

2014 ReSAKSS Annual Conference

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PROMOTING AGRICULTURAL TRADE TO ENHANCE RESILIENCE



Implementation Performance and Progress toward Core CAADP Targets

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ReSAKSS Africa Wide
Regional Strategic Analysis and Knowledge Support System

FACILITATED BY IFPRI  A PROGRAM IN SUPPORT OF CAADP IMPLEMENTATION



Background and Motivation

- In 2003, Africa adopted CAADP; agriculture-led integrated framework for development
 - Set targets for spending, productivity, growth, trade, outcomes (poverty, food and nutrition security, etc.)
 - Developed processes for mutual engagement and evidence-based review and learning
- ReSAKSS tracks progress of 30 indicators through an interactive website and flagship Annual Trends and Outlook Report (ATOR)





Objectives and outline of presentation

- Review progress in implementing the CAADP agenda. Particularly, achieving key CAADP goals and targets:
 - 10% agriculture expenditure
 - 6% agricultural sector growth
 - Halving poverty and hunger
- Correlations among observed trends to assess simple associations between spending and growth and outcomes
- Lessons for future work relating to implementation of the Malabo Declaration



Format of results and notes (I)

- **Aggregate statistics:** Africa as a whole; 5 geographic regions (Central, East, North, Southern, West); and 4 economic regions (income, agricultural potential, natural resources):
 - **Middle Income (MI) = 26 countries:** Algeria, Angola, Botswana, Cameroon, Cape Verde, Congo, Côte d'Ivoire, Djibouti, Egypt, Equatorial Guinea, *Gabon*, Ghana, Lesotho, *Libya*, Mauritius, Morocco, Namibia, Nigeria, Sao Tome and Principe, Senegal, Seychelles, South Africa, South Sudan, Sudan, Swaziland, Tunisia.
 - **Low Income, less favorable agriculture (LI-3) = 9 countries:** Burundi, Chad, *Comoros*, Eritrea, Mali, Mauritania, Niger, Rwanda, *Somalia*.
 - **Low income, more favorable agriculture (LI-2) = 13 countries:** Benin, Burkina Faso, Ethiopia, Gambia, Guinea-Bissau, Kenya, Madagascar, Malawi, Mozambique, Tanzania, Togo, Uganda, *Zimbabwe*.
 - **Low Income, mineral rich (LI-1) = 6 countries:** Central African Republic, D.R. Congo, Guinea, Liberia, Sierra Leone, Zambia.



Format of results and notes (II)

- **Other aggregates not presented:** Regional Economic Communities (RECs), top 10 largest agriculture economies (based on share in Africa's agGDP), fastest-growing agriculture economies (i.e. greater than 6%)
- **Trends for three sub-periods:** 1995-2003 (baseline), 2003-08 (initial CAADP timeline), 2008-2013
- **Monetary values** in constant 2005 US\$
- **Data updates:** retroactive, new data for recent years, data for more countries (e.g. 50 countries with agriculture expenditure data)
- **Data sources:** WDI, FAOStat, IMF, national sources (statistics bureaus, ministries of finance and agriculture), studies



