

# Eastern and Central Africa Programme for Agricultural Policy Analysis

A Programme of the Association for Strengthening Agricultural Research in Eastern and Central Africa

## Electronic Newsletter

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## NEWS

8-10 February: Africa Fertilizer Summit Technical Committee Meeting, Abuja, Nigeria.

8-10 February: ECAPAPA Dairy Regional Meeting, Nairobi, Kenya.

27-28 February: RABESA Regional Workshop Planning Meeting, Nairobi, Kenya.

## ASARECA'S ROLE IN REDUCING POVERTY AND HUNGER IN SUB-SAHARAN AFRICA

The debate about the role of agricultural in the fight against poverty continues to attract mixed reactions. In its latest strategic plan, ASARECA emphasizes the role of agriculture in poverty reduction strategies and calls for more collaboration among member countries and their partners in order for the eastern and central Africa region to realize the Millennium Development Goals, particularly of reducing poverty and hunger by half before 2015.Below are excerpts

## Introduction

N In light of its evolution as the instrument of research organizations of the region, ASARECA's mission is *"fighting poverty, reducing hunger and enhancing resources through regional collective action in agricultural research for development."* ASARECA's vision is to be a significant player in facilitating innovation and making spillovers happen by ensuring that the benefits of research results in one country are available to all users and that mechanisms are developed to make the link with the national innovation systems. The mission highlights the organization's commitment to the Millennium Development Goals (MDGs) to reduce poverty and hunger by half before 2015 and to sustain the productivity of the natural environment.

#### The role of the ASARECA strategy and the planning process

A special role for ASARECA lies in facilitating collective action that would not take place without a sub-regional mechanism that is owned by its members. ASARECA will facilitate, for example, the

mobilization of financial and scientific human resources for collective action. It will also ensure that small national agricultural research centers (NARS) gain equitable access to participate in and benefit from research, and facilitate a research response to emergencies in the sub-region: disease (coffee wilt, cassava mosaic), drought, floods and post-conflict rehabilitation of NARS.

## Integrating planning approaches

The strategy serves as the framework for integrating the various networks, programs and projects that ASARECA has created or adopted on behalf of the region. ASARECA has moved forward to its current stage of development by evolution. It has taken on new challenges, building on its flexibility as an association. In its current planning it has adopted a mixture of the "rational," "evolutionary," and "processual" approaches. It recognized that a purely "rational" approach alone would assume too much predictability, clear intentions, and reasonable behavior to give direction. On the other hand, a purely evolutionary strategy might give a useful perspective on emergent behavior but it would assume that some transmissible memory of successful events exists and could guide decisions. The processual approach calls for an integration of experience, sense making and action through flexible processes and learning.

The strategic planning process includes elements of all the three. It works within an innovation systems framework that encompasses new concerns with policy and institutions, production-to-consumption chains, and broader economic and political influences. Strategic inputs to the plan came from many sources:

- 1. A regional agricultural plan: An analytical study of strategic investment priorities for agricultural growth and poverty reduction. This plan shows the potential growth sectors and required growth of those sectors if the Millennium Development Goals relating to poverty and hunger are to be met.
- 2. A study of strategic priorities by agricultural sub-sector and theme.
- 3. An ASARECA survey of NARS priorities and researchable constraints in five sectors: crops, animal agriculture, natural resources management, socio-economics, and policy and post-harvest.
- 4. Two strategic planning retreats between ASARECA and its NARS focal points.
- 5. The strategic planning and priority setting of ASARECA's networks, programs and projects.
- 6. The development of an over-arching strategy for the five network projects' and programmes (NPPs) oriented to natural resources management,

In the final analysis, the strategy will become the point of reference for priority setting for the networks, programs and projects. It will provide the necessary space for them to be entrepreneurial while providing a framework for an eventual rationalization of efforts.

## Agriculture in the ECA region: The need for "business unusual"

The ASARECA and the International Food Policy Research Institute (IFPRI) studies of agricultural prospects in the eastern and central Africa (ECA) region have outlined two key scenarios that become critical inputs to ASARECA's positioning. First, they elaborate what would happen if current trends in productivity and growth of areas planted would continue. Second, they elaborate what growth and productivity trends would be required to achieve the Millennium Development Goals. The following situation analysis is commonly agreed and a detailed analysis is provided in two IFPRI studies commissioned by ASARECA.

