06*
 - *900,000 MT surplus in 2007*
 - Exports \$ 160 million of maize
 - Donates 10,000 MT of maize to Lesotho and Swaziland!



“Growth Enhancement Credits” are needed to accelerate economic mobility for millions



Lessons for African countries

- Supportive policies are required for the green revolution
- Avoid “Boom and Burst Models”
 - Removal of public sector role has left major voids
 - Market-liberalization left many in poverty
 - Need strong public and private sector roles
- Focus on “Anchor models” for sustainable change
 - Technology
 - Policies & Institutions
 - Infrastructure & Markets
- Recognize the existence of poverty traps

Potential policies for enabling the Green Revolution: Senior Policy Makers' Convening by AGRA

Policies to:

1. Improve affordability of farm inputs
2. Provide better price incentives for farmers
3. Enable the vulnerable to participate
4. Reduce risks faced by farmers in adopting technologies
5. Assure secure land rights, especially for women
6. Expand staple crop markets, locally and regionally
7. Promote access to finance for farmers
8. Promote infrastructure investments

Tilting the policy development agenda in favor of Africa

- Shift the center of policy development from Washington to Africa
 - “African consensus” not “Washington consensus”
- Promote home-grown evidence-based policies
- Need a “Policy Ecosystem” approach
 - Strengthen data & statistics for evidence-based policies
 - Develop capacities in Ministries of Agriculture and Finance
 - Build policy centers of excellence in Africa
 - Build cadres of well trained policy analysts
 - Strengthen policy advocacy platforms
- Mobilize strong political commitments for change
 - NEPAD/CAADP and AGRA will coordinate policy actions

AGRA's Partnership Strategy

- AGRA is a multi-donor platform for achieving green revolution in Africa
 - Supports NEPAD/CAADP 6% growth agenda
- Donor Partnerships
 - Core support to AGRA's programs
- Joint Implementation Partnerships
 - Coordinated investments by donors to create synergies and impacts
- Operational Partnerships
 - Knowledge platforms, monitoring and evaluation

AGRA is rapidly building strong action-driven partnerships

- Africa Enterprise Challenge Fund (AECF)
 - \$50 million from DFID and other donors
- UK Department for International Development
 - \$15 million core funding to AGRA
- Rome-based UN-agencies (IFAD, FAO, WFP)
 - Coordinated investments around “breadbasket areas”
- Millennium Challenge Corporation (MCC)
 - Infrastructure investments in breadbasket areas
- Commercial Banks – unlocking local financing
 - \$50 million leveraging of Equity Bank, Kenya