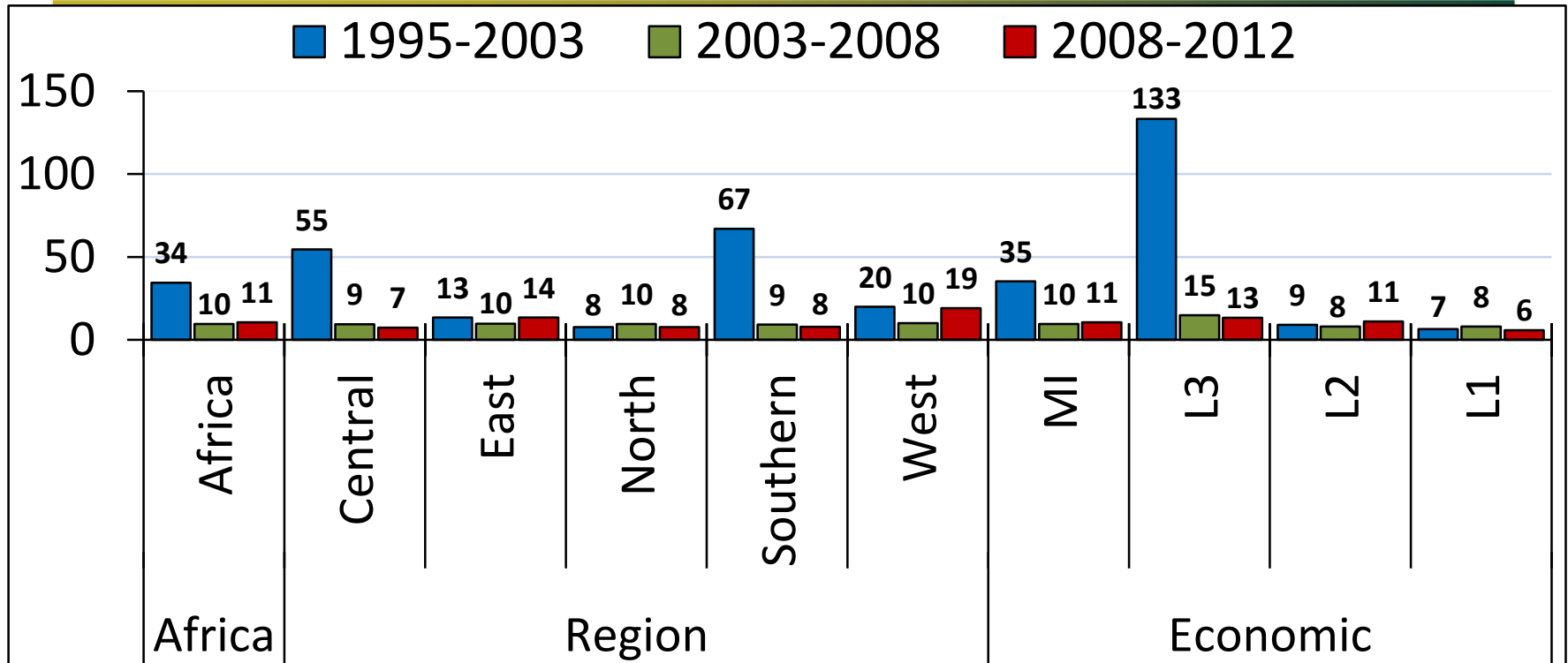
Enabling environment

Inflation

Government debt and revenue



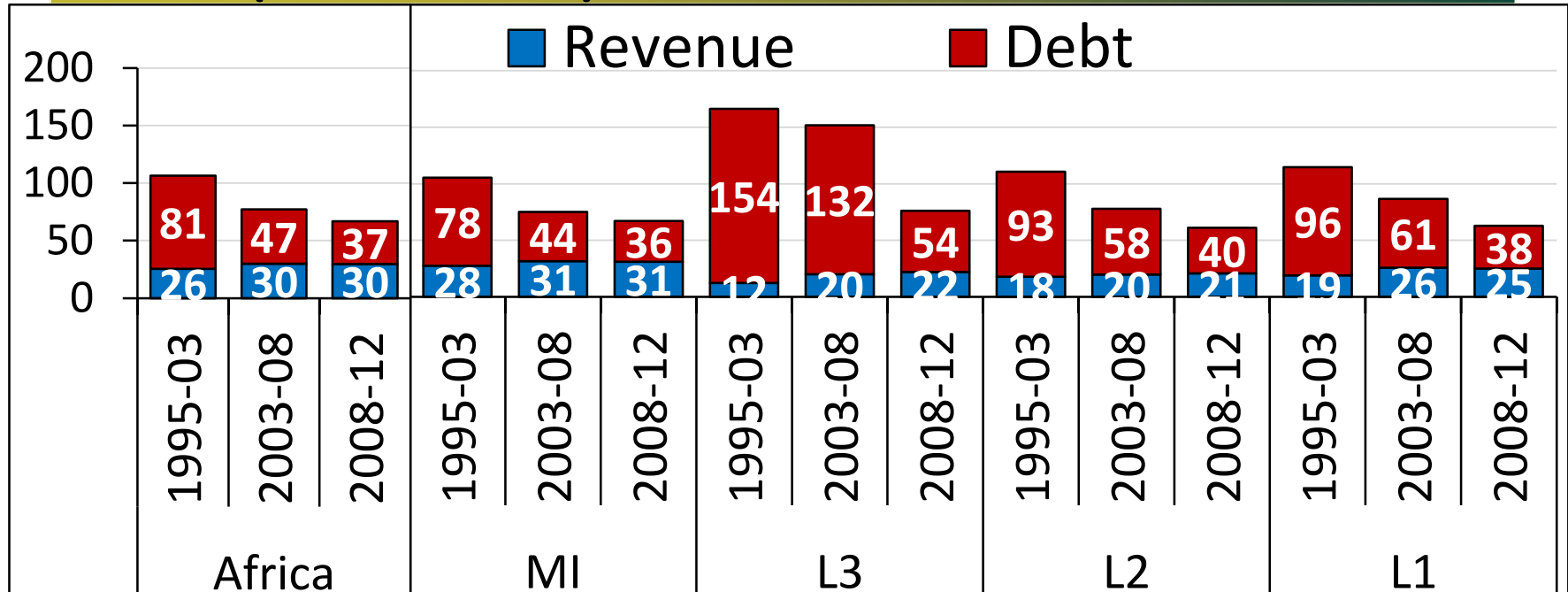
Inflation, GDP deflator (%)



