

**ReSAKSS**<sup>SA</sup>   
Southern Africa

Regional Strategic Analysis and Knowledge Support System

**ReSAKSS Conference Report**

**Agriculture-led Development for  
Southern Africa:  
Strategic Investment Priorities for  
Halving Hunger and Poverty by 2015**

8-9 December 2008  
Grand Palm Hotel, Gaborone, Botswana

Pius Chilonda and Isaac Minde

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## **About ReSAKSS**

The Regional Strategic Analysis and Knowledge Support System (ReSAKSS) is an Africa-wide network of regional nodes supporting the Common Market of eastern and southern Africa (COMESA), the Economic Community of West African States (ECOWAS), and the Southern African Development Community (SADC), in collaboration with the International Food Policy Research Institute (IFPRI) and the Africa-based centers of the Consultative Group on International Agricultural Research (CGIAR) to facilitate the implementation of AU/NEPAD's Comprehensive Africa Agriculture Development Programme (CAADP).

The ReSAKSS nodes offer high-quality analyses to improve policymaking, track progress, document success and derive lessons for the implementation of the CAADP agenda. ReSAKSS is jointly funded by the United States Agency for International Development (USAID), the UK Department for International Development (DFID), and the Swedish International Development Cooperation Agency (SIDA). The nodes are implemented by the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), the International Institute of Tropical Agriculture (IITA), the International Livestock Research Institute (ILRI) and the International Water Management Institute (IWMI), in collaboration with regional and national partners.

## **About the ReSAKSS Conference Report Series**

ReSAKSS Conference report series provide a summary of the proceedings and research papers presented at regional and international policy dialogue conferences organized by ReSAKSS to provide a platform for policy engagement and interface between researchers, policymakers, practitioners, the private sector and civil society. The series undergo a standard peer-review process involving one reviewer either from within the ReSAKSS network of partners or from an external organization. Most of the research papers summarized in this report are eventually published in full as individual ReSAKSS Working Papers (WP) or compiled and published as a conference book.

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## **Foreword**

One of the key challenges facing the region, at the moment, is how to stimulate agricultural growth, while at the same time taking advantage of the opportunities presented to the sector through regional integration efforts. This requires not only addressing the current constraints besetting the sector but also responding to emerging challenges such as increasing food prices, climatic change and the question of agricultural water management. In responding to these constraints and challenges, it has become increasingly evident that policy and decision makers in the region need to rely on evidence-based policy research in their decision making in order to get greater impact and payoffs.

The broad objective of this conference was to bring together high-level policy researchers, analysts, policymakers, the private sector, development partners and practitioners to address the growth challenge with specific reference to the role of agriculture in southern Africa and in the context of supporting the millennium development goal 1 (MDG 1), the Comprehensive Africa Agriculture Development Programme (CAADP) pillars and the Regional Indicative Strategic Development Plan (RISDP) of the Southern Africa Customs Union (SADC). The conference provided a knowledge platform for key stakeholders to debate evidence-based policy and investment options for agriculture-led development in southern Africa as a pathway to halving hunger and poverty in the region by 2015.

The conference deliberations were informed by conference papers emerging from strategic research and analysis undertaken by Regional Strategic Analysis & Knowledge Support System for Southern Africa (ReSAKSS-SA) – a multicenter Consultative Group on International Agricultural Research (CGIAR) initiative that targets the identification and assessment of strategic options for agricultural growth and development in southern Africa (both at regional and national levels), particularly those options contributing most to the alleviation of poverty. ReSAKSS-SA is facilitated and led by the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) and the International Water Management Institute (IWMI), in collaboration with the International Food Policy Research Institute (IFPRI).

The conference program and presentations were designed to bring out three main outputs: (a) a clear evidence-based outlook of the current status of agriculture in the region, especially the region's progress toward key shared goals and targets (SADC-RISDP, CAADP, MDG 1); (b) a common understanding, among all key stakeholders, of the current and emerging challenges facing agriculture in the region and key strategies for addressing them in the short-, medium- and long-term; and (c) a set of implementable actions and policy triggers that will spur increased investment in agriculture for increased growth, food security and poverty reduction in the region.

The conference was hosted by the SADC Secretariat and cosponsored by the ReSAKSS-SA and the FAO subregional office for southern Africa. This tripartite collaborative partnership in hosting this high-level policy dialogue on the agriculture-led development in the region was a remarkable achievement and a clear political statement that SADC recognizes the need for research support to provide credible evidence for new investment strategies and policy options to stimulate accelerated growth and poverty reduction in the region. This partnership attracted the highest level of policymakers and stakeholders in the region and the conference was held under strict SADC protocol that gave member states the highest stake in all debates.

Clearly, there was a renewed interest in agriculture-led development in southern Africa and the conference outputs contained in this report present critical options and strategies for guiding this process.

**Pius Chilonda and Isaac Minde**

## Acronyms

ACF	Agricultural Consultative Forum
ADP	Agricultural Development Plan
AGRA	Alliance for a Green Revolution in Africa
AU	African Union
CAADP	Comprehensive Africa Agriculture Development Programme
CARDESA	Centre for Agricultural Research and Development for Southern Africa
CET	Common External Tariff
CGE	Computable General Equilibrium Model
CGIAR	Consultative Group on International Agricultural Research
COMESA	Common Market for Eastern and Southern Africa
CPI	Consumer Price Index
CSOs	Civil Society Organizations
DRC	Democratic Republic of Congo
FANR	Food, Agriculture and Natural Resources
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
FNDP	Fifth National Development Plan
FTA	Free Trade Area
GDP	Gross Domestic Product
ICRISAT	International Crops Research Institute for Semi-Arid Tropics
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
IWMI	International Water Management Institute
MAPP	Multi-country Agricultural Productivity Programme
MDGs	Millennium Development Goals
MSU	Michigan State University
NEPAD	New Partnership for Africa's Development
RAP	Regional Agricultural Policy
RECs	Regional Economic Communities
ReSAKSS-SA	Regional Strategic Analysis and Knowledge Support System in Southern Africa
RISDP	Regional Indicative Strategic Development Plan
SACU	Southern Africa Customs Union
SADC	Southern Africa Development Community
SITC	Standard International Trade Classification
SRO	Subregional Research Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
WFP	World Food Programme



## **Opening Statement by Dr. Tomaz Augusto Salomão, Executive Secretary, SADC Secretariat**

- Honorable Shaw Kgathi, Acting Minister of Agriculture for Botswana,
- The Director-General of Agriculture, South Africa, representing the Minister of Agriculture, South Africa, Chair of SADC,
- Your Excellencies, High Commissioners and Ambassadors,
- Your Excellencies, Heads of Missions,
- The AU/NEPAD Representative,
- The subregional coordinator of ReSAKSS-SA,
- Permanent Secretaries/Directors General of Agriculture Ministries,
- Distinguished Delegates,
- Ladies and Gentlemen.

It is indeed an honor and privilege for me to make a few remarks at the opening of this Regional Conference on Agriculture. Let me extend my warm welcome to all distinguished delegates to Gaborone, the Headquarters of SADC. Please feel free to visit our offices. Your presence today is a clear manifestation of your commitment to joining us in addressing current challenges in agriculture and food security.

I would like to take this opportunity to thank each one of you for finding time to attend this meeting despite your demanding schedules. I know that some of you have come from outside the region and beyond: this is a true reflection of your commitment to addressing the current challenges. Let me also thank the Regional Strategic Analysis and Knowledge Support System for Southern Africa (ReSAKSS-SA) and the Food and Agriculture Organization of the United Nations (FAO) for cohosting this conference with the SADC Secretariat in our quest for a coordinated effort to achieve the Millennium Development Goals, especially goal number 1 of halving hunger and poverty by 2015. Agriculture must lead in this effort.

Honorable Minister, distinguished delegates, the importance of agriculture and natural resources in our region cannot be overemphasized. We have over 60% of the estimated population of 240 million dependent on agriculture and land-based natural resources for food and livelihoods. Furthermore, for seven of SADC member states that are classified as low-income countries, over 50% of their Gross Domestic Product (GDP) is derived from primary production, which includes fisheries, forestry, wildlife, mining and agriculture. These resources have supported the people of this region for generations. However, with increasing population and the resultant rise in demand for goods and services, there is need to increase the productivity and sustainable management of these resources in order to reduce hunger and poverty.

Honorable Minister, distinguished delegates, this conference is taking place at the backdrop of global food and financial crises. It is against this background that now, more than ever before, our region needs to develop strategies for improving agriculture and food security to meet these challenges.

But on the other hand, the rising food prices are an opportunity for farmers to increase their incomes through increased production. This will also require improved input and output markets. I am pleased to note that these issues are among those you will deliberate at this conference.

It is not often in SADC that we have a gathering such as this where researchers, policymakers, practitioners, farmers, those in agribusiness, civil society and development partners interact. SADC values information and knowledge for improved policy and decision making. I would like to encourage all the experts gathered here to assist policymakers and politicians to put in place measures that would improve the current food security and livelihoods situation in the region and in Africa as a whole. It is possible for SADC, in a short period of time, to move from being a food-insecure to a food-surplus region, with better policies, improved technologies, regional integration and improved market linkages.

As you are aware, our member states and the secretariat have been implementing the RISDP and the Dar-es-Salaam Declaration and Plan of Action on Agriculture and Food Security since 2004. These documents lay out strategies to accelerate agricultural growth and improve food security and are aligned with the AU/NEPAD Comprehensive Africa Agriculture Development Programme (CAADP). Currently, there are initiatives on increasing availability and access to key agricultural inputs (seed, fertilizer and land), increasing the use of irrigation and water management, controlling transboundary pests and diseases, facilitating research and technology dissemination, sustainably utilizing and managing natural resources (fish, forestry, wildlife) and managing disaster. It is my hope that this conference will help us refocus and add value to the initiatives which are ongoing in our region.

Hon. Minister, distinguished delegates, ladies and gentlemen, I wish you fruitful deliberations and look forward to the outcome of this very important conference.

I thank you.

## **Welcome Remarks by Honorable Shaw Kgathi, Acting Minister of Agriculture, Botswana**

- The Executive Secretary of SADC, Hon. Dr. Tomaz Augusto Salomão,
- The Director General of Agriculture, South Africa, representing the Minister of Agriculture, South Africa, Chair of SADC,
- Your Excellencies, High Commissioners and Ambassadors,
- Your Excellencies, Heads of Missions,
- The AU/NEPAD Representative,
- The subregional coordinator of ReSAKSS-SA,
- Permanent Secretaries/ Directors General of Agriculture Ministries,
- Distinguished Delegates,
- Ladies and Gentlemen.

It is indeed an honor and a privilege for Botswana to host this Regional Conference on Agriculture. I would like to warmly welcome all distinguished delegates to Botswana and to Gaborone in particular. Please spare a bit of your time to visit this beautiful country and to enjoy Swana hospitality.

We would like to thank the SADC Secretariat, ReSAKSS-SA, and the Food and FAO subregional office for southern Africa, for organizing this conference and for choosing Botswana as the host country. The theme: *“Agriculture-led Development: Strategic Investment Priorities for Halving Hunger and Poverty by 2015”* is particularly relevant to Botswana’s development agenda at this time.

In Botswana, as in much of southern Africa, agriculture is a strong option for spurring growth, overcoming poverty and enhancing food security. Agricultural productivity growth is vital for stimulating growth in other parts of the economy. Recognizing this role, Botswana has committed itself to commercializing agriculture mostly by transforming agriculture in the country from subsistence to commercial crops and livestock and through diversification of both in line with the regionally shared goals, in particular the CAADP and SADC-RISDP. These regionally shared goals call for increased agricultural growth rates, specifically the need for agriculture to grow in excess of 6% if the sector is to contribute significantly to the attainment of the first Millennium Development Goal (MDG 1) by the year 2015.

Despite this importance, however, agricultural growth in the region is still highly variable, and hence the need for “strategic triggers” to accelerate growth, while at the same time taking advantage of the opportunities presented to the sector through regional integration. This will require the region to address the current constraints and respond to emerging challenges like escalating food prices and the question of climate change. In responding to these issues, it is increasingly important for policymakers to rely on evidence-based policy research in their decision making in order to have a greater impact.

To this end, we applaud the broad objective of this conference to bring together key stakeholders: policy researchers, analysts, policymakers, the private sector, development partners and practitioners to a common platform, to discuss and address these challenges with specific reference to southern Africa and in the context of supporting SADC-RISDP, CAADP and MDG goals and targets.

I would like to wish you fruitful deliberations and look forward to receiving the outcomes to inform our agricultural strategic planning process.

I thank you.

# Chapter 1

## Key Messages and Outputs

In much of southern Africa, agriculture is still a strong option for spurring growth, overcoming poverty and enhancing food security. Growth in agricultural productivity is vital for stimulating growth in other parts of the economy. Recognizing the role of agriculture, countries in southern Africa have committed themselves to regionally shared goals, in particular the CAADP<sup>1</sup> and SADC-RISDP.<sup>2</sup> These regionally shared goals call for increased agricultural growth rates, specifically the need for agriculture to grow in excess of 6% if the sector is to contribute significantly to the attainment of the first Millennium Development Goal (MDG 1) by the year 2015. This is because over 60% of the region's inhabitants rely on agriculture directly or indirectly as their main source of livelihood.

The broad objective of the Southern Africa Regional Conference on Agriculture was to bring together policy researchers, analysts, policymakers, the private sector, development partners and practitioners on a common platform, to address the growth challenge with specific reference to the role of agriculture in southern Africa and in the context of supporting MDG, CAADP and Regional Economic Communities' (REC's) (SADC and COMESA) imperatives.

### Key Messages

National agricultural strategies and policies should aim to raise food security, production and wider economic development in member states. Regional policy and action should accommodate and complement national policies by harmonizing national policies, encouraging sharing and transferring of knowledge, and addressing areas that transcend national boundaries.

The conference noted that if goals and targets to halve hunger and poverty by 2015 are to be achieved, urgent and renewed effort and strategic investment in agriculture will be required.

In this regard, the conference highlighted the following messages:

- Government role is to create an enabling environment for active participation of all the stakeholders, including the private sector and NGOs. Government alone cannot drive agricultural transformation throughout the region; there needs to be a greater commitment to accountability, transparency and consistency among all stakeholders.
- While it is vital to increase food availability in the region, the conference noted that policies must also enable reliable access to, and utilization of, nutritious food.
- The importance of agriculture-led development in addressing unemployment, poverty and hunger, especially among small-scale farmers, needs to be adequately documented to justify increased funding from the national budgets and development partners.

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1 NEPAD's Comprehensive Africa Agricultural Development Programme (CAADP).

2 SADC's Regional Indicative Strategic Development Plan (RISDP).

- There is need for greater investment in agriculture, improved spending efficiency by the agriculture sector, and a stronger role for public/private partnerships. There is also need for improved collaboration and coordination amongst Ministries of Agriculture, Finance, Trade, Water, Natural Resources, etc. Regional investment in agriculture should take into account comparative advantages between countries.
- Some sectors, particularly staple foods (especially maize) and livestock have greater potential for broad-based poverty reduction and growth and can benefit greatly from regional integration and policy harmonization. These sectors should be afforded high priority in regional policy.
- Regional integration, especially a reduction in nontariff barriers, can lessen the adverse effects of production variability on food prices and security in the region. However, production efficiency and information within countries must be improved if the full benefits of integration are to be realized.
- National and regional stakeholders in the agriculture sector should act early in the setting of common external tariffs. These tariffs should support national and regional policies. Tariff revenues can also provide an important financing mechanism for implementing regional policy.
- The regional agricultural policy can help raise agricultural productivity in member states by encouraging regional technology development, and transfer and sharing of best practices.
- Effective coordination between actors in the value chain is needed both within and across countries. Regional policy should support this by, for example, harmonizing sanitary and phytosanitary standards, removing trade barriers, coordinating transboundary issues such as infrastructure, and promoting cross-country investment.
- Regional agricultural policy should strengthen collaboration in the sustainable management of transboundary natural resources, especially for water resources, given the region's dependence on rain-fed agriculture, high rainfall variability and the uncertainties surrounding climate change.
- Regional agricultural policies and decision making should be based on sound evidence. Likewise, sound evidence should take into account the political context. This underlines the efforts of ReSAKSS-SA and other stakeholders, including universities, to strengthen analysis and its links to policymaking, and establish information systems in the region.