- The ten countries of eastern and central Africa are among the poorest of Africa. The bulk of the region's population resides in rural areas and depends on agriculture for income and sustenance. Given the low levels of productivity growth in the sector, hunger and malnutrition have deepened in ECA in recent years.
- Following a "business as usual" strategy, none of them will achieve the Millennium Development Goals and, more alarmingly, most will be worse off or only marginally better off in 2015 than at present. Cereal imports will rise by almost 50 percent.

The analysis goes beneath the high-level sectors and identifies the growth and poverty impacts that will be achieved by concentrating on key staple food crops (maize, sorghum, cassava) and commodity sub sectors (milk, oilseeds, and horticulture) that rank high in consumption and have a strong income elasticity of demand. While traditional exports and niche products may help some producers, they are not likely to generate the mass move out of poverty.

#### Choice of commodity sub sectors and commodities

The ASARECA survey of NARS priorities identified a compatible set of commodity and thematic priorities by sector that are widely shared regionally:

- Cereals: maize, sorghum, rice
- Pulses: beans, chickpeas, pigeon peas
- Oil crops: groundnut, sesame, soybean
- Stimulant crops: coffee, tea, cacao,
- Horticulture: tomatoes, onions, peppers
- Industrial crops: cotton, sugarcane,
- Roots and tubers: cassava, sweet potato, potato
- Ruminants: traditional cattle, dairy cattle, goats
- Non-ruminants: pigs, rabbits, guinea pigs
- Pack animals: camels, donkeys, horses
- Poultry: indigenous chicken, industrial layers, industrial broilers.

In each commodity sub-sector, ASARECA member-NARIs have identified the first, second and third commodity priority for them. Taken at a regional level, the order of priority is based on the number of countries citing the commodity and the priority rank they gave to it. Some commodities such as, maize, sorghum are priority for many countries; other commodities like bananas, cassava)

are concentrated in a few countries. ASARECA provides mechanisms for countries with like problems to work together without requiring all 10 countries to share the problem.

The ASARECA Strategy accepts the strategic implications of IFPRI's further analysis of the situation:

- Contrary to popular wisdom, concentrating on traditional exports and niche markets will
  make only a small impact on poverty and hunger. They may help some individuals in the
  commodity chain but do not make large contributions to mass poverty reduction
- The biggest impact on poverty reduction comes from concentrating on staples, for example maize, sorghum, and cassava) and commodity sub-sectors for which demand is greatest and/or likely to grow fastest: milk, oilseeds, fruits and vegetables. Traditional exports have saturated markets and niche markets by definition will benefit a limited number of growers, processors and traders
- While the investment requirements to achieve the required growth are not estimated, the implications for research for development institutions are enormous: "business unusual" calls for productivity and production gains that have not been realized across the member countries and sustained in the past
- Productivity growth as a result of research will not lead to economic growth and poverty reduction without roads, markets, and access to information. Growth linkages include value added along the producer-to-consumer chain as well as backward linkages to the seed industry and other input suppliers. Liberalization of trade at the global level will contribute less to poverty reduction than gains from concentrating on major staples satisfying growth in demand from internal markets and intra-regional trade. Strategic investment should prioritize efforts to satisfy the internal demand.
- The strategy should recognize and exploit opportunities for regional collaboration.
   Potential spillovers from research are important and countries can reduce learning costs by sharing information

## Addressing priority development domains

ASARECA has identified four priorities, "development domains" based on their potential for agriculture-led development. The highest priority is a quantitatively significant area of high potential, low market access, and low population density (HLL). This area is strategic because all commodities in growing demand can be produced, there are fewer constraints from population density, and the package of investment that increases market access can unleash potential. It accounts for 38 percent of the area in ECA and is found in most countries. However, there is urgency to make strategic investments before the land is occupied in inefficient ways. Two other priority areas have high potential but either low access or low population density. They are small niches that can be productive but cannot bring about mass reduction in poverty. The fourth area is LLL, containing 15 percent of the population and significant improvement can be made through research for development (R4D).

In order to contribute to strategic development of such areas, ASARECA will have to give full attention to the full innovation system needed to put in place a given improvement: policies, institutions/organizations, information, infrastructure, technology, and learning processes. In terms of coverage of issues, ASARECA will need to look at new commodities (oilseeds, fruits and vegetables, and horticulture). Considerable areas of DRC, Uganda, and Southern Sudan all fall in the HLL development domain and hopefully will soon be ready for post-conflict rehabilitation. ASARECA should help mobilize the knowledge need for strategic agricultural development.