**Inflation reduced substantially from pre-CAADP levels ⇒
better control of money supply; stronger purchasing power;
better long-term planning**



General government gross revenue and debt (% of GDP)



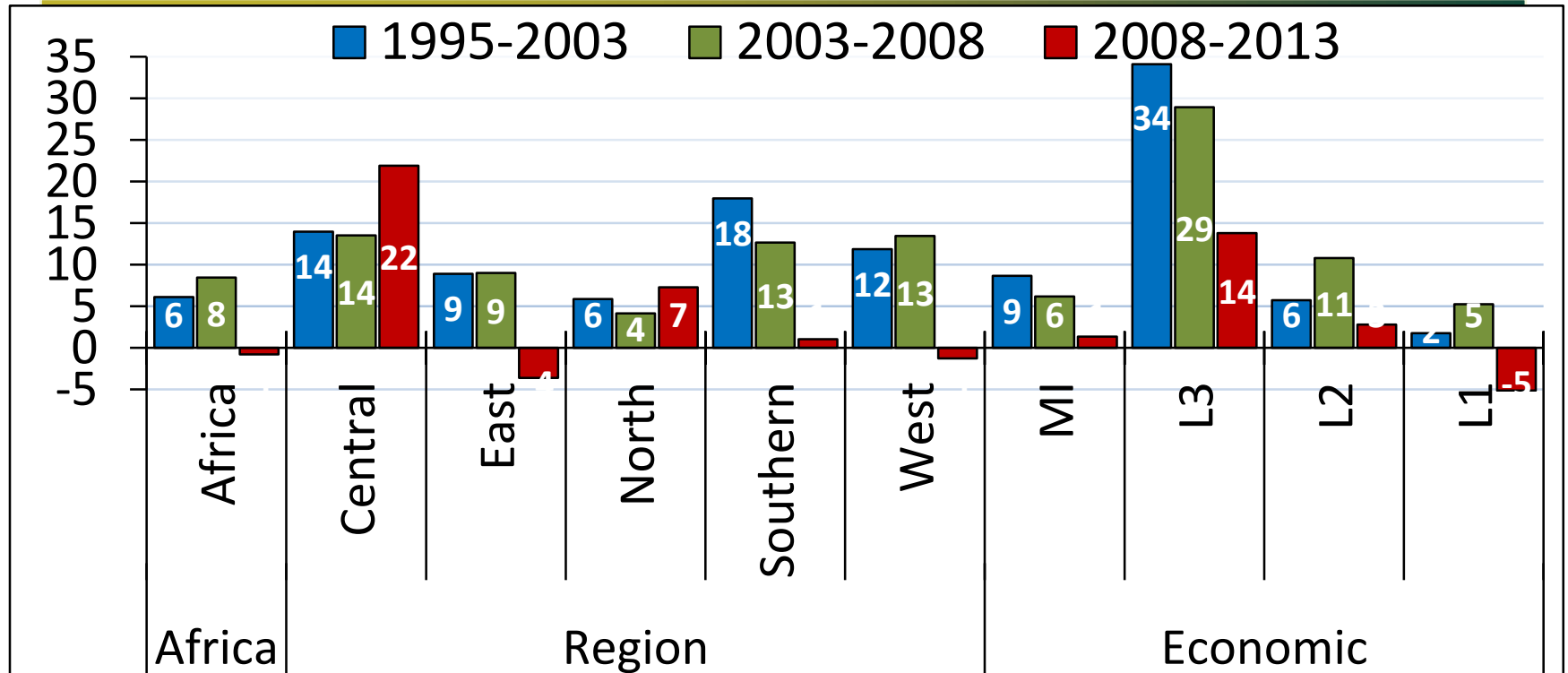
- Revenue-ratio increased slightly; but debt-ratio reduced a lot
- Due to combination of debt forgiveness, more grants, greater own revenue sources (increased export earnings, royalties, ...)