### **A Synthesis of Key Outputs**

The conference was hosted by the SADC Secretariat and cosponsored by the ReSAKSS-SA and the FAO subregional office for southern Africa. This tripartite partnership to host such a high-level policy dialogue on the agriculture-led development in the region was a remarkable achievement in itself. It was a clear statement that SADC recognizes the need for research support that will provide credible evidence for new investment strategies and policy options to stimulate accelerated growth and poverty reduction in the region.

This high-level partnership permeated through all the deliberations and raised the stakes for policy uptake by all the delegates present. The tripartite partnership also attracted to the conference the highest level of policymakers and stakeholders in the region. In this regard, the conference was held under strict SADC protocol that gave member states the highest stake in all debates.

Clearly, there was a renewed interest in agriculture-led development in the region and the conference sought to identify concrete options that would ensure this renewed interest and accompanying investment in agriculture would stimulate poverty reduction in southern Africa. Current and emerging challenges and opportunities facing agriculture in the region were discussed as a pathway to halving hunger and poverty in the region by 2015.

Altogether 101 agricultural experts, policymakers, researchers, policy analysts, those in agribusiness, farmers and development partners attended the conference and key policy outcomes were a twofold policy response: (a) *What must be done* - what kinds of policy actions must be put in place to realize the region's huge promise in agriculture-led growth and development? (b) *How can this be done* - how exactly can pro-smallholder agricultural development policies be effectively implemented in southern Africa?

### ***Performance***

Presentations indicated that recent GDP growth in the SADC region as a whole has been impressive since 2003, averaging well over 5% per year, slightly higher than the continent-wide level. Eight countries registered growth rates of 5% or higher in 2006-07, with Angola, Malawi and Mozambique performing especially well. However, this good news is tempered by the not-so-good news in the performance of the agriculture sector. With a few exceptions, national agriculture sectors have been performing poorly.

### ***Agricultural Investment, Trade and Economic Integration: What Must Be Done?***

#### ***Improve Spending Efficiency***

Research results showed that while there is a general upward trend in the number of countries allocating more than 5% of the national expenditure, the response remains generally small. More efforts are needed to engage the countries still allocating less than 5% of the national budget to agricultural development. Improving the spending efficiency of agricultural ministries will be as important as increasing budget allocations. Only food crops, especially maize, have the scale to substantially raise growth and reduce poverty within the remaining 7 years before 2015, i.e., size effect dominates. There are a few small but very high growth potential crops, e.g., biofuels in Mozambique, while some subsectors will be more effective in reducing severe poverty, e.g., roots in Zambia.

#### ***Reduce Transaction Costs***

Results indicated that marketing conditions need to be improved alongside improving agricultural productivity. There is need to reduce transaction costs and strengthen trade opportunities in the region. Higher-level investments in long-term impact areas, such as infrastructure (roads and transportation),

extension, agricultural research and development (R&D), market information systems, postharvest handling facilities and agricultural inputs are critical, but an enabling institutional environment and the proper sequencing and targeting of available investments will be extremely critical, along with more harmonized donor coordination.

#### *Open Political Borders to Regional Trade in Staples*

In southern Africa, as in the rest of the continent, highly arbitrary political boundaries cut across natural market sheds. Opening up political boundaries to regional trade in food staples offers many advantages to the consumers and farmers in southern Africa. The alternative policy of closing borders in small markets such as Zambia invites the prospect of significant price volatility. Consumers clearly benefit from reduced maize price volatility, particularly during drought years when price spikes can become particularly acute. Producers of staple foods likewise benefit from open borders.

#### *Positive Welfare Impact of the Free Trade Area (FTA) Will Be Small*

The recently launched SADC FTA will have a positive welfare impact for the region as a whole, but such benefit is estimated to be small. Results show a total value of trade creation of \$157 million (0.92% of the current annual agricultural trade of SADC countries), and a net effect between trade creation and trade diversion of \$129 million (or 0.75% of total agricultural trade). The main factors explaining the relatively small impact of an FTA are the relatively small share of sensitive industries in total trade (below 30%) and the low level of tariffs on agricultural products in most countries (an average of 14.5%).

#### *Trade Diversion Could Dominate Trade Creation*

At the country level, two-thirds of region-wide welfare gains from agricultural trade liberalization will go to low-income countries while almost one-third would go to Southern African Customs Union (SACU) countries. The largest share of the gains will go to Zimbabwe, SACU, Malawi, Mauritius and Tanzania, while Angola and the Democratic Republic of Congo (DRC) would be negatively affected by the FTA. Countries that will benefit the most are those, like Zimbabwe, with a comparative advantage in agriculture in the region, while still being inefficient producers of regionally traded commodities.

The inefficiency of the main regional exporters explains the negative welfare impacts that the FTA will have on countries with a comparative disadvantage in the region (i.e., the net importers), like Angola and the DRC. This is because the elimination of tariffs on regional imports in these countries will increase imports of wine, beer, meal and flour of wheat, preparation of cereals, sugar and bakery products from inefficient regional producers, thus allowing trade diversion to dominate trade creation.



### *Agricultural Trade Liberalization May Not Be the Most Effective Pathway*

The overall policy implication of the FTA on regional agriculture is that agricultural trade liberalization does not appear to be the most effective pathway to achieving the goals of accelerating growth, increasing income, reducing poverty, and promoting food security in low-income countries, at least in the short term. This is mainly because:

- a) The concentration of agricultural exports among a small number of agricultural industries, which greatly reduces the possibilities of increasing welfare from trade liberalization (just above 50% of agricultural industries find trade complementarity in the region, representing only 30% of the total value of exports of SADC countries).
- b) An FTA could result in a significant amount of trade diversion, opening regional markets to inefficient producers, with no benefits for producers in exporting countries while reducing the welfare of producers in importing countries.
- c) No major gains are expected for consumers who could instead see their welfare negatively affected by increased imports from inefficient regional producers.
- d) The small size of regional import markets leaves very limited scope for enhanced protection for regional producers. This means that an FTA offers little incentive to agricultural producers in the region.

Increasing agricultural productivity and diversification is a prerequisite to the FTA. Results, instead, suggest that the region needs to look at regional policies and interventions beyond trade arrangements, such as those targeting investment, agricultural productivity and diversification. With growing productivity and enhanced diversification in agricultural production, regional trade liberalization could play a much more significant role in achieving main policy goals.

### *Set the Common External Tariffs (CET) for Agricultural Products*

With respect to the future customs union in SADC, results stress the importance of CET in agriculture. These tariffs should be determined to complement and reinforce regional policies promoting investment and productivity. High CET resulting from a compromise to protect inefficient industries in some SADC countries could have negative impacts on consumers and would not benefit producers.

### ***Exploit Synergies: Regional Trade, Foreign Direct Investment (FDI) and Production Synergies***

The region needs to exploit synergies in trade (imports / exports), FDI, financing agriculture, knowledge and information-sharing, and complementarities in production to access markets.

- (a) *Synergies in regional trade* should focus on import substitution for rice, wheat, maize, oilseed, dairy and meat (chicken and pork) in order to create self-sufficiency in the region. The region needs to increase exports on the world market in commodities where the region has a comparative advantage including tea, coffee, tobacco, fruits and vegetables, spices, beef and sugar.

- (b) *Synergies in FDI* should focus on direct farming investments in commercial farming, agro-processing investments with or without out-grower schemes, urban needs and export markets, input supply (seed, fertilizers), output market chains and information-sharing.
- (c) *Agricultural production synergies* that could be captured include *rice* (Madagascar is the largest producer of rice but there is a lot of potential in Zambia, Mozambique, Tanzania and Angola [i.e., plenty of fertile land and irrigation options]); *cotton* (Zambia, Zimbabwe, Malawi and Mozambique can create an *integrated textile sector*); *coffee* (South Africa imports all its coffee from Vietnam but there is potential from the DRC); *fruits and veggies* (there is a lot of potential in Angola, Malawi, Tanzania and Madagascar) the only challenge being in limitations in logistics and marketing; *livestock and hides* constitute another potential area for the region, especially if animal health issues are harmonized; *edible oils* are still an unexploited opportunity.

### **How Should the Region Respond to Current Challenges and Opportunities?**

#### *Improve Access to Input and Output Markets: Strengthen Macro- and Meso-level Coordination*

There is need for (a) increased intensification of food staples commonly critical for widespread growth including strengthening macro- and meso-level coordination (i.e., improved public-private partnerships, improved state and market coordination, an improved link between expertise and capital, an improved complementarity between investments and reliable policies (transparent and clear) and clear limits on state action and intervention); (b) increased realism, trust, consistency, mutual accountability and transparency and for “sustained” investments in technology, public goods, coordination, as well as “wise subsidies;” (c) increased intensification of non-staple products including growth supporters, localized growth drivers, staple spillovers, and less explicit state coordination and investment, i.e., facilitating (not impeding) private/NGO coordination/ investment; (d) investing in building transparent and accountable farmer organizations (FOs) to help in coordination of market access; and (e) improving lesson learning within and across countries through action research.

#### *Promote Increased Fertilizer Use*

Key policy actions required for promoting sustainable increases in fertilizer use include: (a) implementing a targeted input voucher system as opposed to an across-the-board fertilizer subsidy; the use of input vouchers ensures that the poor benefit most and that the private sector is incorporated; (b) targeting fertilizer vouchers to farm households with low purchasing power; assisting low-income households to acquire fertilizer may make the difference between their ability to eat and going hungry and contributes, importantly, to equity and social-protection objectives; (c) involving a wide range of fertilizer importers, wholesalers and retailers in the input voucher scheme, even if it entails additional logistical costs; (d) focusing government efforts on alleviating infrastructural and input-supply constraints as well as improving procurement efficiency; joint procurement arrangements and regional procurement hubs could achieve the goal of enhancing farm-level fertilizer supplies at a lower price; (e) facilitating and supporting the private sector to undertake partnerships between the private sector and farmers, such as contract farming as a way of reducing the financial burden on governments; and (f) prioritize R&D to generate improved fertilizer-responsive seeds.

### *Establish a Regional Agricultural Research Organization in Southern Africa*

The current strategic direction for agricultural R&D in southern Africa focuses on regional priorities that will both add value to national efforts and incorporate new ways of doing business informed by past experiences and lessons learnt in the region and elsewhere. This strategic direction is illustrated in the SADC Multi-country Agricultural Productivity Programme (SADC MAPP), a comprehensive 15-year SADC program. As part of this program SADC has proposed the establishment of a new subregional agricultural research organization: the *Centre for Agricultural Research and Development for Southern Africa (CARDESA)*. The proposed subregional research organization (SRO) is expected to coordinate and implement the 15-year SADC MAPP and, eventually, all regional R&D programs.

### *No Complacency on Food Prices*

Increases in food prices were a result of structural shifts in food supply. They are already sharply coming down, but there should be no complacency in this action. Key short-run policy options must include social protection, consumer subsidies, reviewing taxes and tariffs and applying export restriction where necessary. In the long run, it will be critical to revisit public investment priorities and undertake relevant policy reform and institutional innovations. As massive as the poverty problems may look now, they will be much greater unless budgets are reallocated sooner than later to investments that will make the economy productive in the long term. Population growth without productivity growth will lead to civil strife. Rising food prices also present some opportunities for increased production; however, this is often crowded out by the focus on the impacts on consumers.

### *Build Resilience to Climatic Change through Better Water Management*

A six-layered regional strategy is required to build resilience to climate change in southern Africa through better water management: (a) Get water to the people and use it better. (b) Consider a range of water management options. (c) Adapt yesterday's irrigation to tomorrow's needs. (d) Manage water in rain-fed landscapes. (e) Increase water productivity – more crops per drop of water (physical water productivity) and more value per drop (economic water productivity). (f) Invest in water for productivity gain.

## **How Exactly Should Agricultural Development Policy Be Effectively Implemented in Southern Africa?**

### *Technically, Operationally and Politically Feasible Options*

Agricultural development analysts and practitioners must be more operationally and politically relevant. Potential benefits must also consider real costs. Potential benefits relate to the ideal; costs pertain to reality.

The search for new technical solutions to both old and new problems must continue, but there is urgent need to become much more preoccupied now, than ever before, with identifying and helping to bring about operational and political solutions to the problems inhibiting the realization of the full benefits of existing technical solutions.

Proposed interventions and benefits must meet the test of operation feasibility in the context within which they are being considered. There is need to be bolder about the assumptions that underpin potential gains. The mechanisms of power and influence that render each intervention politically feasible must be specified.

#### *Leverage Increased Expenditure to Private-Sector Initiatives*

There is need to craft new ways of agricultural financing linked to private-sector initiatives, but this must be coupled with increased government predictability to markets as in some cases markets have hesitated to participate in potential partnerships due the unpredictability of the quantity, quality and timing of government interventions.

#### *Increase National Budget Support to the Agriculture Development Budget*

as opposed to just supporting recurrent budgets, especially in the face of shrinking donor support in the wake of the global financial crisis. Difficult choices and decisions must be made now rather than later.

#### *Intensify but Diversify*

Diversity is the key to resilience. There are no blue prints here; there is need to craft local innovations and solutions. Southern Africa's diversity is its wealth.

#### *Political Will and Commitment*

are the key drivers for growth; this needs to be right. Who is lobbying for increased investment in agriculture? What is the political payoff? Political commitment to science, to utilize the pool of researchers available, must be central.

#### *People*

must be at the center of all initiatives. Who are the real key players in the region? Members of the academic staff of universities need to be better citizens and contribute more to innovation than just to academia.

#### *Using a Hunger Perspective*

Often, a poverty reduction lens is used but we must progress toward hunger reduction. There is need for a twin-track approach: increasing smallholder productivity and also putting in place safety net programs for the hungry.

#### *Reform the Policy Reform Process*

in order to address past political and institutional failures. Poverty, hunger, gender inequality and ecosystem degradation continue not because of technical failings but because of political and institutional failings. There is need to review the governance of agriculture and the policy formulation in the sector that has been dominated by the public sector without full participation of all key stakeholders.

*A cocktail of interventions* is essential for stimulating agricultural growth. Subsidies must be part and parcel of this cocktail. Subsidies are a strategic investment that should also have an exit plan.

*SADC needs a position on technology* because the excellent production in South Africa is technology-driven.

*We must continually take stock of lessons learned* and past trends as we plan for the future.

## Chapter 2

### Status and Outlook

#### Conference Design

In the twenty-first century, agriculture continues to be a fundamental instrument for sustainable development and poverty reduction. Three of every four poor persons in developing countries live in rural areas with 2.1 billion living on less than \$2 a day and 880 million on less than \$1 a day, and most depend on agriculture for their livelihoods. Given where they are and what they do best, promoting agriculture is imperative for meeting MDG 1 of halving poverty and hunger by 2015 and reducing poverty and hunger for several decades thereafter. While agriculture alone will not be enough to greatly reduce poverty, it is an essential component of effective development strategies for most developing countries.

