



CHECK AGAINST DELIVERY

ECOSOC Special Event:

Food Crisis in Africa

Remarks by Mr. Lennart Bage

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Your Excellency Ambassador Akram,
Your Excellency Ambassador Eliasson,
Distinguished Delegates,
Ladies and Gentlemen,

I am honoured to have the opportunity to address this distinguished body. This Special Event on the food crisis in Africa is both important and timely. It is very much in the spirit of the new, enhanced ECOSOC that world leaders called for in the Outcome document of the World Summit in September.

The situation in Niger exemplifies the food crisis in Africa. There, long-term food insecurity has turned into famine as a result of events such as the drought and locust attacks of 2004 and the impact of regional trade policies. Unfortunately, this reflects a wider crisis in sub-Saharan Africa, which is rooted in structural food insecurity. These structural causes create an environment in which unexpected events can easily tip into famine. In Southern Africa, the HIV/AIDS pandemic, which has claimed so many rural victims, has further aggravated the situation by reducing production capacity and weakening rural institutions.

By contrast, although other parts of the world – such as Asia -- also suffer from droughts, these no longer lead inevitably to famine. Our collective endeavour must be to help Africa achieve the same, to make the region famine-proof. This goal underlies the twin-track approach of the three Rome-based United Nations organizations, namely: immediate response to emergency needs combined with substantially greater investment in agriculture and rural development to build longer term food security and eradicate rural poverty.

Mr. President,

Agriculture holds the key to sustainable development and poverty eradication in sub-Saharan Africa. Agriculture accounts for 30 percent of GDP, 40 percent of exports, and 70 percent or more of employment in the region. One of the reasons why Africa's development has been disappointing, and the effort to achieve the MDGs is not on track, is the failure, over many years, to give agricultural and rural development the resources and the attention they merit.

After a long period, during which bilateral and multilateral ODA as well as domestic public investment for agriculture fell sharply, there are now welcome signs that this neglect has started to change. In Maputo, two years ago, African governments pledged to increase budgetary allocations for agriculture and rural development to at least 10 percent of total expenditure.

In parallel, the G8 and other DAC member states have pledged substantial increases in development assistance for agriculture. It was particularly encouraging for me to see that world leaders in New York last month emphasized that “...*food security and rural and agricultural development must be adequately and urgently addressed in the context of national development and response strategies...We deem it necessary to increase productive investment in rural and agricultural development.*”

Just as important as greater ODA, is the need for open and accessible markets for the agricultural exports of developing countries. If recent initiatives on the agricultural trade regime lead to a successful outcome of the Doha Round, the prospects for Africa will improve greatly. Africa's smallholder farmers could then hope to benefit from globalization rather than seeing it as a further source of impoverishment.

Mr. President,

This new context offers important opportunities to address Africa's food crisis. More resources will be available and new markets are emerging for agriculture-based exports. Above all, a new priority is being given to the policy and the institutional changes needed to bring about a resurgence of Africa's agriculture.

Yet, to take full advantage of these opportunities, we must not repeat the mistakes of the past, when a top-down approach ignored the priorities of poor farmers -- particularly women farmers -- who, in Africa, produce the bulk of food crops. Hunger and poverty eradication are not something that can be done by donors or governments for poor people. It is something that the rural poor, smallholder farmers, herders, fisherfolk and others must do for themselves. The collective task of governments, bilateral agencies, and international institutions, is to create the conditions in which the rural poor can raise productivity, output and incomes, and work their way out of poverty and hunger.

This is IFAD's mission in Africa and elsewhere. Nearly half of IFAD's resources go to Africa, where the Fund is financing nearly 100 on-going projects and programmes, with a total investment cost of USD 2.7 billion. These activities are reaching an estimated 57 million poor men and women.

The needs of smallholder farmers and other small-scale rural producers vary across countries with their different, social, economic and ecological conditions. Some elements, however, are crucial for mobilizing the potential of Africa's smallholder farm sector, which accounts for most of the continent's food production. These include: access for the poor to land and water, technology, financial services and markets. Equally important is the opportunity for the rural poor to organize themselves, articulate their priorities and needs, and gain a voice in decision making. Poor farmers are fragmented and are often unable to deal with more powerful market agents on equal terms. Working through groups, however -- such as self-help groups, marketing groups, range- and water-users associations, and farmers organizations -- they can act together more effectively to articulate their views, secure inputs, and market their produce. In our own operations, we have found that local and regional NGOs can play a crucial part in this context.

Our experience shows that farmers' organizations can provide an effective forum to express the views of poor farmers at local and even national levels. For this reason, we are working with NEPAD to help national and regional farmers' organizations to strengthen their capacity to engage in the formulation of agricultural policies.