Government agriculture expenditure



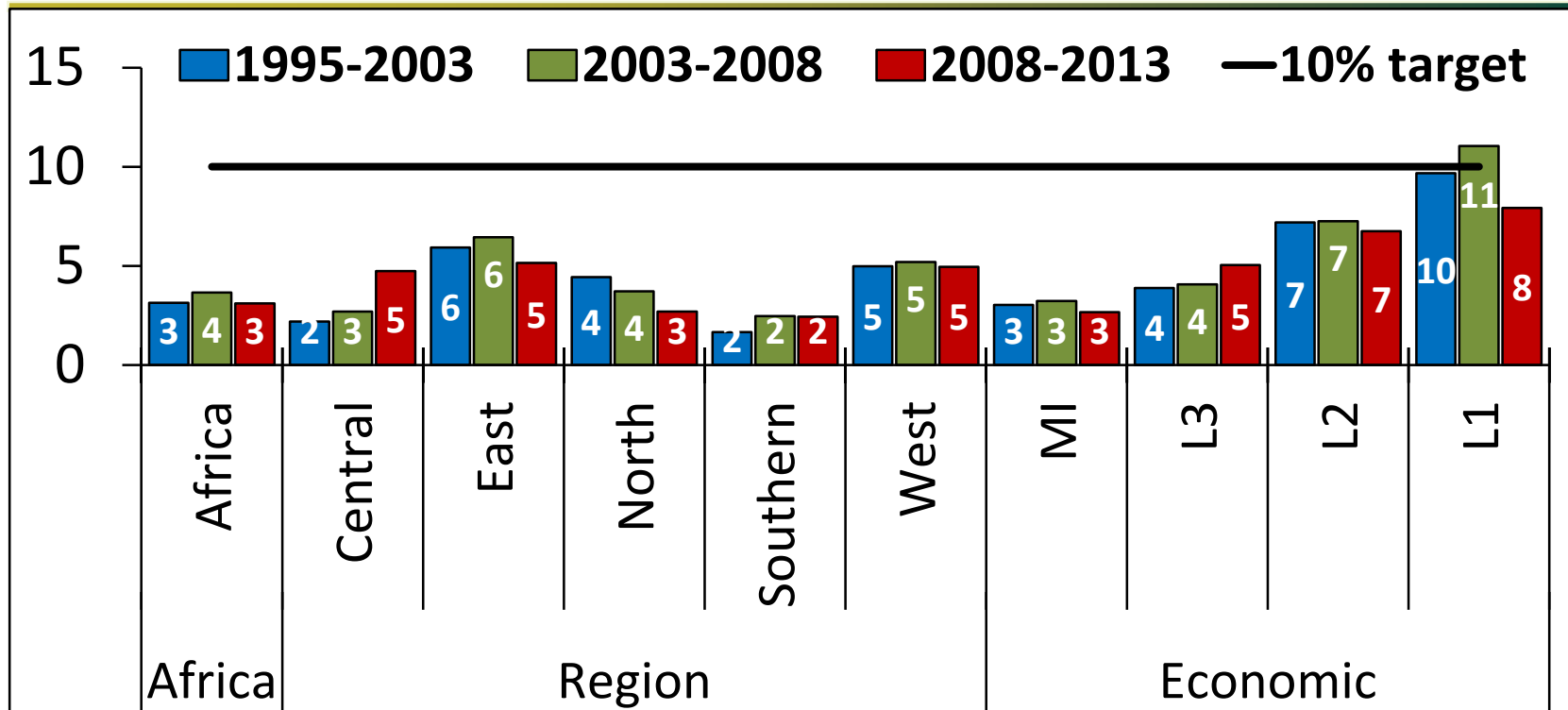
Government agriculture expenditure (GAE) growth rate (annual average %)



