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Statement

By

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Your Excellency, Dr. Tedros Adhanom, Chairperson of the Executive Council;

Your Excellency, Dr. Nkosazana Dlamini-Zuma, Chairperson of the African Union Commission;

Honourable Ministers;

Excellencies;

Distinguished Ladies and Gentlemen;

Let me first rejoice with the successful celebration of fifty years of African unity commemorated throughout the continent in 2012. The fact that the continent seems to have framed the moment in terms of renewing the Pan-African commitment of its independence heroes, while looking into the future, speaks volumes. Africa is on the threshold of a new beginning.

Your Excellencies,

Today in a village in Zambia, a woman will walk 5 kilometers to reach her one hectare maize or potato plot. Using a hoe or cutlass, she will carefully tend her crops, slashing away weeds and straightening potato tendrils, whilst praying for the rain which will be two weeks late. For without rain, she may not be able to harvest the usual 2.1 metric tons per hectare, part of which feeds her family, part of which she will sell in the local market. The money she makes will mostly go towards paying school fees or hospital bills and medication, should any of her children or herself get sick.

I speak of a woman in Zambia, but I must as well be speaking about the young cattle herder at the foot of the Kilimanjaro, who has to wake up each morning to graze cattle before rushing off to school; or a Ghorrane in the Sahelian Chad looking desperately for water in the desert; or the fishmonger on the shores of Shenge, who now has minimal fish sales due to the activities of pair trawlers off the coast of Sierra Leone; or even the Ethiopian coffee farmer whose annual harvest is reducing due to infestation of the coffee berry borer pest.

This, ladies and gentlemen, is the average African farmer - mostly female, frail, with a small plot, and absolutely dependant on nature and the weather.

Given that approximately sixty-five percent of Africans rely on agriculture as their primary source of livelihood and despite the wide variety of crops, animals and farm practices across the continent, it is no surprise that Africa has the lowest levels of agricultural productivity in the world. While land productivity in India has grown from 0.95 tons per hectare to 2.53 tons per hectare over the past fifty years; Africa's land productivity is stuck at 1.5! This is in spite of agricultural land being 3 to 6 times more available in Africa when compared to countries like China and India which, despite having a much lower per capita available agricultural land at 0.6 hectare for China or 0.3 hectare for India, successfully managed to secure food for their people.

You will agree with me that Africa, though with immense natural resources, is the world's most food insecure region. Around 226 million people, or one out of every five

people in Africa, are chronically food insecure. In fact, compared to the rest of the world, while Africa hosts around 15 per cent of the world's populations, it is home to close to one-third of those affected by hunger in our planet.

In the midst of these challenges, however, there is no doubt that agriculture in Africa has also had some success stories.

The interventions of the government of Ghana to introduce mechanized farming system and make block farm a reality for small-scale farmers has successfully turned the country into an established food basket. In Uganda, the production of fish has dramatically increased by 35 percent over the last decade, resulting in aquaculture production rising from 285 metric tons in 1999 to over 100,000 metric tons nowadays. Egypt's rice yield today stands at 9 metric tons per hectare, which makes it the best rice output performance in the world. Its rice production is expected to reach around 7.5 million tons in 2014 with earnings of about half a billion dollars. Water harvesting in Tanzania has been successfully scaled-up in the lowlands, where seasonal rainfall can be as much as 600 to 900 mm, improving the Majaluba rain fed rice farms. With the help of low cost individual Pump Schemes, Nigerian farmers have turned to small-scale irrigation using shallow groundwater recharged by the river and lifting it by *shadouf* or calabash in the dry season to grow vegetables for city dwellers.

These successes are, still, and sadly, not the average picture. We must admit we have to increase productivity. The majority of African farmers have not benefited from initiatives

and programmes aimed at improving farming techniques, better farm equipment, seeds, fertiliser, post harvest technology, agricultural financing and so on.

The question to ask is why it is that minimal level of success has been attained so far?

The simple response is that agriculture, the sector which seems to hold one of the key solutions for the continent's transformation, has been long neglected and ill guided. This is reflected by the fact that spending, either public expenditure or Official Development Assistance has largely been improperly allocated, not addressing fundamental agricultural needs. For example, in 2002, Africa received almost double the amount of ODA to agriculture at US \$713.6million of what was given to the countries of Eastern and South-East Asia at US\$ 479.8 million. This did not, however, translate into greater return for the extra dollar. African countries' expenditure on agriculture has always been—with few exceptions—less than the CAADP estimated target of 10 per cent.

History tell us that nations that have succeeded in taking their people out of poverty have done it on the back of an agricultural revolution that involved systematic improvements in production, storage, processing and use. Increase in agricultural productivity, has, from the time of the European industrial revolution contributed immensely to fast tracking the structural transformation of economies. The effect of the agricultural revolution on the economies of Brazil, India and China give an illustration of how the surplus from increased agricultural productivity can fuel industrial growth.