In much of sub-Saharan Africa, agriculture remains a strong option for spurring growth, overcoming poverty, and enhancing food security. Growth in agricultural productivity is vital for stimulating growth in other parts of the economy. Recognizing this, countries in southern Africa have committed themselves to regionally shared goals, in particular the CAADP<sup>3</sup> and SADC-RISDP.<sup>4</sup> These regionally shared goals call for increased agricultural growth rates, specifically the need for agriculture to grow in excess of 6% if the sector is to contribute significantly to the attainment of MDG 1 by the year 2015. This is because over 60% of the region's inhabitants rely on agriculture directly or indirectly as their main source of livelihood.

The broad objective of the regional conference was to bring together policy researchers, analysts, policymakers, the private sector, development partners and practitioners on a common platform, to address the growth challenge with specific reference to the role of agriculture in southern Africa and in the context of supporting MDG, CAADP and RECs' (SADC and COMESA) imperatives.

#### Conference Objectives

The specific conference objectives were threefold: (a) To present key results from policy research and analysis being undertaken in the region that focus attention on key emerging challenges and opportunities for generating agriculture-led growth strategies in southern Africa. (b) To provide a platform from which credible research, analysis and information can come to bear on the decision-making processes related to planning, monitoring and evaluation of agriculture-based rural development strategies in southern Africa. (c) To support regional efforts by SADC, NEPAD, multilateral and bilateral donors, and national efforts aimed at improving the performance of the agriculture sector in southern Africa through improved policy analysis and knowledge management. This will include agreeing with ways and means of translating results into concrete actions and investments.

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3 NEPAD's Comprehensive Africa Agricultural Development Programme (CAADP).

4 SADC's Regional Indicative Strategic Development Plan (RISDP).

## Conference Themes

The Southern Africa Regional Conference on Agriculture was held under the umbrella theme of *Agriculture-led Development for Southern Africa: Strategic Investment Priorities for Halving Hunger and Poverty by 2015*. The umbrella theme was addressed through conference papers organized and presented under three subthemes:

### ***Subtheme 1: Investment, Trade and Economic Integration***

While the worlds of agriculture are vast, varied and rapidly changing, with the right policies and supportive investments at local, national and global levels, today's agriculture offers new opportunities to hundreds of millions of rural poor to move out of poverty. Pathways out of poverty open to them through agriculture include commercialized smallholder farming and animal husbandry, employment in the "new agriculture" of high-value products, and entrepreneurship and jobs in the emerging rural, nonfarm economy.

The SADC region has some of the slowest agricultural growth trends in the world, estimated at about 2.5% a year over the last decade. The region is also home to some of the poorest countries in the world, with half the 14 member countries classified as low-income countries. SADC governments have agreed to pursue the objective of committing 10% of their national budgets to agriculture in line with African Union's Maputo Declaration of 2003 in which African countries committed themselves to increase investments in agriculture to, at least, 10% of their national budgets.

Currently, SADC countries allocate, on average, less than 5% of their national budgets to agriculture. But even if agricultural budgets double or triple in some countries, several questions remain: What is the best way of allocating this increased investment? How can governments achieve higher and more sustained returns from these investments? What sorts of expenditures are most likely to contribute to achieving faster growth rates in agricultural GDP so as to reach the growth objectives in the SADC-RISDP and the CAADP? Will a 10% budget allocation, in itself, guarantee a 6% growth rate in agricultural GDP? Are the targets of 6% agricultural growth and a 10% budget allocation enough to reduce poverty? Are these percentages applicable across all countries in the region? What are the associated opportunity costs of 6% agricultural growth?

Most donors and governments seem to have limited "perspective" on where agricultural investments "have been" and "should be" heading. How much of this spending has been capital versus recurrent? How much has been on projects versus sustained programs? Understanding this dynamic is critical if increased budget allocation to the agriculture sector is going to translate into increased agricultural growth. Under this theme, the conference sought to respond to three key questions:

- Can investment in agriculture stimulate growth and poverty reduction in southern Africa?
- What are the implications of agricultural growth and trade on food security and poverty reduction?
- Growth linkages: What agricultural trade synergies exist between South Africa and other SADC countries?



***Subtheme 2: What are the current and emerging challenges and opportunities facing agriculture in southern Africa?***

A sound diagnosis of the trends in agricultural growth, poverty reduction and investments in the agriculture sector is a prerequisite to identifying the type of investments and policy options needed to accelerate agricultural growth to achieve the 6% annual growth rate of agriculture required to reach MDG 1 in southern Africa from a regional perspective. There is need for a better understanding of the current drivers of agricultural growth in the region and the opportunities upon which to leverage agricultural growth dynamics, food security and poverty alleviation through regional agricultural and nonagricultural policies and investment priorities. This implies the identification of current and emerging challenges and opportunities that countries face in the process of regional integration and the optimal integration paths for different countries.

How can the region respond effectively to current and emerging challenges and opportunities in agriculture? What are the possible regional responses to the current escalating food prices? What practical responses can the region undertake to mitigate the impact of climate change? These are some of the questions that the conference sought to address under this subtheme.

The conference sought to enrich the ongoing dialogue and decision-making processes in SADC and its member states in identifying regional agricultural development priorities needed to stimulate and sustain pro-poor growth and food security in the region.

***Subtheme 3: Future Strategies: Defining and Implementing Regional Strategic Priorities for Agriculture in SADC***

This theme was aimed at examining the challenges and opportunities for implementing regionally shared goals in the agriculture sector. This is because regional agreements need to be translated into implementable actions and investments if the agriculture sector is to contribute meaningfully to economic growth, poverty reduction and food security. Therefore, there is need to understand the challenges in implementing agreements affecting the agriculture sector. In this context, questions on how countries can better coordinate their actions and implement a regional agricultural policy currently under development were central to the debate.

**Targeted Outcomes**

Three main outcomes were targeted. It was expected that by the end of the conference, all delegates would have:

- (a) A fresh evidence-based outlook on the current status of agriculture in the region, especially the region's progress toward key shared goals and targets (SADC-RISDP, CAADP, MDG 1).
- (b) A common understanding of current and emerging challenges facing agriculture in the region and key strategies for addressing them in the short, the medium and the long term.
- (c) A set of implementable actions and policy triggers that will spur increased investment in agriculture for increased growth, food security and poverty reduction.

All three objectives were achieved by the end of the conference.



## Conference Delegates

Altogether 101 delegates from various partner institutions attended the conference. These included: one delegate from AU/NEPAD; 15 delegates from SADC Secretariat; one delegate from COMESA; five donor partners; six delegates from embassies based in Botswana, two from agribusiness; eight from UN agencies (FAO, UNICEF, UNFPA, WFP, UNDP); 11 researchers from CGIAR centers; three delegates from FOs; 13 delegates from Civil Society Organizations' (CSOs); six universities (regional and international); and 30 high-level policymakers from 13 SADC member states.

## Conference Pillars: CAADP Pillars and SADC-RISDP Targets

The conference was held under the auspices of SADC and hinged on the four pillars of NEPAD's CAADP and agricultural growth and development targets related to sustainable food security and poverty reduction enshrined in the SADC Regional Indicative Strategic Development Plan (SADC-RISDP):

### **The four investment pillars of NEPAD's CAADP are:**

- 1) Extending the area under sustainable land management and reliable water-control systems.
- 2) Improving rural infrastructure and trade-related capacities for market access.
- 3) Increasing food supply, reducing hunger and improving responses to food emergency crises.
- 4) Improving agricultural research, technology dissemination and adoption.

The specific SADC RISDP targets relating to sustainable food security and poverty reduction in southern Africa are:

- 1) Achieving a GDP growth of at least 7% a year and halve the proportion of the population living on less than US\$1 per day between 1990 and 2015.
- 2) Doubling cropland under irrigation from 3.5% to 7% as a percentage of the total by 2015.
- 3) Increasing fertilizer consumption from 44.6 kilograms per hectare (kg/ha) of arable land to 65 kg/ha of arable land by 2015 (world average is 98.8 kg/ha).
- 4) Increasing cereal yield in kg/ha from an average of 1,392 to 2,000 (world average) by 2015.
- 5) Doubling the adoption rate of proven technologies such as improved seed varieties, and management of water and land by 2015.
- 6) Reducing the incidence of transboundary animal diseases (TADs) in particular foot and mouth diseases by half by 2015 with the ultimate objective of eliminating it.
- 7) Increasing livestock production by at least 4% annually.
- 8) Increasing the daily per capita dietary energy and protein intake from 2,160 kilocalories (kcal) to 2,700 kcal and from 49 g to 68 g, respectively, by 2015.
- 9) Halving the proportion of those who suffer from hunger by 2015.

### **Key Issues Emerging from the Opening Remarks**

The conference was opened by the Executive Secretary (ES) of SADC, Dr. Tomaz Augusto Salomão. The ES is the topmost executive of the SADC Secretariat, the coordinating organ of the SADC REC. His presence at the conference was a major policy signal in itself – a clear signal of the importance the SADC was attaching to the conference. He pointed out that:

- It is not often that SADC has such a gathering where researchers, policymakers, practitioners, farmers, those in agribusiness, civil society and development partners interact.
- SADC values information and knowledge for improved policy and decision making.
- All the experts gathered should assist policymakers and politicians to put in place measures that would improve the current food security and livelihoods situation in the region and Africa as a whole.
- It is possible for SADC, in a short period of time, to move from being a food-insecure to a food-surplus region, with better policies, improved technologies, regional integration and improved market linkages.

The AU/NEPAD representative at the conference, Dr. Faustin Mwape (FAO Agricultural Adviser to NEPAD), noted that:

- The bringing together of experts to share information was a very vital link in the policy development process.
- ReSAKSS-SA was an outcome of the NEPAD partnership with the CGIAR system and the ReSAKSS-SA model should be replicated across Africa.
- FAO was a partner in developing CAADP and is a partner in the implementation of CAADP.
- Information generated from research must inform the decision-making and resource-allocation processes if the region is to attain the MDGs.
- The conference outcomes should feed into decision-making processes in the region-they must add value.
- Briefs must be prepared to inform ministers about the deliberations.
- Member countries must take a major step toward funding agricultural development from their own resources, particularly, the SADC region which has abundant resources compared to other regions. It is not a lack of resources or plans or information but a lack of willingness to take the necessary steps. There are enough resolutions – what is missing is the ability to implement them.
- There is need to create an enabling environment for the private sector to get more involved in agriculture.

The Representative of the FAO subregional office for southern Africa, François Leonardi, pointed out that:

- FAO's main focus is addressing agricultural policy issues and policy reform processes.
- FAO operates in a decentralized way in order to be closer to its member states - and hence the participation of FAO Harare in the regional conference which is an example of the ongoing collaboration between SADC and FAO.
- The conference is complementary to FAO teams 2 and 3.
- The FAO subregional office is pursuing an SADC-centered development strategy.

The representative of the Minister of Agriculture (SADC Chair, 2008), singled out five priority areas requiring urgent regional attention: (1) food prices; (2) climate change, (3) trade (Doha), (4) investment in agriculture (not many countries can allocate 10% of the national budget), and (5) food shortages (overdependence on grains - not capitalizing on the region's competitive advantage). She pointed out that:

- On climate challenges, there is need to plan better and plan together.
- There is need to invest more in agro-processing. The focus on primary production is limited by the limited access to international markets arising from the lower-quality of products.
- Rural development is not equal to agricultural development; there is need to integrate government ministries to ensure agricultural development.
- There is need to improve the image of agriculture (agriculture is not "dirty work") and get youths to be interested in agriculture (but agriculture must not be associated with child labor).
- The region is still a net importer of livestock products; there is need to increase animal products.
- In terms of trade, the FTA should facilitate increased regional trade and member states working closer.
- There is need to work closely on sanitary and phytosanitary (SPS) standards to enable faster movement of goods.
- There is need to differentiate between Genetically Modified Organisms (GMOs) and biotechnology to minimize trade constraints in animal products, and to address consumer concerns.

### **Performance of the Agriculture Sector**

Pius Chilonda, the ReSAKSS-SA subregional coordinator and Margaret Nyirenda, Director SADC-FANR Directorate jointly presented a synthesis of recent trends and future prospects for agricultural growth, poverty reduction and investment in the SADC region in order to show progress in the region toward key targets for growth and poverty reduction, with an added focus on the performance of

the region's agricultural economies, which continue to dominate livelihoods and employment for millions of southern Africans.

Agriculture continues to dominate livelihoods and employment for millions of southern Africans. In 2006, six out of ten persons living in the SADC countries resided in rural areas. The region's agricultural performance is a determining factor in the quality of life of a population of over 150 million. This report examines the role of agriculture as an instrument in poverty reduction and sustainable economic growth in SADC. More specifically, it measures progress toward key growth and development targets in the SADC region, with a focus on the 2008 theme of ReSAKSS-SA: public expenditure on agriculture.

### ***Impressive Gross Domestic Product***

Gross Domestic Product (GDP) growth in the SADC region has been impressive since 2003, averaging well over 5% per year, slightly higher than the continent-wide level. Seven countries registered growth rates of 5% or higher in 2006-07, with Angola, Malawi and Mozambique performing especially well. Relatively poor performers by regional standards included Botswana, Lesotho, Mauritius, Swaziland and Zimbabwe.

### ***Poor Performance of the Agriculture Sector***

Conversely, SADC's *Agricultural Gross Domestic Product* has performed poorly in recent years, with three exceptions that pull up the regional average (Angola, Tanzania and Mozambique). Agriculture in Lesotho, Mauritius, and Zimbabwe registered negative growth between 2006 and 2007. Botswana and South Africa registered negative prior growth, but reversed the trend in 2006-07, albeit only to relatively low levels. Agricultural GDP growth in Namibia has been unchanged since 2003.

### ***Stagnant Agricultural Productivity***

The poor performance of the region's agriculture sectors is due to a stagnant agricultural productivity. This is largely a result of insufficient investment in agriculture, poor access to agricultural inputs, poor access to markets and low levels of technology development and use. Other factors explaining the underlying low productivity include adverse climate conditions, hunger and HIV/AIDS, all of which threaten the livelihoods of farming households.

### ***Falling Per Capita Food Production***

In the period between 1990 and 2006, per capita food production increased in only two countries (Angola and Mozambique). In Botswana, per capita food production fell by more than 30% over this same period; in the Democratic Republic of the Congo (DR Congo) it fell by almost 50%. More alarmingly, the dominant food production yields in the region (cereals, roots and tubers) have declined dramatically. The region's livestock sectors have also grown slowly or contracted in recent years, with the exception of Mauritius and South Africa.

### ***Income and Poverty: Low per capita GDP***

The region-wide average per capita GDP between 2000 and 2006 was slightly over \$1,200. But a clear majority of countries averaged \$500 or less. Countries whose agriculture sectors performed poorly also registered low per capita GDP levels. Countries with relatively large agriculture sectors and large rural populations (DR Congo, Madagascar, Mozambique and Tanzania) recorded especially low per capita GDPs. Conversely, countries with relatively small agriculture sectors and rural populations (Botswana, Mauritius, and Swaziland) fared much better.

### ***Food Prices Increased Drastically***

Food prices have increased drastically in the SADC region. Early measures of the impacts of rising food prices on poverty in the region indicate that increases in staple food prices have a direct correlation with increases in poverty. Accordingly, increasing food prices is a risk factor in the causation of poverty in SADC. FAO lists four SADC countries that are already facing food crises borne of high food prices: DR Congo, Lesotho, Swaziland and Zimbabwe.

### ***Hunger: Levels of Malnutrition Remain High***

While there has been some progress in reducing undernourishment in the overall population in many SADC countries, with Angola, Malawi and Mozambique standing out, levels of undernourishment remain high in most countries. Levels of child malnutrition remain unacceptably high in most countries in the region, despite several countries having succeeded in lowering the total number of children suffering from malnutrition. In 2006, one in five children was malnourished in 9 out of 15 SADC countries for which data are available (Angola, DR Congo, Madagascar, Malawi, Mozambique, Namibia, Tanzania and Zambia). In Angola and DR Congo, the ratio stood at one in three; in Madagascar it was almost one in two.