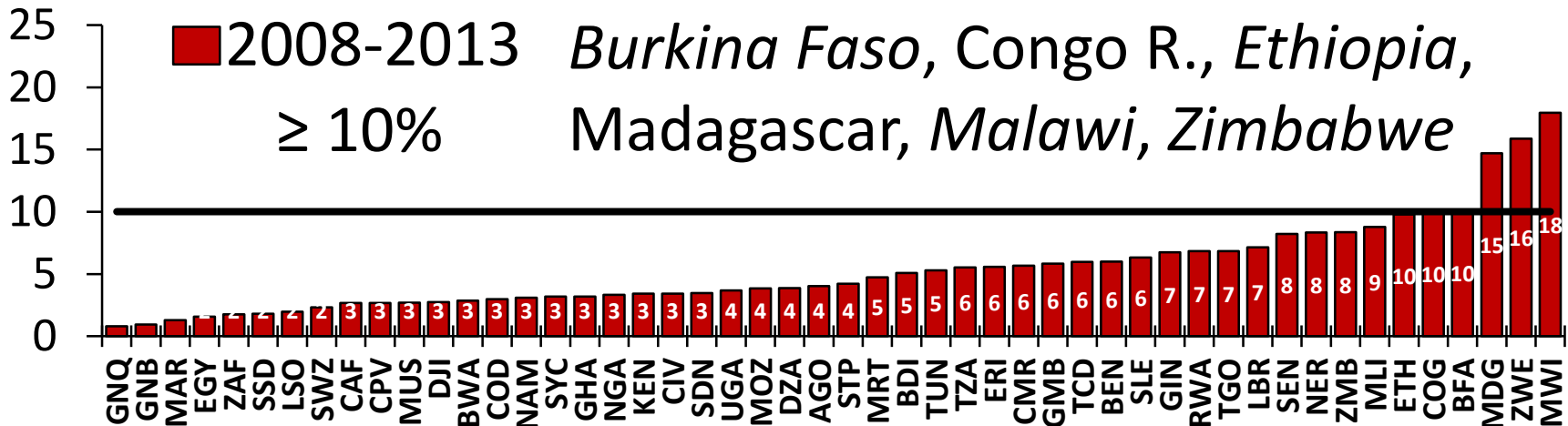
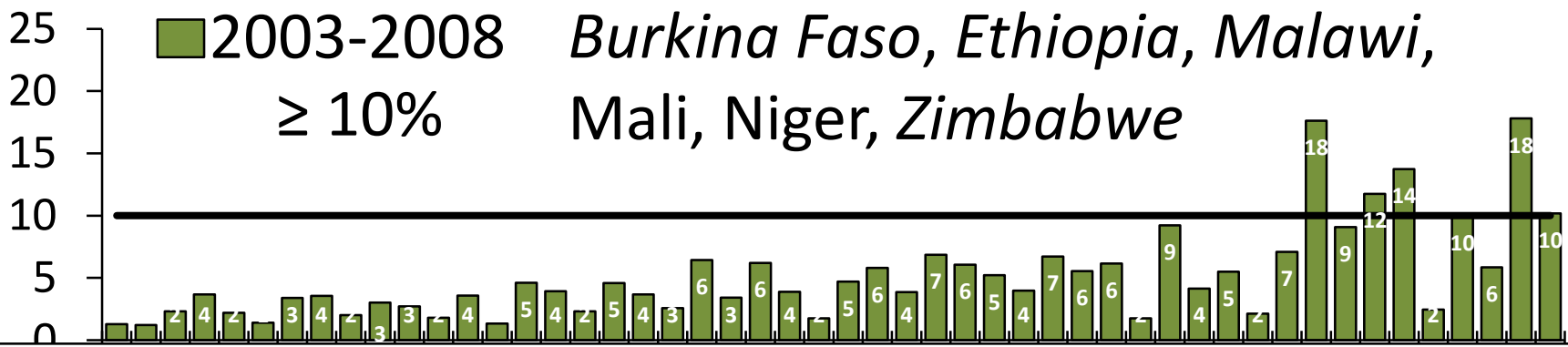
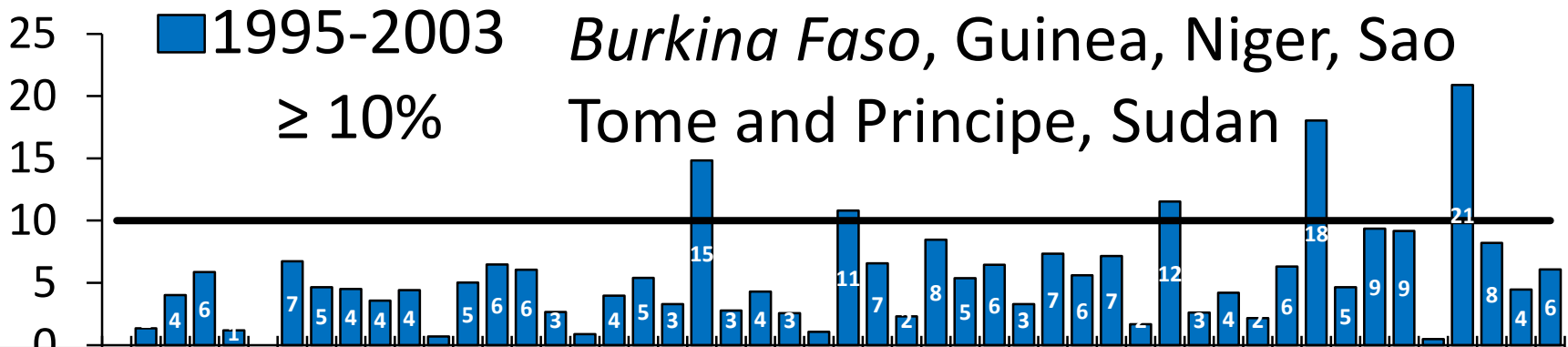
- Growth in GAE slowed down or declined in 2008-03; except in central Africa where it increased
- Reflects effect of the financial and high-prices crises in 2008-09