Africa's agriculture has yet to be used as a true tool for transformation. Africa has within its reach, the capacity, the people, resources and opportunities to lead the way on sustainable development. A truly transformational agricultural sector requires several prerequisites for a coherent policy drive. Let me propose a '**6 R**' strategy

First we need to **re-emphasize** strategies and policies for structural agricultural transformation. Taking into account the integrated approach to the economic, social and environmental dimensions we need to focus on food, land, water, forest security, bio energy resources, urban-rural as well as forward and backward linkages between agriculture and other evolving sectors of the African economies. This is how we will make agribusiness a major goal.

Second, we must **reduce** the vulnerability of millions of African small-scale farmers and consumers to high, volatile prices while increasing the resilience to shocks. The misconception of food security as a replacement for poverty reduction must be debunked. Food security should be approached economically and not as a poverty reduction programme.

Third, while recognizing Africa's industrialization must be commodity-based we need to make the case that this is the way to **redirect** the planet's climate change concerns. Value addition should take place close to where the resources are, thereby reducing large carbon footprints that come with transporting commodities over wide distances for processing. African producers must become price makers and not price takers. We have a controlling

size, and can set commodity trends. The proposed deal between cocoa processors Cargill and Archer Daniels Midlands, if it goes through, will see the two companies controlling up to 60% of total world trade in cocoa, when it is Africa that produces it!

Fourth, we have to **redefine** industrial policy to avoid a blueprint approach, where it is a set of predefined interventions. It must instead be embedded in the private sector and must generate processes and procedures that can understand and address to the ever-changing needs of industry. This is how we do not copy but rather learn from import substitution of Latin America and export-driven in parts of Asia. Ours should be an industrialization that looks into our assets, commodities and African growing market, and maximize the links with the agricultural sector.

Fifth, **retain** the opportunities presented to Africa for green growth. These offer an array of investment opportunities. Africa must see itself as a key player for solving climate change issues, rather than a victim. With the largest reservoir of unused arable land, it is the natural leader in a food insufficient world. Not being locked to any technology preferences also allows the leapfrogging to a green and clean energy, boosted by the best potential in this area in the world.

And finally, Africa must **remain** firm against unfair trade policies and protocols. For example, agricultural subsidies in developed countries continue to distort international commodity markets and lead to dumping, depressing prices and therefore making it unprofitable for African small holder farmers. This “Year of Agriculture and Food

Security” provides an opportunity for Africa to take the lead in multilateral negotiations on agriculture, with key focus on access to international markets, export competition such as the use of export subsidies and removing domestic support and subsidies in developed countries. The recent Bali WTO agreement demonstrated the strength displayed by India, with a smaller economy than Africa. The lesson is obvious.

Ladies and gentlemen,

The possibilities for growth are endless and Africa is now ready take the next step- we need to keep the growth up and make it transformative. Africa’s agricultural transformation model must capitalize on our strengths and resources whilst taking advantage of new advances in science and leapfrogging obsolete technology. We are near the threshold of what is required to push poverty down. Predictions of 6% growth this year means we need one extra percent to attain the famous 7% that will turn our fortunes around.

Your Excellencies, the Ghanaians have a saying, ‘the drummer plays better on a full stomach’. Recent estimates by ECA and its partners show that African countries stand to lose between 2 to 16 per cent of GDP due to stunting of children as a result of malnutrition. We can address this in a convincing way. Over US 15 billion have been spent in agricultural aid in Africa over the last two decades and we still have not been able to deal with basic malnutrition. We do not need to say more to finally realize we need to change tack and speed. We need an African agricultural revolution.

To the cattle young herder living at the hills of the Kilimanjaro or the Sahel, improved pastures will mean that he will be able to spend more time in school; to the fishmonger, an improvement in fish catch through policies that ban pair trawling on the high seas mean more income for her family; to the Ethiopian coffee farmer, pest resistant varieties of coffee seedlings will improve the size and quality of harvest: and to the Tanzania maize woman farmer, an improvement in her yield from 2.1 metric tonnes per hectare to 10 metric tones per hectare means she has enough money to keep her children in school and to start a small business.

ECA is already closely working with the governments of Bostwana, Ethiopia, Ghana, Cote d'Ivoire and Mauritius to put in place such measures, through ECA's proposed commodity based industrialization plans.

Ladies and gentlemen, within this context, the 2014 year of "Agriculture and Food Security in Africa" will take its relevance and agriculture will become a true rallying point for change on the continent and beyond as we seek to achieve, in the words of Nelson Mandela, 'an Africa where there would be work, bread, water and salt for all'.

I thank you for your kind attention.