### **Outlook**

Although recent total GDP growth rates in the SADC region have been impressive, the high proportion of the population residing in rural areas and the region's stagnant or declining levels of agricultural productivity are a major cause for concern.

Clearly, several agriculture-specific investments are required to reverse these trends. The areas requiring attention are well known, e.g., rural transport and market infrastructure, agricultural R&D and extension. The 6% agricultural GDP and 7% total GDP targets proposed in the CAADP and RISDP, respectively, are useful indicators of the capacities of countries to make such investments. Angola, Mozambique and Tanzania have shown that the targets are attainable. Recent performance suggests that both of these trajectories are within reach of many countries in the region. However, the rate of performance must speed up considerably if poverty and hunger are to be noticeably reduced.

SADC is an interdependent region. Accordingly, reduction in intra-regional barriers to trade would assist in the improvement of the region's economic outlook. For example, growth in South Africa, coupled with reductions in trade barriers could have important implications for regional food security. Specifically, it could generate an additional annual growth of 1.88% in food consumption in the

SADC region. Similar levels of growth in the other five middle-income countries of SADC would also improve regional food security and growth.

The SADC region faces a real risk that hard-won gains in growth and poverty reduction will be reversed by rising food costs. Prices of most crops are expected to continue to climb and remain well over their 2004 levels through 2015. This will pose twin challenges for SADC governments. One challenge is to protect the poor from increases in food prices, ensuring that those who are living on the edge are not pushed into destitution. The other is to harness higher prices to stimulate greater food production and raise rural incomes over the long run. Responses to the first challenge must not be allowed to undermine those to the second.

### **Status of Public Expenditure on Agriculture**

Faustin Mwape, the FAO Agricultural Advisor to NEPAD, presented a NEPAD public expenditure report on national compliance with 2003 African Union-Maputo Declaration to allocate at least 10% of the national budget to agricultural development.

The study established that while the 2003 AU Maputo Declaration encouraged AU member countries to increase investment in the agriculture sector to at least 10% of the national budget by 2008 most countries (57%) continue to spend less than 5% of their national expenditure on agricultural development. However, there has been a small upward trend of countries spending more than 5% of the total national expenditure on agriculture.

The study established that 24% of the countries (Benin, Chad, Mauritania, Nigeria, Sao Tome and Principe, Swaziland, Uganda and Zambia) spend 5-10% on agricultural development. Only 19% of the countries (Ethiopia, Madagascar, Malawi, Mali, Niger, Senegal and Zimbabwe) have complied with the 2003 AU-Maputo Declaration. The small decrease in the less than 5% cluster and the upward trends in the 5-10% and more than 10% clusters reflect some positive response to the 2003 AU-Maputo Declaration.

Therefore, the AU/NEPAD should continue to encourage these countries to increase and/or sustain the expenditure on agriculture they have attained. This requires that the agriculture stakeholders clearly justify the returns to the additional resources being allocated.

The comparison of compliance with the 2003 AU-Maputo Declaration within and across RECs is complicated by the multiple memberships by different states. However, the findings provide a good basis for the RECs to engage their member countries and to secure recommitment to attaining the 2003 AU-Maputo Declaration. In this regard, AU/NEPAD should undertake missions to the various RECs to explore ways of increasing REC compliance with the 2003 AU-Maputo Declaration.

Political and social instabilities are major causes of underinvestment in agricultural development. In this respect, the survey suggested that the AU/NEPAD should continue to assist member countries to quickly address the social instabilities to enable the affected countries to direct resources to agricultural development.

Since 2003, there has been a general decrease in the ratio of recurrent to capital expenditure in the agriculture sector with the most significant changes being observed in the countries that have been

increasing the allocations to agricultural development. This development should be encouraged as countries are expanding the capital base for future high sector-growth rates.

However, this study was not able to establish the efficiency of utilization of the rising capital expenditure. It is important that the increasing capital expenditure should be directed at the priorities in CAADP and the national plans. Moreover, there are concerns that, in some countries, funds are disbursed toward the end of the financial year and therefore many of the planned activities are not implemented.

The estimated total government expenditure on agriculture of the responding countries increased from \$2.7 billion in 2003 to \$3.8 billion in 2006. If the responding countries had complied with the 2003 AU-Maputo Declaration to allocate 10% of the national budget to agricultural development, the total sector investment would have increased from \$6.3 billion in 2004 to \$6.7 billion in 2006.

Therefore, a funding gap of approximately 44% existed in 2006. It is expected that this gap could be filled by increased government, private and development partner investments in the sector. The pace of compliance with the 2003 AU-Maputo Declaration could be accelerated if development partners leverage their support to compliance.



## Chapter 3

### Investment, Trade and Economic Integration

**Country-based Evidence on Increased Investments in Agriculture: Growth and Investment Options for Poverty Reduction in Zambia, Malawi and Mozambique, By James Thurlow, Research Fellow, IFPRI.**

#### *Zambia*

Zambia has experienced strong economic performance since 1999. However, agriculture has not performed as well as the rest of the economy, and although the incidence of poverty has declined, it still remains high. The Government of Zambia, within the framework of the Fifth National Development Plan (FNDP), is in the process of implementing the CAADP, which provides an integrated framework of development priorities aimed at restoring agricultural growth, rural development and food security. This paper analyzes the agricultural growth and investment options that can support the development of a comprehensive rural development component under Zambia's FNDP, in alignment with the principles and objectives of the CAADP, which include the achievement of 6% agricultural growth and allocation of at least 10% of budgetary resources to the sector.

Results of the Computable general equilibrium (CGE) model indicate that it is possible for Zambia to reach the CAADP target of 6% agricultural growth, but this will require additional growth in all crops and subsectors. Zambia cannot rely only on maize or higher-value export crops to achieve this growth target; broader-based agricultural growth, including increases in fisheries and livestock, will be important. So, too, is meeting the Maputo Declaration of spending at least 10% of the government's total budget on agriculture. In order to meet the CAADP target, the Government of Zambia must increase its spending on agriculture in real value terms by about 17-27% per year between 2006 and 2015, and spend about 8-18% of its total expenditure on the sector by 2015.

Although agriculture has strong linkages to the rest of the economy and its growth will result in substantial overall growth in the economy and the household incomes of rural and urban populations, achieving the CAADP target of 6% agricultural growth will not be sufficient to meet the first Millennium Development Goal (MDG 1) of halving poverty by 2015. To achieve this more ambitious target, both agricultural and nonagricultural sectors would need an average annual growth rate of around 10% per year. These growth requirements are substantial, as are the associated resource requirements. Thus, while the MDG 1 target appears to be beyond reach for Zambia, achieving the CAADP target should remain a priority, as its more reasonable growth and expenditure scenarios will still substantially reduce the number of poor people living below the poverty line by 2015, and significantly improve the well-being of both rural and urban households.

#### *Malawi*

Malawi has experienced modest economic growth over the last decade and a half. However, agricultural growth has been particularly erratic and, while the incidence of poverty has declined, it still remains



high. The Government of Malawi, within the framework of the Agricultural Development Plan (ADP), is in the process of implementing the CAADP, which provides an integrated framework of development priorities aimed at restoring agricultural growth, rural development and food security.

Economic modeling results indicate that it is possible for Malawi to reach the CAADP target of 6% agricultural growth. However, achievement of these goals will require additional growth in most crops and agriculture subsectors, meaning that Malawi cannot rely solely on growth in maize or tobacco to reach this growth target. Broader-based agricultural growth, including growth in pulses and horticultural crops, will be important if this target is to be achieved. So, too, is meeting the Maputo Declaration of spending at least 10% of the government's total budget on agriculture. In fact, even under a more optimistic and efficient spending scenario, the Government of Malawi must increase its spending on agriculture in real value terms by about 20% per year between 2006 and 2015, and account for at least 24% of its total expenditure by 2015 if the CAADP goals are to be met.

### ***Mozambique***

Mozambique has experienced rapid economic growth over the last decade. Agricultural growth has also been strong, and the incidence of poverty has declined substantially since the mid-1990s. However, poverty remains high and is still concentrated in rural areas. To accelerate growth and poverty reduction, the Government of Mozambique is revising its agricultural strategy, which will strengthen the role of agriculture as an engine of growth and development for the national economy. This is essential given that agriculture is a vital income source for the majority of the population, contributing more than 25% to GDP, 20% of export earnings, and providing key inputs into the manufacturing sectors, whose agricultural processing sectors contribute a further 7% to the national GDP.

In parallel to the revision of the agricultural strategy, NEPAD is in the process of implementing the CAADP, together with African governments. The CAADP initiative supports the identification of an integrated framework of development priorities aimed at restoring agricultural growth, rural development and food security in the African region. The main target of CAADP is achieving 6% agricultural growth per year.

The CGE model results indicated that if Mozambique can achieve reasonable improvements in crop yield targets and subsector growth rates, then it should be possible to achieve the CAADP target of 6% agricultural growth during 2006-2015. By focusing additional growth in agriculture, agricultural growth at 6.6% per year would increase overall GDP growth from 6.3 to 7.0% per year. This higher growth rate would reduce national poverty to 32.6% by 2015, which is lower than the 36.9% poverty rate that would have been achieved without additional agricultural growth. This means that the higher growth under the CAADP scenario would lift an additional 0.98 million of the population above the poverty line by 2015.

### ***Not Everyone Will Benefit Equally under the CAADP Growth Scenario***

Most households are expected to benefit from faster agricultural growth, and the distribution of additional incomes under the CAADP scenario is relatively even. However, households in some

regions growing higher-value export-oriented crops, such as tobacco and cotton, stand to gain more than those in other regions. Furthermore, poverty amongst households in some regions will remain high, despite faster agricultural growth. Finally, both rural and urban households benefit equally from faster agricultural growth. This is because agricultural commodities are an important part of the consumption baskets of both urban and rural households. As such, while rural poverty falls by an additional 4.2 percentage points, urban poverty also falls by a similar amount.

### *The Composition of Agricultural Growth Matters*

Comparing the effectiveness of growth driven by different subsectors in reducing poverty and encouraging broader-based growth, additional growth driven by maize and other cereal crops has larger impacts on poverty reduction than similar growth in more export-oriented crops. This is because yield improvements in these crops benefit households directly not only by increasing incomes from agricultural production but also by allowing farmers to diversify their land allocation toward higher-value crops. Cereals are already an important sector in Mozambique and have strong growth linkages to nonagriculture, which stimulates broader economy-wide growth and poverty reduction. Thus, high priority should be afforded to improving yields amongst maize and other cereal crops.

There are two major challenges to the development of food crops. First, increasing yields of food crops will require substantial improvements in research, extension and irrigation, which are inadequate in many parts of the country. Overcoming these constraints will require greater engagement in public-private partnerships where the public sector lacks capacity, such as credit and input provision. Second, while targeting specific food crops may support urban and rural poverty reduction, production increases will be offset by significant price declines. This underlines the importance of local and regional market development, in part through investment in rural roads, especially in less densely populated roads.

Given the above constraints, it is clear from the model results that efforts to achieve Mozambique's growth and poverty reduction goals would be greatly strengthened by the establishment of new commercial export crops, such as biofuels, which produce clear pro-poor outcomes and permit greater diversification in rural employment options. The higher growth potential of these export crops relative to that of food crops means that export-led growth will still account for a large share of overall poverty reduction under the CAADP scenario, despite lower poverty-growth elasticities of these sectors. Last, the varying importance of different crops in different parts of the country highlights the need to design development strategies at the subnational level. Thus, in revising its new agricultural strategy, it is important that Mozambique take into account how sectoral growth priorities vary at the provincial level, and how they interact and contribute to national development objectives.

**Regional Integration in Agricultural Marketing and Trade: Potential for Intra-Regional Maize Trade in Southern Africa - An Analysis for Zambia at the Subnational Level.** *By Steven Haggblade, Thomas Jayne, and David Tschirley, Professors, International Development and Steven Longabaugh, Research Specialist, Michigan State University (Presented by Mike Weber, Professor, Michigan State University/FSRP/ACF).*

This paper explored the prospects for regional maize trade in helping to stabilize food availability and prices in Zambia. It reviewed these general prospects within the maize economy of southern Africa. Given the important regional differences in Zambia's food economy, it explored spatial differences in national food production, consumption and marketed surpluses. It also evaluated the impact of regional maize trade on price stability and food security in different parts of Zambia. The empirical evidence from Zambia suggested that both consumers and farmers stand to benefit from the reduced price volatility that results from opening borders to regional trade in food staples.

In southern Africa, as in the rest of the continent, highly arbitrary political boundaries cut across natural market sheds. As a result, international borders often separate regularly food-surplus zones, such as northern Mozambique and northern Zambia, from regularly deficit areas, such as Malawi and Katanga Province of the DR Congo. Vibrant informal cross-border movements of people and goods recognize these natural economic and cultural linkages. Yet Africa's patchwork of inherited colonial boundaries tends to impede natural trade flows.

Opening up international borders to regional trade in food staples offers many advantages to the region's consumers and farmers. Open borders offer a financially inexpensive means of reducing the domestic price volatility of staple foods. The import parity price sets an upper bound, while export parity sets a floor below which prices will not fall, assuming private traders enjoy the freedom to import and export maize when market conditions permit.

The alternative policy of closing borders in small markets such as Zambia invites the prospect of significant price volatility. Under normal production fluctuations, a closed border can easily lead to a price volatility in the range of 100% from one year to the next. Consumers clearly benefit from reduced volatility in maize prices, particularly during drought years when price spikes can become acute, particularly in thin markets closed to opportunities for trade.

Because poor households spend over half of their income on food, price spikes in staple food markets risk forcing them into unsustainable short-term coping strategies and forced asset sales or migration, which may impair their prospects for building up the human and physical assets required to grow out of poverty over time. By capping price spikes, cross-border trade offers a means of moderating these pressures.

Among smallholder farmers, many of whom are net buyers of food, reliable food supplies and reduced price volatility will permit them to diversify into higher-value production, thus opening new pathways out of poverty. Producers of staple foods likewise benefit from open borders. To maintain and sustain producer incentives, surplus farmers in surplus producing zones need access to growing markets, both internal and across national borders. Failure to allow regional trade in food staples risks stalling production growth and private investment in agriculture. In thin national markets, without export outlets, production surges lead easily to price collapses. In turn, these disincentives dampen long-term agricultural income growth. This suggests that both consumers and farmers stand to benefit from the reduced price volatility that results from opening borders to regional trade in food staples.

**Implications of the Free Trade Area (FTA) in the SADC Region on Agricultural Growth, Food Security and Poverty Reduction: Assessing Potential Welfare Impacts on Agriculture of a Regional Free Trade Agreement on Southern Africa.** *By Alejandro Nin Pratt, Research Fellow, IFPRI and Yonas Bahta, Post Doc Fellow, ReSAKSS-SA.*

This paper presented a detailed trade analysis to assess the potential welfare impacts of a free trade area (FTA) agreement on the agriculture sector of southern African countries and to determine opportunities and challenges faced by the region as a consequence of the agreement. The study approach combined an in-depth look at current trading patterns of southern African countries with the application of a partial equilibrium analysis using bilateral trade data at the four-digit standard international trade classification (SITC) level for 193 agricultural industries in 14 southern African countries.

Low diversification of agricultural exports in most southern African countries seems to be a major constraint for promoting regional trade. Overall, welfare effects of an FTA will be positive but small in most countries. Inefficient agricultural producers with a regional comparative advantage for agriculture would benefit from trade creation with the rest of the world.