Government agriculture expenditure (GAE, annual average % of total expenditure)



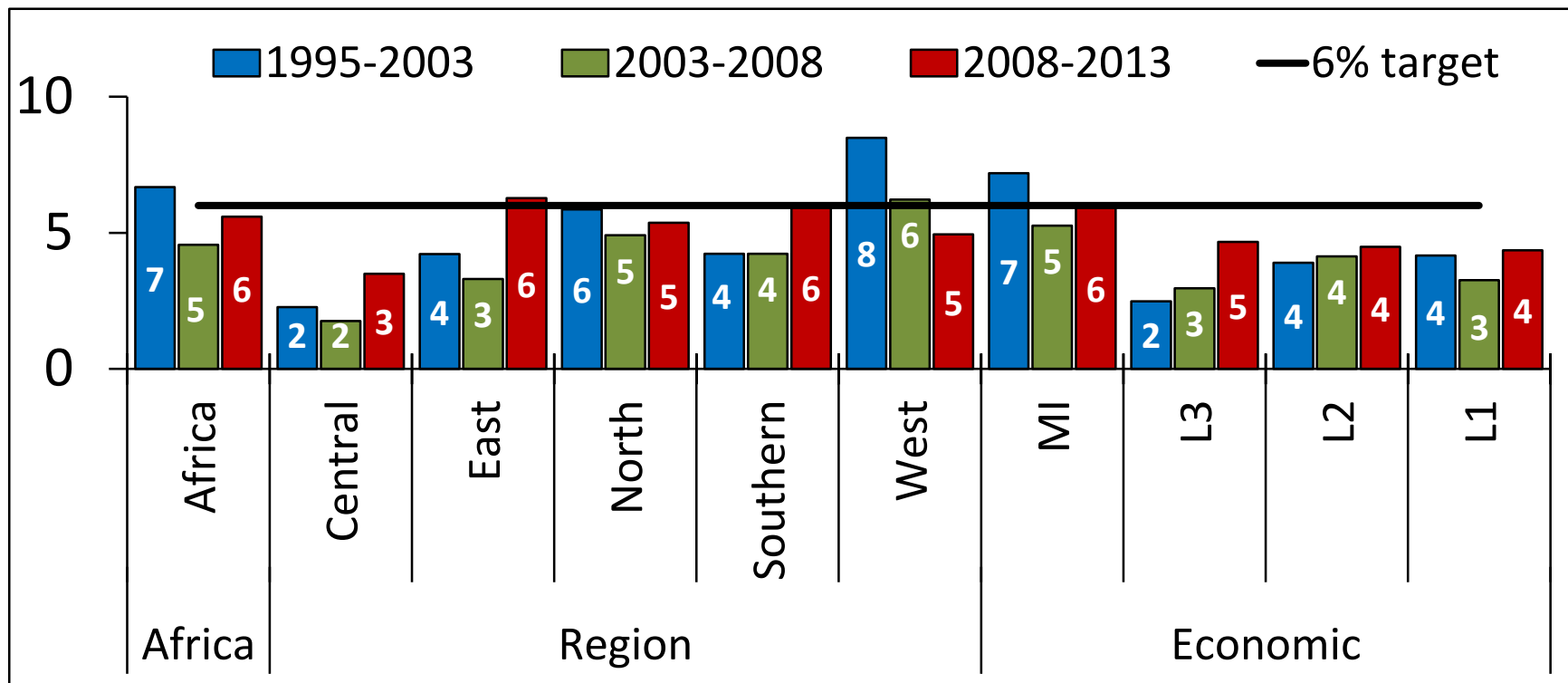
- Share of GAE stagnated or declined slightly in 2008-03; except in central Africa and L3 economic group
- Reflects slowdown in growth in total expenditure