## Facilitating institutional innovation

ASARECA adopts an innovation systems approach. By doing so, it places the issues of technology transfer, up-scaling and out-scaling in a holistic perspective. "Facilitating innovation," involves linking R4D to the internal innovation system; "making spillovers happen" (the second part of the mission) ensures that knowledge transfer and utilization takes place among the countries of the region. Essentially, ASARECA is dealing with strengthening of national agricultural innovation system and linking them through exchange of experience.

ASARECA provides a forum for exchange of experiences among members and could increasing facilitate the mobilizing of resources for consultancies by one country to another. It is restrained by choice from making direct inputs to the change process in member countries.

## Enhancing services to NARS and their development partners

- ASARECA will expand its initiatives and leadership in linking research to the political dialogue possible in the Common Market for Eastern and Southern Africa (COMESA), the New Partnership for Africa's Development (NEPAD) and the G-8. To do this ASARECA will monitor political and institutional change in the global research environment and provide representation in such fora
- Reducing transactions costs for a wide portfolio of donor involvement in the region. ASARECA will facilitate entry to the region by lowering transactions costs to development and scientific partners. It does this by providing better information, established institutional arrangements and a forum for contacting stakeholders in one place.
- Aggregate and allocate funds. ASARECA will provide a vehicle for aggregating and allocating funds, monitoring and reporting and impact assessment, all functions that individual donors require but cannot afford to organize individually. The ASARECA Endowment Fund and Competitive Grant Schemes are mechanism that ensures that funds can be pooled and allocated to high priorities for the region. The services that ASARECA provides to its members and stakeholders have reduced transactions costs for all, such that in the absence of ASARECA it would be difficult for them to maintain the same level of support to the region. A sustainable financing strategy must convey the importance of gaining support from all beneficiaries and reducing free riding.
- Improve collaboration with the Consultative Group on International Agricultural Research (CGIAR). The sub-regional organizations are being called upon by the CGIAR to provide

clear signals on regional needs that allow an effective division of labor and partnerships based on complementarity. ASARECA studies have shown the spillover potential among countries of the region and the subsets of countries sharing particular commodity and thematic concerns. Regional public goods are usually generated by collective action as close to the problem as possible; ASARECA being a membership association can set up mechanisms owned by the sub-region to produce regional public goods.

### Encouraging production of regional public goods

In addition to shared services, achieving economies of scale and facilitation of innovation, ASARECA is a special vehicle for the production of regional public goods (RPGs), a product or a service that, once produced by one country or a group of countries, benefits all countries of a region (even if they do not contribute to the cost of producing the output. Because countries consider only their own costs and benefits such goods are under-produced unless there are robust mechanisms to promote collective action. ASARECA creates such mechanisms. International centers produce international public goods (IPGs) that may overlap with RPGs. Many transboundary issues (diseases, pests, NRM spillovers) must be solved by research located as near to the source of the problem as possible.

The institutional arrangements for sharing costs and benefits of action need mechanisms and negotiating platforms at the sub-regional and local levels. Local arrangements are needed to choose the best way to produce RPGs: everyone participates equally, the best-shot member does the work, the weak links are strengthened, and the source of an exported problem contributes more to the solution. These trade-offs require special mechanisms that put strain on collective action. ASARECA provides an essential service by maintaining multiple mechanisms (NPPs, CGS, Secretariat-initiated studies, CD-initiatives in response to crises) that permit rapid responses or research solutions.

#### Maintaining a range of implementation mechanisms

In order for ASARECA to meet the expectations of its many partners and investors, it is necessary for ASARECA to have multiple mechanisms at its disposal so it can apply the one best suited to the performance of each task or apply combinations of mechanisms. A rule of thumb in economic policy making says that for every new objective one needs to add a tool. It is rare that a single tool will be able to address multiple objectives effectively. Among its current mechanisms are: 17 Networks, Programs and Projects (and their governing mechanisms), a Competitive Grant Scheme, Secretariat-based planning, monitoring and evaluation, management of the regional challenge program of the CGIAR, an Endowment Fund, and limited flexibility to take initiatives on behalf of the region. The balance of funding allocated to each of these mechanisms and their attachment to the ASARECA strategy and goals is a strategic issue that needs the agreement of ASARECA donors for implementation.

This is an abridged version of the ASARECA strategic plan. A full document can be accessed on <u>www.asareca.org/ecapapa</u>

## COMMUNICATION

ECAPAPA welcomes your comments, suggestions and encourages article submissions.

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