Welfare results for regional importers will be negative because of increased imports from inefficient regional producers. These results suggest that the region should be looking at regional policies and interventions beyond trade arrangements, such as those targeting investment, agricultural productivity and diversification to enhance benefits of regional trade liberalization.

**SADC Agricultural Trade: Promoting Synergies between South Africa and Other SADC Countries.** *By Moono Mupotola, FAO Consultant, Francois Leonardi, Policy Officer, FAO subregional office, East & Southern Africa.*

An SADC vision is needed to acknowledge that some countries or specific areas have potential to increase production not only for the national but also for the regional markets. This, however, can only be achieved if appropriate policy measures and institutions, at different levels, are established and empowered to facilitate the needed investments in agriculture and its related sectors. The challenge is worth billions of dollars and could not only have a tremendous impact on the general regional economy but potentially be a major effect on poverty reduction, as much of this agricultural growth should benefit small-scale farmers.

In this regard, the place of South Africa in the SADC region could be considered as a real asset. South Africa is both a major producer and consumer of agricultural products. Its imports are primarily from the Americas (Brazil, Argentina and USA) and South East Asia as other SADC countries cannot meet its domestic demand. This gap however, presents tremendous opportunities especially given the proximity of other SADC countries to South Africa. Furthermore, South Africa has the largest upper- and middle-income population in the region which potentially means a high demand for both basic and high-value agricultural commodities. The challenge is whether or not the rest of the SADC countries can deliver.

The pattern of trade illustrates that South Africa is a major exporter of both primary (particularly food grain staples) and processed agricultural commodities to its less-developed neighbors. This unusual pattern of trade regarding staples is largely a consequence of the low productivity in other

SADC countries, the technologically advanced farming systems in South Africa and its superior trade facilities and capacities.

SADC exports into the South African market are a mixture of low- and high-value commodities, the first largely dominating. As this report has shown, there is greater scope for South Africa to increase imports from its SADC neighbors in commodities where it does not enjoy high comparative advantage such as cotton, some fruits and vegetables, edible oilseeds, tea and coffee, and meat. Given the low levels of technology use in many of the SADC countries, it may well be that building synergies with South African agribusiness in both production and marketing could expand and create win-win situations for both parties.

There appears to be a significant demand for horticultural products particularly high-value commodities such as baby corn, green beans, citrus and cut flowers in South Africa,. Furthermore, South Africa now accounts for about 25% of Zambia's trade in nontraditional exports which mainly comprise agricultural products.

Similarly, there is a demand for other nontraditional exports such as edible oils, i.e., soy, groundnut and marula which can be used as ingredients of high-value commodities. These include beverages, soaps, skin oils and health foods: commodities that have a market with the growing middle class in South Africa.

Other commodities with potential for exports to South Africa from other SADC countries are meat and meat products. Namibia is a major exporter of livestock to South Africa but 85% of these exports comprise live animals, goats, sheep and weaners going to South African feedlots. Other exports include low-grade meat products from the Namibian communal areas which are contingent upon meeting extensive veterinary requirements.

The latter point may well be a hindrance for SADC countries such as Madagascar, Mozambique, Tanzania and Zambia, which, despite having large numbers of livestock, cannot meet sanitary standards concerning South Africa's imports. Furthermore, there have been limited exports in by-products such as hides and skins despite South Africa's dynamic leather industry, especially in the car-seat manufacturing sector. The main problem cited is the poor quality of hides and skins as many are usually badly scratched and cannot be processed into manufactured products such as car seats.

Increased production in wheat and rice would be greatly beneficial to the region. These two crops exert critical burdens on the trade balance of SADC countries. Wheat in the SADC region is grown under irrigation and in winter. While SADC is a net importer of wheat, South Africa has the technical efficiency to exploit and develop underutilized irrigation capacity for the competitive production of wheat to meet regional demand, as its 1996 production has demonstrated. The region is not a large producer of rice; however, potential to be such producers exists not only in Madagascar but in Mozambique and Tanzania as well and along the rivers that traverse the SADC countries.

It is apparent from the foregoing analyses that while there is demand for SADC exports in South Africa, increased production and exports are constrained by three key factors, (a) production-enhancing technologies and techniques that would increase competitiveness, (b) inability to meet standard and quality measures, and (c) lack of market know-how.

## Emerging Issues: Discussion

### **Sida.** *By Protas Echessah*

*Evidence-based decision making.* The information generated in the conference should feed into policy, especially national budgets (and budget support systems) to ensure that resources are invested in those options with the highest payoffs.

*Role of civil society.* To evolve policies that will have a positive impact it is critical to bring on board all key stakeholders, especially the civil society (including FOs).

*Efficiency.* Budgetary support to agriculture is still very low but the critical issue is using the little resources efficiently.

*Sustainability.* There is need to align all recommendations with country strategies and plans to ensure ownership of proposed interventions.

*Commercialize but diversify.* Value-addition must be the new strategic direction; price variability for secondary products is not pronounced as that for primary products.

*Financing mechanisms for the agriculture sector.* New partnerships between governments, donors and the banking system are required. Normal banks will not support the agriculture sector sufficiently (e.g., The Alliance for a Green Revolution in Africa [AGRA] is partnering with banks to provide special support to Kenya). The International Fund for Agricultural Development (IFAD) and AGRA are financing farmer lending.

*Food import bill.* This is still enormous. This means we are eating what we do not produce. This needs to be reversed through a very specific policy focus.

### **Mozambique.** *By Fernando Songane*

*Crisis in food prices.* This crisis has been an opportunity in Mozambique and it has helped prioritize agriculture (especially crops). It has also helped the government to focus on organizing smallholder farmers into producers' groups and to revisit the quantity and quality of extension services reaching the farmers. The focus of the government is now on agricultural intensification and diversification.

*Biofuels.* These have a potential to increase incomes but they must not take the place of food crops. Some food crops are biofuel-oriented so that protective policies are required to ensure food security.

*CAADP targets are ambitious.* From a national perspective these targets are ambitious. There is need to attract the private sector to invest more in agriculture as is the case in South Africa.

*The private sector.* What should be done to link the private sector with smallholders?

### **FEWSNET.** *By Phumzile Mdladla*

*Look beyond increased investment.* While it is agreed that increased investment in agriculture will stimulate growth there is need to articulate in which subsectors investments will provide the highest payoffs. The structure of agriculture (farming and land tenure systems) is so different in most countries that it is critical to isolate where the highest impact will be and find out the relevant effects.

*Implications for food security.* The presentations dwelt more on the "availability" component of food security. Options for increasing accessibility and utilizations were not adequately covered. There is need to invest in addressing the other set of vulnerabilities that households experience. Research studies must be more informed by grassroots.

*Food security versus food self-sufficiency.* A clear distinction between these twin concepts must be maintained. Opening borders is key to the region's food security.

*Political dimension.* With the current financial crisis in donor countries SADC member states will need to rely more on themselves.

*High private-sector interest.* The private sector is very interested in the potential of African agriculture. There is renewed interest in agriculture globally (World Bank Development Report of 2008, AU strategy, CAADP) but the challenge is taking advantage of this increased interest.



**Development Bank of South Africa (DBSA).** *By Thiery Giordano*

*Financing infrastructure.* What is the financing infrastructure for food security in the region? This needs to be well studied and understood. New financing partnerships and investments are critical for the regions' food security.

*Unreliable data.* These are a clear indicator of the low importance attached to the agriculture sector. A comprehensive agricultural statistical system must be developed as a basis for fostering agricultural development in the region.

*Low public investment in agriculture.* This is a clear indicator that agriculture is not the first priority for governments today. This is because the key messages are not reaching the right stakeholders at the right time. The international goals, e.g., the MDGs have not brought agriculture to the fore. The rationale for the increased focus on agriculture must be made more compelling to politicians.

*Demographic transition not complete.* While agriculture is the mainstay in transforming societies it need not always be the case. Populations may shift to other sectors as markets develop.

*Staple foods.* The focus needs to shift away from staple foods to high-value crops.

*Regional development policy.* How do governments coordinate their actions? A regional development policy (that includes a regional agricultural development policy) is required. Developing an isolated agricultural policy may miss some opportunities that are outside agriculture. A more binding regional commitment going beyond trade and tariffs is required.

**Principal Secretary, MOCA Swaziland.** *By Robert Thwala*

*Agricultural subsidies.* Clearly, these constitute an essential component of agriculture in the region. Discussions should focus on how to make these more efficient and how to better involve the private sector.

*Inefficient exporters.* These countries with important industries in the region are not competitive enough so that if trade is opened (e.g., with the FTA) these industries will suffer. Such industries require some protection.

*How can inefficient exporters be made more efficient?* This should be the more critical issue rather than protectionism. Industries need to be competitive internationally.

*Food security.* This is still a very critical issue for the region. Investments in accessibility through social protection and nutritional programs must not be overlooked.

**South Africa**

*Disparities between the first and second economy still exist.* Communal areas still experience similar challenges in the rest of the region. Smallholder food production still needs improvement, just as in the rest of the region.

**UNICEF.** *By Basra Hassan*

*Accelerated strategy to meet MDG 1.* Such an accelerated strategy is required. There is need to invest aggressively in order to improve the health and nutritional status of the community (the high-effect cycle). Using the nutritional lens we see that malnutrition is still very high in the region.

**Malawi.** *By Frederick Msiska*

*Raising public spending in agriculture by 18-24% in Malawi and Zambia to meet CAADP targets.* How feasible is this recommendation? Research projections are not necessarily feasible options but are possible scenarios for decision making. Once a decision is reached strategies can then be developed to achieve the selected scenario.

*Improving expenditure efficiency.* What exactly needs to be done? Designing efficient spending strategies still remains a big challenge.

**NEPAD:** Faustin Mwape

*Political dimension.* There is need to subject all research models to political scenarios. Food security should be equated to state security.

**Michigan State University:** Mike Weber

The leveraging concept. What and how can governments invest so as to elicit more private-sector investment? This is a key aspect of improving "efficiency."

## Chapter 4

### Emerging Challenges and Opportunities

**Improving Access to Input and Output Markets in Southern Africa.** By Andrew Dorward, Professor, Imperial College, London; Ephraim Chirwa, Professor, University of Malawi and Colin Poulton.

Agriculture can play two potential roles in the wider economic growth, driving growth (providing fundamental increases in productivity and earnings) and/or supporting growth processes in terms of multiplying and spreading the benefits of primary growth drivers through an economy. Growth drivers include exports of tradables and increased production of food (both tradables and nontradables). Nontradable staple foods have particular importance in poor rural economies as they are important to the real income of large numbers of poor net food consumers and small-scale net producers, and they tend to have high positive growth linkages and low leakages. Increased production of non-staple horticultural and livestock products for domestic consumption is important as growth supports where these are semi-tradables or nontradables but these products are only effective in the context of an economy benefiting from other growth drivers.

Consideration of the contributions of different types of agricultural production in the context of the wider national growth processes allows the contributions of different types of smallholder agricultural development to be placed in the context of different types of economy. Three broad types of economy are identified: countries with minerals, coastal countries without minerals, and landlocked countries without minerals. Challenges and opportunities facing the development of smallholder production of different agricultural products are also identified.

While high prices of global food offer potential benefits to net food producers they are undermined by (a) the negative effects of high food prices on large numbers of poor food consumers (including large numbers of food-deficit farmers), and hence on the wider economy and (b) problems of financing fertilizer purchases, following very large increases in fertilizer prices. Long-term effects of the 2008 price hike and future price movements are uncertain but they have focused national and international attention on food markets and supply chains, and on problems of volatility in food prices and of smallholder access to seasonal inputs and financial services in food production.

Investments in public goods and solutions to coordination problems are critical challenges constraining market access in intensification of higher potential staple cereal foods, which are themselves critical for driving and/or supporting wider pro-poor growth in many countries. Public-private partnerships must play a major role in addressing these challenges, and these partnerships will define the major policy initiatives needed in improving market access in smallholder agriculture.

Other challenges and opportunities, and the benefits of development in input and output markets, must not be overlooked, though here the state should generally play a more facilitative background role that enables private-sector investment.



**Promoting Fertilizer Use in Southern Africa: Current Issues and Empirical Evidence from Malawi, Zambia and Kenya.** *By Isaac Minde, T.S. Jayne, Eric Crawford, Joshua Ariga and Jones Govereh (Presented by Jones Govereh, Research Fellow, Michigan State University).*

The existence of acute poverty and hunger, exacerbated by soaring food and fertilizer prices, cries out for an immediate response. “Smart” fertilizer subsidy programs in Africa are attractive to many because they offer the potential to increase the food grain harvest and thus reduce hunger in the short run. Income gains transferred to farmers through the subsidy are expected to result in greater savings and investment in productive assets, contributing to longer-run growth. In addition, income transfers to farmers address the social and political objectives of poverty alleviation and improved equity.

However, achieving these benefits depends greatly on how the programs are implemented. The contribution of fertilizer subsidy programs to reducing poverty and hunger would be higher if they could be designed and implemented so as to (a) target households with little ability to afford fertilizer, (b) target areas where applying fertilizer can actually increase total output, and (c) promote rather than undercut the development of a commercial fertilizer distribution system.

Several caveats should be considered before implementing fertilizer subsidies:

- 1) Fertilizer subsidies may not be the best option for addressing the current crisis of high food and fertilizer prices. Significant increases in demand for fertilizer are likely to drive up prices further. Also, the supply response to increased fertilizer use is not assured, given weather and other production risks prevalent in most of eastern and southern Africa. Thus, implementing large-scale fertilizer subsidy programs will not guarantee an adequate harvest. Finally, subsidies targeted to particular crops such as maize may reduce output of other food crops such as cassava, reducing the net food supply response.
- 2) As a tool for increasing overall agricultural productivity, especially for small, poor farmers, fertilizer subsidies have a questionable record. Long experience with input subsidy programs in Africa is not encouraging on several points: (a) there is very little evidence from Africa that fertilizer subsidies have been a sustainable or cost-effective way to achieve agricultural productivity gains compared to other investments, (b) there are no examples of subsidy programs where the benefits have not been disproportionately captured by larger and relatively better-off farmers, even when efforts had been made to target subsidies to the poor, and (c) there is little evidence that subsidies or other intensive fertilizer promotion programs have “kick-started” productivity growth among poor farmers in Africa enough to sustain high levels of input use once the programs end.
- 3) In the high potential areas of Kenya, Malawi and Zambia many, if not most, households use fertilizer regularly. In less stable production zones, low or no fertilizer use by many smallholders is explained not just by credit constraints that limit acquisition, but also by the risk of crop failure, with resulting financial losses and consumption shortfalls. The lack of insurance causes inefficiency in production choices. Recent trials of weather-indexed insurance are a promising potential solution for the risk problem.

- 4) Hence, a balance is needed between interventions to address short-term supply shortages and avoiding widespread hunger versus investments and policies to drive growth and lift poor households out of the poverty trap in which they are caught. Currently, the governments of Malawi and Zambia devote at least 60% of their agricultural budgets to input and crop marketing subsidies, leaving relatively little for the long-term investments required for sustainable reductions in poverty and hunger.