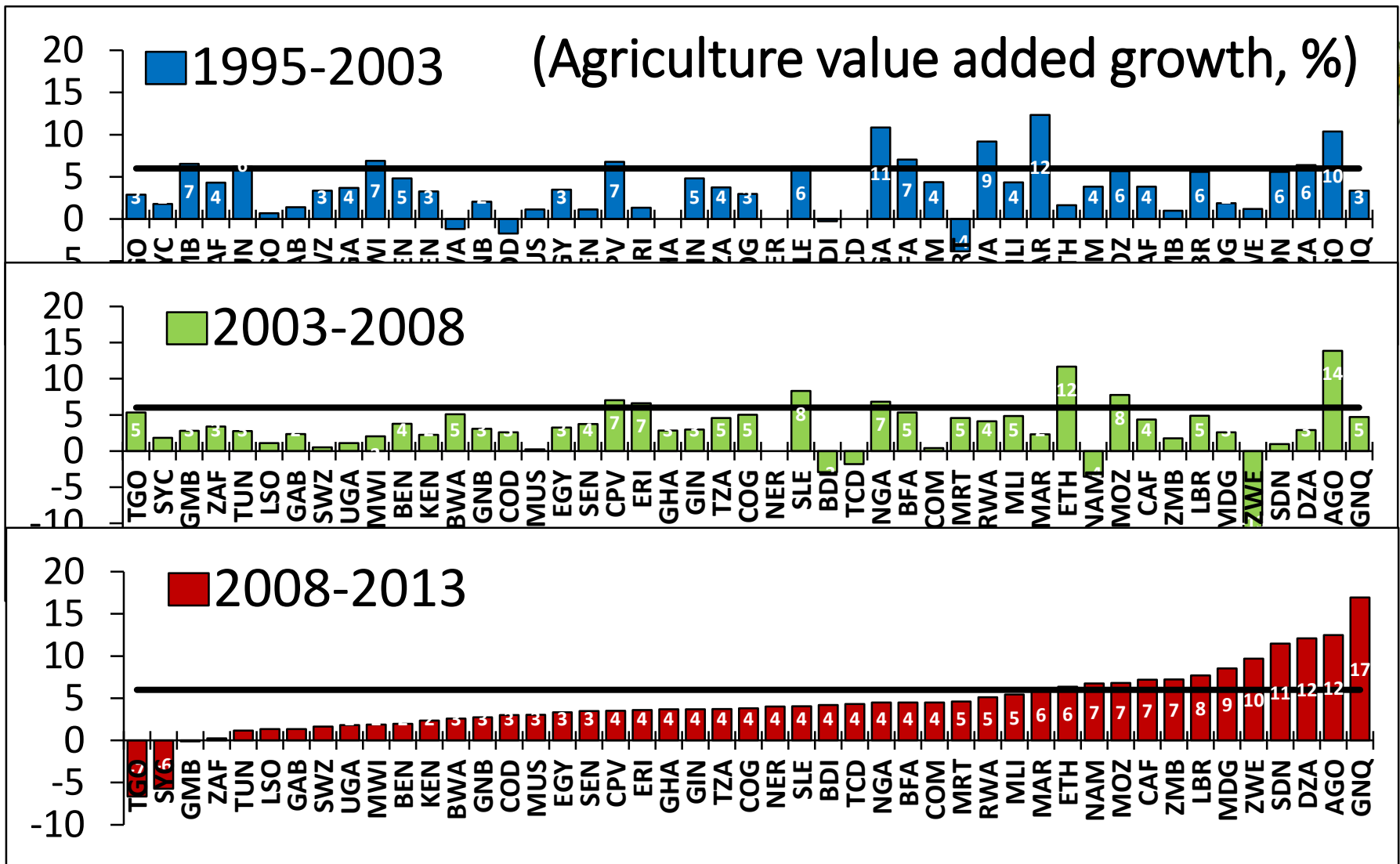


Agricultural growth

Agriculture value added (growth rate, %)