Land and water conservation is especially vital in sub-Saharan Africa, with its uncertain rainfall and zones at risk from degradation and desertification. In IFAD projects, we have found that water conservation and harvesting methods, building wherever possible on traditional knowledge, can be particularly effective in raising yields. Improved versions of traditional water conservation methods in Niger, for example, the *tassas* and *démi-lunes*, have enabled farmers to raise yields by as much as 600 percent to 700 percent. More generally, small-scale water control systems that poor farmers can manage and maintain by themselves have shown impressive results in increasing yields in many sub-Saharan countries.

Apart from water, Africa's farmers need improved technologies for seeds and farming practices. In East Africa, IFAD -- in collaboration with FAO -- has supported Farmer Field Schools to test and adapt new varieties and methods. These are showing good results and are being taken up by the governments of the countries as part of the national extension systems.

When relevant research results are applied in a supportive environment, results can be quite dramatic. Take the case of cassava, a key food crop in West and Central Africa. Starting in the 1980s, IFAD has collaborated with the International Institute for Tropical Agriculture, first to combat the cassava mealybug, and later to develop virus-resistant, more productive cassava varieties. On the basis of this research, IFAD has supported projects with a current total investment of USD 100 million, which have helped farmers in Ghana, Nigeria, Benin, Congo, and Cameroon to raise cassava output substantially. Nigeria, for example, has become self-sufficient in cassava. We are now working with farmers to help them go up the value chain by processing cassava into animal feed stock and also to use it as the basis for the production of starch, both of which have excellent external markets.

Cassava has already proved its potential. Palm oil could be an important prospect for the future. Many parts of East and West Africa are well suited to grow oil palm trees. Palm oil is not only a marketable edible oil, it can also be processed into petroleum substitutes. Current calculations, on the basis of readily available technologies, suggest that fuel derived from palm oil can be competitive with petroleum when the price of oil is higher than USD 30 per barrel, something that seems likely to continue to be the case in the near future. To take advantage of this potential, we need to bring together smallholder farmers who grow the trees, enabling them to share information and technology, access finance, and market their produce. We then need to link these farmers' groups to private sector entities who will invest in the processing units -- assured that they have a guaranteed supply source. IFAD already has experience in Uganda with a vegetable oil programme of this type and we are now exploring, on a pilot basis, similar initiatives for palm oil in West Africa. The expansion of palm oil production could offer sub-Saharan African countries a significant source of incomes for poor farmers, as well as a means to reduce the heavy burden of fuel imports.

Lack of finance is a perennial constraint on the ability of poor people everywhere to invest and raise their productivity. Africa has a rich tradition of informal financial mechanisms such as *tontines*. IFAD has worked with a variety of institutions in sub-Saharan

Africa to foster rural financial services for credit, savings, and more recently, micro-insurance. Of course, there is no single model for microfinance and we are working with many other types of institutions, including rotating and accumulating savings and credit associations (ROSCA and ASCA) and savings and credit cooperatives (SACCO).

The key to supporting microfinance and rural finance institutions is to be innovative and responsive to the needs of the borrowers, knowing that where effective financial services are available, the rural poor can have a ladder out of poverty.

Mr. President,

Niger and the other countries of the Sahel illustrate the dimensions of Africa's food crisis. There is an immediate need for food aid and other emergency relief, but we also need to look beyond this to avoid future crises. In IFAD and other institutions, we have considerable operational experience in the Sahel region with positive impact on the local level. On the basis of this experience, we are considering how a wider Sahel Agricultural Development Initiative could be developed. Such an initiative would first support a rapid recovery programme through the provision of tool, seeds, animal feed, and technical support. It would also link with ongoing regional efforts to combat locusts and extend the outreach of early warning systems. Over the medium term, it would upscale the key lessons learned from our operational experience to enhance productivity through improved access to finance, technology, and markets. It would also help establish food security stocks at the community level, promote sustainable natural resource practices, and promote the diversification of rural incomes.

The aim of the initiative would be to enhance food production capacity substantially, set up locally managed food security stocks, generate income producing activities, and improve access to markets, clean water and sanitation, and health centers. The target group would include four to five million poor rural people representing 30 percent of the Sahelian population at greatest risk.

Success in implementing such an initiative would not only address one of the major foci of Africa's food crisis, but would also provide lessons to be replicated elsewhere in the region. Working closely with our government partners in the region, IFAD would be happy

to take a lead in developing such an initiative. But we look forward very much to having the collaboration of other development partners, both bilateral and multilateral, in this effort.

Mr. President,

Overcoming Africa's food crisis is as urgent as it is challenging. But it is by no means impossible that a region so rich in human and natural resources can build structures and institutions to create the conditions for its farmers to make famine something of the past, and no longer a threat for the future.

Thank you.