If the decision is made to implement input subsidies, the experiences of Malawi and Zambia provide several practical guidelines on how to maximize their effectiveness in meeting important national objectives besides economic growth, such as improved national food security, and alleviation of poverty and hunger:

1. *Use input vouchers that can be redeemed at local retail stores rather than direct distribution* in order to maintain or improve the capacity of the private-sector input delivery system.
2. *Involve a wide range of fertilizer importers, wholesalers and retailers in the input voucher scheme*, even if it entails additional logistical costs. Providing tenders only to two to three firms to import fertilizer can entrench their position in the market, cause other firms to cease making investments in the system or drop out altogether, leading to a more concentrated input marketing system and restricted competition when the input subsidy program comes to an end. A system that allows farmers to redeem coupons at the full range of existing independent agro-dealer retail stores will promote additional investment in remote rural areas where it is most needed. By contrast, failure to involve the small rural retailers may lead many of them to stop carrying fertilizer, as was the case in Malawi after the 2005/06 season, leading to erosion, rather than development, of a private retailing system.
3. *Before deciding to target the input vouchers*, carefully consider the objectives of the targeting and the practical feasibility and costs of implementing a targeted program, including personnel costs, time requirements and potential delays, leakage, and displacement of commercial sales by subsidized inputs.
  - a. If the objective is to increase total output, then the inputs need to reach farmers who can use them efficiently and on a large enough area to generate significant gains in total output. Evidence indicates that a high proportion of nonpoor farmers are able to acquire fertilizer through markets so that spending scarce government resources to provide them with discounted fertilizer will largely substitute subsidized fertilizer for commercial fertilizer, adding relatively little to the overall fertilizer use or crop output. In some cases, small farmers may also use fertilizer more efficiently than larger farmers.
  - b. If the objective is to alleviate poverty, or to overcome liquidity constraints for poor farmers who would otherwise be unable to purchase fertilizer, then it must be (i) possible to identify poor farmers and (ii) socially acceptable to channel vouchers to them, at a reasonable cost including leakage. Assisting low-income households to acquire fertilizer especially in a high food-price environment may make the difference between their ability to eat and going hungry. Providing crop production support to relatively asset-poor households also contributes importantly to equity and social-protection objectives.

- c. If effective targeting does not seem feasible or achievable at an acceptable cost, then a small universal voucher program would be worth considering. For example, a program designed to provide all farmers with inputs for 0.2 ha would primarily benefit small farmers while at the same time limiting the displacement of commercial purchases by larger higher-income farmers, some degree of which might occur anyway under a program that fails to target small farmers successfully.
4. *Address infrastructural and input supply constraints and improve procurement efficiency* (joint procurement arrangements and regional procurement hubs). This will help achieve the goal of enhancing farm-level fertilizer supplies at a lower price. Facilitating the movement of fertilizer across borders (removing customs duties and export taxes) will also contribute to the overall improvement in supply efficiency.
  5. *Facilitating private-sector partnerships with farmers*, such as through contract farming where conditions are suitable, would go a long way toward reducing the financial burden on the government.
  6. *Strengthen farmers' effective demand for fertilizer* by making fertilizer use profitable and by building durable input and output markets that can absorb the increased output without gluts that depress producer prices. This involves two major commitments from governments:
    - a. To increase farmers' demand for fertilizer, governments should invest in rural infrastructure, efficient port facilities and standards of commerce to reduce the costs of distribution; fund agricultural research to produce seeds that respond to fertilizer; determine and disseminate fertilizer use recommendations that are appropriate for different areas (as opposed to one blanket recommendation for an entire country); and nurture the development of rural financial systems, market information systems, institutions for contract enforcement, and telecommunications to attract new investments by commodity marketing firms. These investments in "public goods," often considered outside the scope of fertilizer marketing policy, nevertheless strongly affect the demand for fertilizer and hence the possibility of sustainable markets arising for fertilizer.
    - b. To build durable input and output markets, governments should establish a supportive policy environment that attracts local and foreign direct investment. The case of Kenya shows how a stable policy environment has induced an impressive private-sector response that has helped make fertilizer accessible to most small farmers. Importantly, this has involved reforms to the financial market (elimination of foreign exchange controls) as well as to fertilizer and crop markets. In other countries, the implementation of large subsidy programs has inhibited the type of private investment response seen in Kenya, due to the risk of huge losses that subsidy programs inflict on commercial input dealers.
  7. *Increase fertilizer use efficiency* by promoting farmers' use of improved crop management practices such as crop rotation with legumes, changes in density and spacing patterns of seeds and placement of fertilizer and seeds at planting, improved soil organic matter, early planting, timely weeding, fertilizer application in response to rainfall, water harvesting, and other conservation farming methods.

## **Current Strategic Directions of the Agricultural Research Organization in Southern Africa.**

*By Patrick Tawonezvi, SADC MAPP Team Leader, SADC Secretariat; Emelda Berejena and Paul Thangata.*

In order to address past institutional constraints and respond to the need for a separation of policy and strategy functions of SADC FANR Directorate as part of a REC from the regional coordination functions of an SRO, the SADC FANR Directorate prepared a report on the establishment of an SRO for the SADC region, proposed to be known as the Centre for Agricultural Research and Development for Southern Africa (CARDESA). The proposed SRO is expected to coordinate the implementation of the 15-year SADC MAPP and, eventually, all regional R&D programs.

Following extensive consultations with stakeholders within member states, CARDESA has been designed as a semiautonomous SRO, which will have complete autonomy in the sourcing and management of its financial and human resources, while maintaining some linkage with SADC that will give the SRO the necessary political backing.

The SRO will be staffed by a team of about eight professional staff and nine technical support staff. Staff recruitment will however be phased in accordance with the requirements of the work plan and the available funding.

The SRO proposal was presented to a regional stakeholders' workshop held in Maputo, Mozambique, on 11-12 December 2007, and to a meeting of SADC senior government officials also held in Maputo on 13 December 2007. The senior officials approved the proposal, with a recommendation for its endorsement by the SADC ministers responsible for food, agriculture and natural resources. The ministers in turn endorsed the establishment of CARDESA at their meeting held on 14 November 2008, but they emphasized that a financial sustainability plan will need to be developed for them to recommend the SRO for endorsement by the SADC Council.

The ministers therefore directed that a financial sustainability strategy of CARDESA be developed by June 2009, i.e., in time for the proposal to be submitted for endorsement by the SADC Council. The endorsement by the Council will be the final stage in the approval process for the establishment of CARDESA.

### ***Toward the Development of CARDESA's Sustainability Strategy***

The issue of the financial sustainability of CARDESA is critical for the effective functioning of the SRO and is of particular concern to SADC policymakers. In this context, it is necessary to point out that CARDESA will first and foremost be a regional organization owned by member states and stakeholders, and will be expected to perform a predominantly regional "public function" of promoting and coordinating agricultural R&D for the SADC region.

Second, the organization will be expected to produce tangible benefits, which are largely "regional public goods," for public and private institutions in the SADC region, which predominantly serve smallholders. As such, it follows that the financing strategy of CARDESA should reflect its diverse institutional and stakeholder base and primary clients. Therefore, development of a sustainability strategy will be an important exercise involving wide consultations.

Financing of the first 5 years of CARDESA has been included in Theme 6 (Institutional Capacity Building) of SADC MAPP. It is therefore expected that there will be adequate funding for CARDESA for the first 5 years. In order to secure the endorsement of the establishment of CARDESA by the Council, an analysis of the long-term financial sustainability of the SRO will be formulated as part of the current pre-implementation phase of SADC MAPP.

This sustainability strategy will be refined further during the development of CARDESA's 10-15 year Strategic Plan, which will be formulated as one of the first tasks of the CARDESA secretariat once it is launched. The strategy of funding CARDESA from MAPP in the first 5 years gives the SRO the necessary time to develop its long-term strategic plan and to refine its financial sustainability strategy. The CARDESA establishment report contains a number of suggestions regarding a combination of financing options that would help ensure a credible plan to sustain the operations of the SRO. These options include the following:

- Funding from development partners, where it is preferable to maximize grants, through various modalities, including programmatic funding, such as through “basket funds,” grant trust funds and harmonized and aligned projects.
- Establishment of an SADC MAPP endowment fund to which donors and other stakeholders could make substantial one-off contributions, which can be used to sustain the funding of future “core” funding of SADC MAPP, including funding of CARDESA.
- Private-sector sponsorship and contributions to reflect the incremental benefits derived from participating in SADC MAPP.
- CGIAR resources, by redirecting part of their funding through the SADC MAPP funding mechanism to make them more demand-driven.
- Member state contributions to help secure ownership (including through possible concessionary no-interest, long-term loans, cash and in-kind contributions).
- Generation of own revenue sources while ensuring this will not divert the CARDESA from focusing on its “public good” functions.

These possible financing sources to help ensure CARDESA's financial sustainability are based partly on the experience of the other SROs on the continent, which are also addressing the challenges of securing financial sustainability in providing primarily regional “public goods.”

While it is envisioned that CARDESA will diversify its funding sources over time, the best assurance to its sustainability is to rely on its good performance and responsiveness to its key stakeholders, especially in generating the expected incremental economic returns; this reliance is the main criterion used by donors to continue their funding. This means that an effective CARDESA will help ensure increased agricultural productivity and associated economic returns of a magnitude that will help the SADC region essentially repay the costs of financing CARDESA, if they were to be charged all of the costs.

This approach and rationale of sustainable funding for agricultural R&D are consistent with international experience, as evidenced by the other SROs and the international research system.

### ***Preparation for the Launch of the SADC MAPP and CARDESA***

During the preparation of SADC MAPP, stakeholders in the region (including representatives of national agricultural research institutes, extension services, FOs, private-sector input suppliers and agricultural education) strongly recommended that there should be an uninterrupted transition from program preparation to implementation so that the region will not lose the momentum generated during the process of program preparation.

Also, donor agencies that plan to participate in the proposed SADC MAPP require that programs and projects meet agreed “readiness criteria” before being formally approved, to ensure that they proceed in a quick and seamless manner to a smooth implementation phase. Therefore, a number of actions will be necessary to ensure that the “readiness criteria” are met and to satisfy the need for a smooth transition.

A one-year Pre-Implementation Phase was therefore initiated in August 2008 with a number of key activities that are to be carried out so that the program will be launched on schedule, in September 2009.

The key activities include:

- Development of the financial sustainability strategy referred to above.
- Mobilization of financial support for at least the first 5-year phase of SADC MAPP and CARDESA.
- The processes that will lead to the appointment of the Board of Directors of CARDESA and the launch of SADC MAPP and CARDESA in the fourth quarter of 2009.
- Preparation of the SADC MAPP Operational Plan.
- Development of relevant manuals for use by CARDESA management. These include a financial management manual, a human resources management manual and a competitive grants manual.

**Possible Regional Responses to Increasing Food Prices: The 2008/09 Food Price and Food Security Situation in Eastern and Southern Africa - Implications for Immediate and Longer-Run Responses.** *By Thom Jayne, Anthony Chapoto, Isaac Minde, Cynthia Donovan and Femi Olubode-Awosola (Presented by Isaac Minde, Principal Scientist(Economics), ICRISAT/ReSAKSS-SA).*

The dramatic rise in world food prices since 2007 has commanded the world’s attention. Fears of high grain prices and potential shortages have caused at least 30 developing countries around the world to restrict or ban the export of foodstuffs. However, in recent months, world food prices have fallen almost as rapidly as they had risen in late 2007 and early 2008, yet as will be demonstrated below, domestic food price levels in many eastern and southern African markets are not closely tracking world prices. Fertilizer prices remain at unprecedented high levels and may have a critical influence on future food production levels in the region.



African policymakers are grappling with what these unstable world food prices and high fertilizer prices mean for their countries, how these price movements will affect the food-insecurity situation in the coming lean season, how the private sector is likely to respond, and how governments themselves should respond. Likewise, international donors and NGOs are trying to identify how they can help, or at least not respond in ways that make the situation worse. Against this backdrop, there is an urgent need for information on how the current food situation is unfolding in the region, the immediate policy response options, and the longer-term challenges and opportunities.

The study examined the impact of recent world food price changes on domestic maize and fertilizer prices in the region; the possible changes in cropping patterns, national food production, and consumers' access to food in light of these price movements; and the implications for policy and program response by governments, donors and the private sector. The focus on maize was due to the fact that it is the primary food crop in the region, and is one of the biggest consumers of fertilizer in Kenya, Malawi, Mozambique, Zambia, and South Africa. Zambia and especially South Africa are the largest maize exporters in the region, while Kenya and Malawi are typically importing countries. Mozambique typically simultaneously exports and imports maize, exporting from its northern production areas while its southern deficit areas import from South Africa and the world market.

The report highlights nine main findings:

1. *When examined in nominal US dollars and nominal local currency units, maize prices in most of eastern and southern Africa had reached all-time highs in 2008.* Prices have risen especially rapidly since late 2007. While world and South African maize prices have plunged precipitously between August and October 2008, this decline has not been reflected at all in the eastern and southern African markets examined.
2. *When examined in real local currency units, maize prices in 2008 vary considerably across countries.* In Malawi and Mozambique, maize prices are at or near historic highs in inflation-adjusted terms. In Kenya and Zambia, by contrast, retail maize meal and bread prices in inflation-adjusted terms have declined gradually for the past 15 years, due to reductions in maize marketing and milling costs over time associated with market liberalization. During this long period, maize meal appears to have become relatively inexpensive compared to most other items in the consumer price index. There has been an upturn in real maize prices in Kenya and Zambia from late 2007 to mid-2008, but even during this period real prices were no higher than their mean levels over the past 15 years. However, tracking food prices in inflation-adjusted terms is likely to underestimate the degree of vulnerability faced by low-income consumers in recent months. Price inflation during the first half of 2008 has been high, meaning that the prices of fuel and other consumer goods are rising relatively quickly and eroding purchasing power. In an inflationary environment, the fact that food prices may be rising slower than most other goods in the CPI does not necessarily mean that food has become relatively cheap for consumers.
3. *At least in Zambia, wage rates have increased faster than food prices over the past decade, although some ground has been lost in 2008.* Trends in food prices compared to wage rates could be examined in only one country, Zambia, due to the unavailability of information on wage rates in the other countries. For Zambian civil service employees and the average of all

wage earners, the ratio of wages to maize prices has risen appreciably over the past decade, making food relatively more affordable to workers. Some ground has been lost since the end of 2007, but the decade-long decline in staple food prices relative to wages has made the current price surge more tolerable to most urban consumers in Zambia. Government wage/maize price ratios in 2008 remain considerably higher than over most of the 1990s and early 2000s. Yet, there is likely to be great hardship for the rural household running out of maize before the 2009 harvest (typically 30-50% of the rural population).

4. *There is some evidence of a potential food crisis emerging in Zambia and possibly Malawi in early 2009, not because of world food price levels but because of potential physical shortages, which are likely to send maize prices sharply higher over the coming months.* In both countries, national maize supplies may be depleted before the 2009 harvest and maize imports may be required to avoid rationing of government stocks. However, neither Malawi nor Zambia has initiated plans to import maize, and both governments have directly or indirectly inhibited the private sector's incentives to do so. By contrast, Kenya and Mozambique have imported maize in 2008 relatively smoothly. Mozambique in particular has pursued a stable trade policy environment which relies almost completely on the private sector to stabilize prices through imports and exports.
5. *Opportunities to relieve maize deficits in the region and partially stabilize prices are being hindered by barriers to regional trade.* Regional trade could be playing a larger role in delivering maize supplies to areas of the region where prices have escalated the most. Malawi, Tanzania and Zambia have all imposed export bans or trade restrictions on maize over the past 24 months to protect domestic supplies. While trade bans do not stop trade across borders, they do increase the transaction costs associated with it, thereby inflating food prices for consumers and contributing to lower prices for farmers.
6. *Events in 2007 and 2008 are underscoring the crucial importance of timely crop production and market information systems.* It is becoming increasingly clear that national crop estimates in some countries are unreliable. Price stability in the region requires accurate crop forecasts so that other plans, such as export volumes, quantities to be purchased by the World Food Program through local and regional purchase operations, and state marketing board purchases and stock releases, can be made without having unexpected effects on prices. A clear example of how inaccurate crop production estimates can exacerbate food insecurity is the case of Malawi in 2007/08. On the basis of the government's forecast of a record maize harvest in 2007 and a projected maize surplus of 1.2 million tons over national consumption requirements, the government contracted with other states in the region to export over 400,000 tons of maize. However, the government was only able to source some 300,000 tons and this sent the price of maize rocketing to levels seen only in the most severe drought years. With hindsight, it is widely believed that the 2007 Malawi harvest was overestimated by at least 25%. If the government had been able to produce a more accurate estimate of crop production, it might not have arranged to export maize, which in turn might have avoided the huge price surge in late 2007/early 2008 which caused great hardship for maize-buying households.



7. *There will almost definitely be a major drop in fertilizer use on staple food crops in the region in 2008.* Fertilizer prices in local currency units have risen proportionately higher than maize prices in the region and remained very high as of October 2008. Relatively low maize-fertilizer price ratios are likely to produce several unwelcome outcomes: (a) less fertilizer used on maize and other crops in the coming cropping season, (b) lower maize yields and production, with other factors constant, (c) continued upward pressure on maize prices, even in countries that have, so far, not experienced major price increases, and (d) a possible shift in area out of crops that require heavy fertilization for profitability and into crops that are profitable even at low or no fertilizer use (e.g., a partial shift into roots and tubers at the expense of maize in the mixed cassava/maize zones, and a shift out of fertilizer-intensive cash crops such as tobacco and tea). The impact of lower fertilizer use on maize production and marketed supplies will be most discernable in countries that make relatively intensive use of fertilizer such as Kenya and least so in countries such as Mozambique where fertilizer use on maize is negligible.
8. *High fertilizer prices in 2008 are likely to contribute to high food prices in the region, in 2009 even if world food prices continue to decline.* On the surface, it may be expected that the rapid decline in world food prices since mid-2008 should start to put downward pressure on maize prices in eastern and southern Africa. However, to the extent that very high fertilizer prices cause a major reduction in fertilizer use and maize production in the region, the price surface in many parts of the region may remain at import parity levels throughout much of 2009.
9. *The main implications for governments and donors are that the fundamental priorities that have always been the major determinants of smallholder livelihoods and incomes remain front and center today.* While rising food prices are being currently perceived as a “crisis,” in the long run higher average food prices may bring major opportunities to attract investment in food production and marketing in the region to expand agricultural growth. However, exploiting these opportunities will require a hospitable and predictable investment climate, and moving toward this hospitable investment climate will require some governments in the region to adopt stabler, predictable and transparent behavior in food and input markets. A hospitable climate for domestic and international investment in food production and marketing will also require greater public investment in areas that reduce marketing and production costs: physical infrastructural investments to lower marketing and service delivery costs, crop science research to improve productivity and lower production risks, effective technology transfer programs to ensure the delivery of improved crop husbandry knowledge to farmers, and effective organization of small-scale farmers into groups to reduce the costs of technology transfer, delivery of credit and other inputs, and marketing of surplus production.

**Land and Water Management Responses to Mitigate the Impact of Climatic Variability and Promote Climatic Change Adaptation in Southern Africa. Water Security for Food Security – Findings of the Comprehensive Assessment for sub-Saharan Africa.** *By David Molden, Deputy Director – General, International Water Management Institute (IWMI).*

Climate change, along with several other key drivers of change, will change water availability, access and use in the near future for many generations to come. Even now, inherent climate variability poses key challenges to agricultural producers who face difficulties coping with short-term dry spells

and longer-term droughts. Adequately addressing existing climate variability is an important step in dealing with climate change. But further adaptive management strategies involving water will have to be developed to deal with longer-term changes brought about by key drivers of change.

Key drivers of change include climate change, urbanization, energy and economic development, and how these are likely to impact water use. Already there are serious water issues in the southern African region and globally including water scarcity, lack of access to water, and inability to cope with existing climate variability. The paper presented steps to mitigate the impacts of present climate variability and to promote adaptation to climate change in southern Africa. Drawing from *Water for Food, Water for Life: A Comprehensive Assessment of Water Management in Agriculture* ([www.iwmi.org/assessment](http://www.iwmi.org/assessment)), the presentation included the following key messages:

- Today, water scarcity is prevalent globally and across the continent of Africa. Southern Africa experiences areas of both physical water scarcity with over-allocation of water resources and economic scarcity with difficulty in access to water because of lack of investment in water. Both types of scarcity require different strategies.
- A number of key drivers will impact future water availability and use for agriculture - urbanization, income growth and diet, climate change and energy use. Developing adaptive water management strategies is now imperative. Adapting for climate change in the water sector will be positive because it will help in adapting to other drivers that will place increasing pressure on water systems.
- In physically water-scarce regions, there is need to increase water productivity to grow more food with less water because supplies to agriculture are likely to decrease from climate change and other drivers of change. For example, flows in the Limpopo, and water availability for agriculture are likely to decrease due to a number of drivers. Reallocating water and its benefits across uses will be essential and a means to ensure that the poor are not hurt from this reallocation.
- In economically water-scarce regions, investments should be made to access water for food. This will require a broad range of investments in agricultural water management from irrigation, supplemental irrigation and rainwater harvesting to conservation agriculture. These investments, along with complementary investments in roads, markets and institutions will help build resilience to change.
- Water storage will play a critical role in adaptation strategies, helping farmers, herders and fishers deal with climate variability including short-term dry spells. There are many different types of water storages available, from soil-moisture storage, groundwater storage, small ponds, and small-to-large reservoirs. However, strategies will require a full recognition of benefits and costs of such strategies.
- Better water management in rain-fed landscapes for food, feed and fiber production will play an important role for the future. As opportunities for full irrigation are limited, especially in physically scarce regions, most production gains will have to come from rain-fed agriculture. Moreover, these rain-fed landscapes are home to many of the world's poorest people who can benefit from improved water management.

- The potential for water productivity gains are greatest in these rain-fed landscapes. Integrating livestock into water management considerations will be essential to realize these gains. Investments should incorporate, recognize and take advantage of the multiple uses of water for domestic and agricultural purposes to realize multiple gains.
- Policy change will be needed for adaptation. But we have to recognize that there is no blueprint solution and that communities and countries have to craft institutions for the given context from which they can learn and adapt to change.
- There will be a high degree of uncertainty and variability as we move to the future. Prudent planning suggests that we need to prepare for change. Any preparation for climate change will be positive for water resources, as they will also go a long way toward dealing with other drivers of water-resources change.

**The Development of an SADC Regional Agricultural Policy.** *By Martin Muchero; Regional Consultant; SADC - FANR Regional Agricultural Policy; SADC/FAO.*

The agriculture sector features prominently in the SADC regional economy, contributing 35% to its GDP. About 60% of the population depends on agriculture for food, income and employment. Agriculture is also a major source of exports in several countries, contributing, on average, about 13% to total export earnings and about 66% to the value of intra-regional trade. For these reasons, the performance of agriculture has a strong influence on the rate of economic growth, the level of employment, demand for other goods, economic stability, food security and overall poverty eradication. Most governments of the SADC member states are, however, fully aware that, in recent decades, food production, flows of donor aid, government budgetary allocations to agriculture and rural development have declined while food imports, food aid and population have substantially increased.<sup>5</sup>

The need for macroeconomic and sectoral policy convergence and harmonization have been fully recognized as prerequisites for accelerated shared growth and regional economic integration in the Declaration, Treaty and Protocol of SADC signed in 1992.

Articles 5.1 (e) and 5.2 (a) state under Objectives that *SADC shall: “achieve complementarity between national and regional strategies.” and “harmonize political and economic policies and plans of Member States.”* Article 21.2 states, under Areas of Cooperation that: *“Member States shall, through appropriate institutions of SADC, coordinate, rationalize and harmonize their overall macroeconomic and sectoral policies, strategies, programmes and projects in the areas of cooperation, food security, land and agriculture.”*

Article 29 of the SADC Protocol on Trade provides for the Coordination of Trade Policies: *“Member States shall, to their best endeavor, coordinate their trade policies and negotiating positions in respect of relations with third countries or groups of third countries and international organizations as provided for in Article 24 of the Treaty, to facilitate and accelerate the achievement of the objectives of this Protocol.”*

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<sup>5</sup> SADC Regional Indicative Strategic Development Plan, August 2003.

The Dar-es-Salaam Declaration on Agriculture and Food Security, signed by SADC Heads of State in May 2004 notes, however, that inappropriate national agricultural and food policies and inadequate access by farmers to key agricultural inputs and markets are still major underlying reasons for the prevalence of hunger in the region. The Heads of State called for a series of short- and long-term measures to address the regional food crisis with emphasis on actions needed to strengthen sectoral cooperation between member states through the development of coherent regional policies and programs related to crop production, protection, storage, processing, utilization and trade.

The SADC Food, Agriculture and Natural Resources Directorate in recent years has achieved significant progress in furthering policy convergence with respect to seed policy harmonization, the control of animal and plant pests and diseases, GMOs and biosafety. Efforts are also underway to formulate common standards for production, handling and disposal of fertilizer. However, as indicated in the SADC Regional Indicative Strategic Framework, several strategically important gaps remain, including the following:

- A regional framework to guide formulation of national policies and strategies to resolve inequities in landownership and access.
- A realignment of policies and strategies to address the potential impact of HIV and AIDS on rural households and the food and agriculture sector.
- A harmonized system for the patenting of technologies developed to protect intellectual property rights and ensure that the technology is affordable to resource-poor farmers.
- Harmonized policies in terms of input and output pricing mechanisms. This point is very important for a level playing field in an FTA.
- A harmonized approach to sustainable forest research management and establishing equitable and efficient ways of facilitating public access to forests.
- Regional interventions aimed at developing and promoting appropriate alternative energy sources.

A global development agenda of crucial importance for SADC is currently being championed by the United Nations as expressed in the Millennium Declaration and other United Nations-led international conventions through the MDGs. SADC is actively seeking to align its agenda with such initiatives.

The change of SADC to an FTA by 2008, a Customs Union by 2010 and, ultimately a Common Market by 2015 constitute a key milestone set by the SADC Extraordinary Summit of October 2006 as it moves toward regional economic integration. The establishment of an FTA, a Customs Union and a Common Market will create new opportunities for member states to expand agricultural production, trade and economic growth.

***If many possible features of a future SADC-RAP have already been mentioned explicitly others could as well be underlined:***

- Rural areas are more prone to poverty in almost all countries of the region. All socioeconomic statistics — Gini index for example — show that there are very different living standards inside farming communities and between rural and urban areas. A future SADC RAP should aim at

narrowing the income gap specifically for the rural poor. As this objective might not be achieved through market measures alone, a review of safety net experiences in rural areas can be very useful.

- Southern African farming systems are mainly low input-low output and, consequently, characterized by low productivity of labor as well as land. A real challenge for regional integration is what type of measures could bring more investment on land and farm and, in turn, generate the needed productivity increment vital for poverty alleviation.

### ***Potential Advantages/Disadvantages and Policy Implications of Regional Integration***

An SADC regional integrated agricultural policy could create a framework for harmonizing and integrating policy objectives, strategies and programs of the member states, provide opportunities to capitalize on the trade benefits of improved resource allocation and greater competition, and permit a wider range of projects to be implemented under the RISDP. It would also provide improved market access to other countries, promote the objectives of multilateralism, facilitate implementation of politically difficult domestic policies and strengthen multilateral bargaining power in international fora.

An SADC-RAP would also unlock opportunities for trade facilitation, agricultural development and improved access to both raw materials and finished products. Depending on the degree of integration and policy convergence agreed to by member states, other *potential trade-related advantages* could include, inter alia, the following:

- Intra-regional trade in agricultural commodities is one area where the region has good potential for improving food security and poverty alleviation. More precisely, increased intra-regional trade has potential to foster economic growth and raise the income-earning capacities of the poor, expand regional food supplies to meet consumption needs, enhance access to food and reduce chronic supply variability.
- A more integrated market would reduce market fluctuations and create a more secure environment for producers as well as consumers.
- To the extent trade promotion expands nontraditional exports, which are often labor-intensive; this would contribute to employment, poverty alleviation and foreign currency earnings.
- Coordinated and harmonized fiscal incentives would stimulate increased agro-processing through foreign as well as regional investment.

Regional trade integration and agricultural policy convergence will require the SADC member states to adopt more disciplined policies tied to arrangements for ensuring legal compliance, penalties for noncompliance and, possibly, costly mechanisms for dispute settlement.

Full adoption of an SADC-RAP would inevitably lead in the short run to gains and losses. If the losers are disproportionately concentrated amongst the food-insecure population, there could be negative short-term impacts on the overall level of regional food security. Large-scale commercial farmers well-integrated into food markets are likely to be well positioned to take full advantage of expanded

market opportunities. Conversely, small farmers may be further constrained and disadvantaged by exposure to greater import competition.

Adoption of agricultural price support arrangements (minimum prices) or specific poverty-related measures for small farmers to offset these negative effects could prove expensive and not easy to implement and sustain. Designing a financial mechanism to ensure mitigation of poverty risks at the regional or national level might be complex as the mechanism should avoid disadvantaging poorer member states.

A critically important aspect of the negotiation and formulation process leading to the adoption of an SADC-RAP will, therefore, involve a series of country-specific assessments of the economic, budgetary and social implications of market integration and, particularly, the likely overall impact on food-insecure households. Identification of these negative impacts and agreement on specific targeted intervention measures to cushion or reduce their impact, in the form of a food-security financial instrument, will feature prominently in the negotiations on how to distribute revenues in favor of relatively less developed member states.

### ***The SADC-Regional Agricultural Policy Framework***

The draft SADC-RAP shall be formulated on the basis of a series of preparatory and interim country and subregional analytical reviews and studies, as well as on the recommendations of national and regional workshop reports, culminating in the preparation of a draft framework of an SADC-RAP for consideration by the SADC member states as detailed below. The developed process for an SADC Regional Water Policy is used as a reference.

Proposed steps:

1. The process will be initiated by a Regional Training Workshop with the participation of the SADC/FANR Directorate, national representatives, as well as national consultants who would assist in developing the national analytical works.
2. Country-level reviews. National consultants will undertake a review of the current macro, socioeconomic and agricultural situation and policies in each SADC member state. *The consultant will explore what national agreed SADC RAP objectives are and test several assumptions at the national level. The consultant will underline potential conflicts between national and regional policies.*
3. *A national workshop* will be conducted in each SADC member state to review the assessment report of the National Consultant, determine areas having regional dimensions for promoting common policy orientations in agriculture, and to agree on specific recommendations for the SADC RAP.
4. The national review will also draw on a number of specialized studies and workshops designed to help realistically assess the advantages and disadvantages of an SADC RAP on very specific issues, the desirable degree of agricultural policy integration, the pace at which countries could be feasibly expected to move toward integration and the possible phases in that process. The livestock sector has already started the process with a first workshop held in Gaborone in November 2008.



5. Finally, a preliminary draft framework of the SADC RAP will be prepared by a team of regional consultants working closely with the SADC/FANR Directorate. It will be based on the findings and recommendations of the country-level consultations, analytical review conclusions, as well as the advice and guidance of regional and international partners. It will aim to collate areas of convergence arising from the national reports and propose methods and means of ensuring agreement on areas of divergence and the legal instruments required to ensure compliance with its protocols.

The preliminary draft SADC-RAP framework will be reviewed at a high-level regional workshop attended by representatives from all SADC member states.

## **Emerging Issues: Discussion**

*Michigan State University, By Professor Mike Weber*

*Leverage expenditure to the private sector by ensuring government predictability to markets, especially in the face of shrinking FDI as a result of the current global financial crisis.*

*Rethink climate change, especially the role of insurance in the face of the ever-increasing physical and economic water scarcity. Based on current trends, it is almost certain that there will be less rain and more variability in the future.*

**FANRPAN.** *By Dr. Sam Mundia.*

*Political will is the most central driver of change. It is not the lack of resources, plans or strategies but the lack of political will to ensure implementation.*

*Land tenure systems are central to the poor performance of agriculture, especially smallholder agriculture, in southern Africa. These need to be revisited as part of any agricultural growth strategy.*

**FAO Emergency Unit - Southern Africa.** *By Bruce Isaacson.*

*The hunger perspective calls for a twin-approach: focus on increasing smallholder productivity but at the same time invest in safety-net programs to assist the deprived.*

*People.* It is important to isolate the key players, the movers and shakers, who will spearhead change.

**Malawi Response on Fertilizer Subsidy Use.** *By Mtukuso Alfred.*

*A deliberate choice.* Malawi chose to reinstate the fertilizer subsidy as a deliberate food-security strategy to assist the many vulnerable poor in the country and will continue to provide this support.

*Sustainability of the subsidy program is not an issue.* This program is viewed as a substantive government investment in agriculture not just a one-off subsidy. It is being implemented along with the reactivation of the national agro-marketing board, ADMARC.

*The Government of Kenya not implementing the fertilizer subsidy.* The Kenyan context is different. Fertilizer is likely to be cheaper because Kenya has direct access to the sea unlike landlocked Malawi.

*Political will is very central in the successful turnaround of food production in Malawi.* The President is the Minister of Agriculture and is responsible for the successful implementation of the program.

*Conservation of plant genetic resources is one area not discussed at the conference.*

**USAID.** By Cecilia Khupe.

*The governance of agriculture* is the central issue that has contributed significantly to the poor performance of agriculture in the region. The poor performance should not be mixed up with “social issues.” Leaders should sit down and find the “best way” of administering subsidies.

*Where did we go wrong?* There is renewed interest in agriculture, yes, but there is need to establish where the region went wrong. The region’s agricultural performance has not always been poor, and subsidies have been around for a while; and these have even undergone transformation to food baskets but there is growing food insecurity.

*Take a position on technology.* The region’s leaders need to take a position on technology as a pathway to reducing food insecurity in the region. The SADC-MAPP and specifically the SADC-RAP should be very central in this push.

### **Future Strategies: Discussion**

**DFID.** By Simon Croxton.

- *Talking to the converted.* The series of studies presented were excellent, were “talking to the converted.” There is need to get on with some action.
- *Rapid move to action.* The need for a clear and enforceable SADC action plan. The RAP is an excellent idea but the time line is fading away. SADC has a challenge to push a regional plan that is not enforceable; so there is need to speed up the RAP.
- *Seed harmonization.* The work already undertaken by SADC under seed harmonization is a “low-hanging-fruit” ready to be eaten. SADC needs to take action on the proposals recommended in this work.
- *Climate change* needs urgent attention. An SADC action plan is urgently required. SADC must take a clear lead.
- *The impact of the global crisis on food security.* An SADC action plan is required elaborating a food security action plan and projecting outcomes. SADC must take the lead.
- *Sustainability in the face of dwindling donor funding.* What is the way forward? A clear action plan is required. SADC must take the lead in developing future strategies.
- *The growth model (economic growth model)* is deficient in terms of impacting the most vulnerable. Future strategies must address vulnerability at its different levels.

**FAO.** By François Leonardi.

- *The regional agricultural policy.* The FAO subregional office in Harare is fully behind the development of the SADC-RAP although the funding is still limited.
- *International competitiveness of products from the region is not sufficient.* This is an area that should be easily addressed and will yield significant growth.



**SACAU.** *By Sunga Ishmael.*

- *Multi-stakeholder involvement in policy processes.* There is need to significantly increase the participation of civil society in SADC agricultural policy processes to ensure smooth implementation.

**Member States: Lesotho**

- *Fascinating conference theme* that needs to be followed up with some implementable actions and an implementation strategy.
- *Regional consumption patterns* need to be revisited at policy level. The region is a net importer. We cannot continue to consume what we do not produce.
- *Involve counterpart ministries.* Agricultural growth and development must be seen as a multi-sectoral growth strategy led by the Ministries of Finance and Planning because it impacts all areas.

**NEPAD.** *By Faustin Mwape.*

- *Actionable steps.* A follow-up of the conference is critical. SADC must draw an action plan from the conference deliberations.
- *Involve universities in agricultural innovation (e.g., AgEcon Departments)* in addition to the traditional academia. University-based researchers must contribute more to the much-needed regional breakthrough.
- *SADC research agenda.* SADC needs to take the lead and develop a clear research agenda for the region involving various partners in the region. A broad and clear research agenda will enable partners to integrate results.
- *Applied research.* Focus must be on “applied research” not just on academic research that tends to have a long “shelf-life.”
- *Success stories* exist but are scattered in various corners of the region. These need to be documented and, where possible, scaled up and out.

**Other Contributions**

*SADC Food Reserve Fund.* The region should consider establishing a reserve fund instead of a reserve food facility that cannot produce more.

*Link SADC-FANR and CAADP meetings in the region.* These are happening in isolation yet pursuing the same goal. Joint SADC and CAADP meetings will send a clear “efficiency” signal.

*SADC action plans.* Some already exist such as the SADC irrigation action plan. Donors could consider supporting these.

*Technology.* Conservation agriculture must be promoted in the region.

*The RAP should focus on food security* not just on poverty reduction, which is only one step toward achieving household food security.

*What is agriculture without water?* The climate change and variability phenomenon must be addressed. Sustainability mechanisms and coping mechanisms must be included in the RAP.

*Complementarity and trust* between the public sector and private sector will unblock a new ag-financing stream for the region.

*Access to agricultural inputs is the basis for agricultural development.* Hence, a clear action plan involving farmers, the private sector and national governments must take priority. A regional position and action plan on input subsidies is very critical.

*Political will* remains the key driver for the effective implementation of all proposed actions. Malawi is the shining example.

*Health and nutrition* should be incorporated in the SADC research agenda. The region's levels of malnutrition are still very high.

*A food-insecure region is like a nation under siege. Litebotho Mufubetsoana, Deputy Principal Secretary, Ministry of Agriculture and Food Security, Lesotho.*

## ANNEX 1. CONFERENCE PROGRAM



**The Southern African Development Community (SADC)**

### **THE SOUTHERN AFRICA REGIONAL CONFERENCE ON AGRICULTURE**

**Theme:**

**AGRICULTURE-LED DEVELOPMENT FOR SOUTHERN AFRICA:  
STRATEGIC INVESTMENT PRIORITIES FOR HALVING HUNGER  
AND POVERTY BY 2015**

**Date 8-9 December 2008**

**Venue: Grand Palm Hotel, Gaborone, Botswana**

**“It is time to place agriculture afresh at the center of the development agenda”  
(World Development Report 2008)**

#### **Day one:**

<b>Time</b>	<b>Session Details</b>	<b>Session Facilitation</b>
<b>08.00-08.30</b>	<b>Delegate’s Registration</b>	<b>Conference Secretariat</b>
<b>08.30-10.00</b>	<b>SESSION 1: Official Opening</b>	<b>Session Facilitator:</b> Margaret Nyirenda, Director, SADC- FANR Directorate
<b>08.30-09.15</b>	<b>1) Opening remarks by Dr. Tomaz Augusto Salomão</b>	<b>Executive Secretary,</b> SADC Secretariat
	<b>2) Welcome remarks by Host Minister – Assistant Minister, Ministry of Agriculture Botswana</b>	<b>SHAW Kgathi,</b> Acting Minister of Agriculture,
	<b>3) Address by SADC Chair – Representative for the Minister of Agriculture, South Africa</b>	<b>Njabulo Nduli,</b> Director General – Minister of Agriculture, South Africa

	<b>4) Opening remarks by NEPAD</b>	<b>Faustin Mwape</b> , Agricultural Adviser, NEPAD Secretariat
<b>09.15-09.45</b>	<b>5) Presentation on conference objectives and agriculture in southern Africa:</b> Current trends, challenges and future outlook	<b>Pius Chilonda</b> , Subregional Coordinator, ReSAKSS-SA, IWMI/ ICRISAT <b>Margaret Nyirenda</b> , Director, SADC-FANR
<b>09.45 - 10.00</b>	<b>COFFEE BREAK</b>	
<b>10.00-13.00</b>	<b>SESSION 2: Agricultural Investment, Trade and Economic Integration</b>	<b>Session Chair</b>
	<ul style="list-style-type: none"> <li>• Can investment in agriculture stimulate growth and poverty reduction in southern Africa? What are the implications of agricultural growth and trade on food security and poverty reduction in southern Africa?</li> </ul>	<b>Lucas Gakale</b> , Permanent Secretary, Botswana
<b>10.00-10.30</b>	1) Status of public expenditure in agriculture in southern Africa	<b>Faustin Mwape</b> , FAO Agricultural Adviser, NEPAD Secretariat
<b>10.30-11.00</b>	2) Country-based evidence on increased investments in agriculture from Mozambique, Zambia and Malawi	<b>James Thurlow</b> , Research Fellow, IFPRI
<b>11.00-11.30</b>	3) What investments are needed to reach the SADC-RISDP and CAADP goals in southern Africa?	<b>Shenggen Fan</b> Director, DSG, IFPRI & <b>Babatunde Omilola</b> , Coordinator ReSAKSS, IFPRI
<b>11.30-12.00</b>	4) Regional integration in agricultural marketing and trade	<b>Mike Weber</b> , Professor, Michigan State University/ FSRP/ACF
<b>12.00-12.30</b>	5) Implications of the Free Trade Area (FTA) in the SADC region on agricultural growth, food security and poverty reduction	<b>Alejandro Nin Pratt</b> , Research Fellow, IFPRI and <b>Yonas Bahta</b> , Postdoc Fellow, ReSAKSS-SA
<b>12.30-13.00</b>	6) SADC agricultural trade: Promoting synergies between South Africa and other SADC countries	<b>Moono Mupotola</b> , FAO Consultant, <b>Francois Leonardi</b> , Policy Officer FAO Sub-Regional Office, East and southern Africa
<b>13.00-14.00</b>	<b>LUNCH BREAK</b>	
<b>14.00-15.15</b>	<b>SESSION 3: Agricultural Investment, Trade and Economic Integration</b>	<b>Session Chair</b> <b>Vishnou Gondeea</b> , Permanent Secretary, Mauritius
<b>14.00-15.15</b>	<b>Panel of discussants and plenary discussion</b>	<b>Panel of four Discussants</b>
	<ul style="list-style-type: none"> <li>• Can investment in agriculture stimulate growth and poverty reduction in southern Africa?</li> <li>• What are the implications of agricultural growth and trade on food security and poverty reduction in southern Africa?</li> </ul>	<ol style="list-style-type: none"> <li><b>1. Botiomelo Gofhamodimo</b> - Director, SADC (TIFI)</li> <li><b>2. Echessah Protase</b> - Programme Officer, Sida</li> <li><b>3. Fernando Songane</b> - PROAGRI Coordinator, Mozambique</li> <li><b>4. Phumzile Mdladla</b> - Regional Representative, FEWSNET</li> <li><b>5. Thierry Giordano</b> - Economist, DBSA</li> </ol>
<b>15.15-15.30</b>	<b>TEA BREAK</b>	
<b>15.30-17.30</b>	<b>SESSION 4: What are the current and emerging challenges and opportunities facing agriculture in southern Africa?</b> Permanent Secretary, Mauritius	<b>Session Chair</b> <b>Vishnou Gondeea</b> ,
<b>15.30-16.00</b>	1) Improving access to input and output markets in southern Africa	<b>Ephraim Chirwa</b> , Professor, University of Malawi, and <b>Andrew Dorward</b> , Professor, Imperial College, London

<b>16.00-16.30</b>	2) Promoting fertilizer use in southern Africa: Current issues and empirical evidence	<b>Jones Govere</b> , Research Fellow, Michigan State University,
<b>16.30-17.00</b>	3) Current strategic directions in agricultural research organizations in southern Africa	<b>Patrick Tawonezwi</b> , SADC MAPP Team Leader, SADC Secretariat
<b>17.00-17.30</b>	4) Possible regional responses to increasing food prices	<b>Isaac Minde</b> , Principal Scientist, ICRISAT/ ReSAKSS-SA; <b>Femi Olubode-Awosola</b> , Postdoc Fellow, ReSAKSS-SA
<b>17.30</b>	<b>End of Day 1</b>	
<b>18.30</b>	<b>CONFERENCE DINNER</b>	
<b>Day 2:</b>		
<b>08.00-1000</b>	<b>Session 5: What are the current and emerging challenges and opportunities facing agriculture in southern Africa? (Contd.)</b>	<b>Session Chair</b> <b>Robert Thwala</b> , Principal Secretary, Swaziland
<b>08.00-8.30</b>	5) Land and water management responses to mitigate the impact of climatic variability and promote climatic change adaptation in southern Africa	<b>David Molden</b> , Deputy Director General, Research Water International Management Institute (IWMI)
<b>08.30-10.00</b>	<b>Panel of discussants and plenary discussion: Responding to regional challenges and opportunities</b>  ▪ How can the region respond to the emerging challenges and opportunities in agriculture?	<b>Panel of 4 Discussants</b> 1. Mike Weber – Professor, Michigan State University 2. Sam Mundia, - Board Member, FANRPAN 3. SADC- IFS Directorate 4. Bruce Isaacson – Senior Regional Emergency Coordinator, FAO 5. Cecilia Khupe – Regional Agricultural Adviser, USAID
<b>10.00-10.30</b>	<b>COFFEE BREAK</b>	
<b>10.30-13.00</b>	<b>SESSION 6: Future Strategies</b> ▪ <b>Defining and implementing regional strategic priorities for agriculture in SADC</b>	<b>Session Chair</b> Isaac Minde, Principal Scientist, ICRISAT/ ReSAKSS-SA
<b>10.30-10.45</b>	1) The SADC regional agricultural policy: A brief outlook	<b>Martin Muchero</b> ; Regional Consultant SADC - FANR Regional Agricultural Policy; SADC/FAO
<b>10.45-12.45</b>	2) Moderated panel and plenary discussions on future strategies • SADC-FANR experience • AU/NEPAD perspectives • Donor perspectives • FAO perspectives • Farmers' perspectives • Member countries	<b>Discussion Panel</b> <b>SADC Secretariat</b> <b>Faustin Mwape</b> - NEPAD <b>Simon Croxton</b> - DFID-SA <b>François Leonardi</b> - FAO <b>Ishmael Sunga</b> - SACAU <b>Leteboho Mofubetsoana</b> - Lesotho
<b>12.45-13.15</b>	<b>SESSION 7: Closing Session</b> • <b>Conference Outcomes</b> • <b>Closing Remarks</b>	<b>Session Chair</b> SADC Secretariat
<b>13.15-14.00</b>	<b>LUNCH BREAK</b>	

**End of Conference**

## ANNEX 2. NAMES OF DELEGATES



### The Southern African Development Community (SADC) THE SOUTHERN AFRICA REGIONAL CONFERENCE ON AGRICULTURE

Theme:

### AGRICULTURE-LED DEVELOPMENT FOR SOUTHERN AFRICA: STRATEGIC INVESTMENT PRIORITIES FOR HALVING HUNGER AND POVERTY BY 2015

Date: 8-9 December 2008

Venue: Grand Palm Hotel, Gaborone, Botswana

#### PARTICIPANT LIST

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The Regional Strategic Analysis and Knowledge Support System (ReSAKSS) is an Africa-wide network that provides analysis, data, and tools to promote evidence-based decision making, improve awareness of the role of agriculture for development in Africa, fill knowledge gaps, promote dialogue and facilitate the benchmarking and review processes associated with the AU/NEPAD's Comprehensive Africa Agriculture Development Programme (CAADP) and other regional agricultural development initiatives in Africa.



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