- **Faster growth in 2008-13 compared to 2003-08 in many sub-regions and compared to 1995-03 in central, east, and L3;**
- **Slower growth in west Africa;**
- **In Africa and other sub-regions, faster growth in 2008-13 represent catch-up with pre-CAADP levels.**



High variability over time • Many different countries surpassed 6% target in different sub-periods • 16 countries in 2008-13 • Angola, Ethiopia and Mozambique in 2003-08 and 2008-13

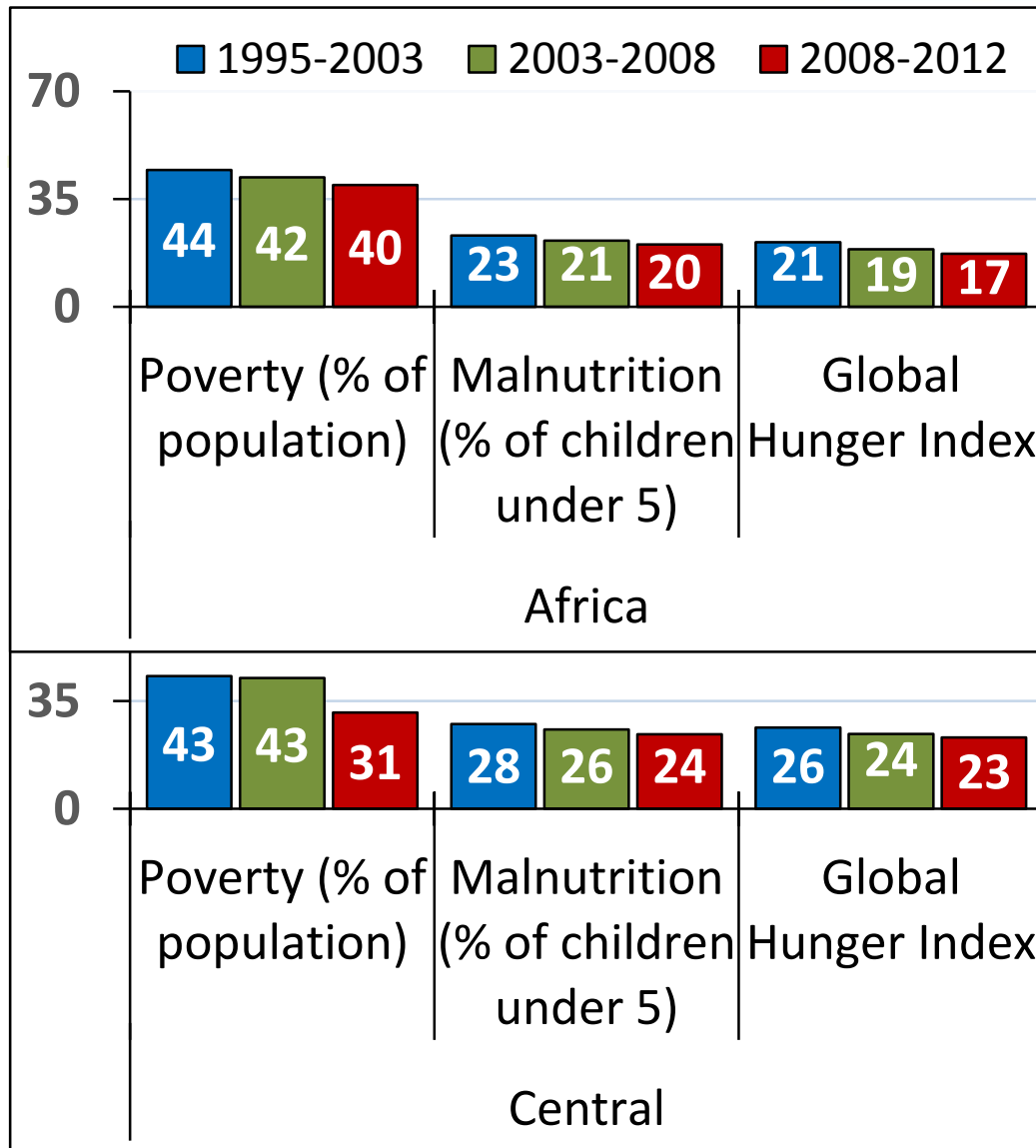


Outcomes

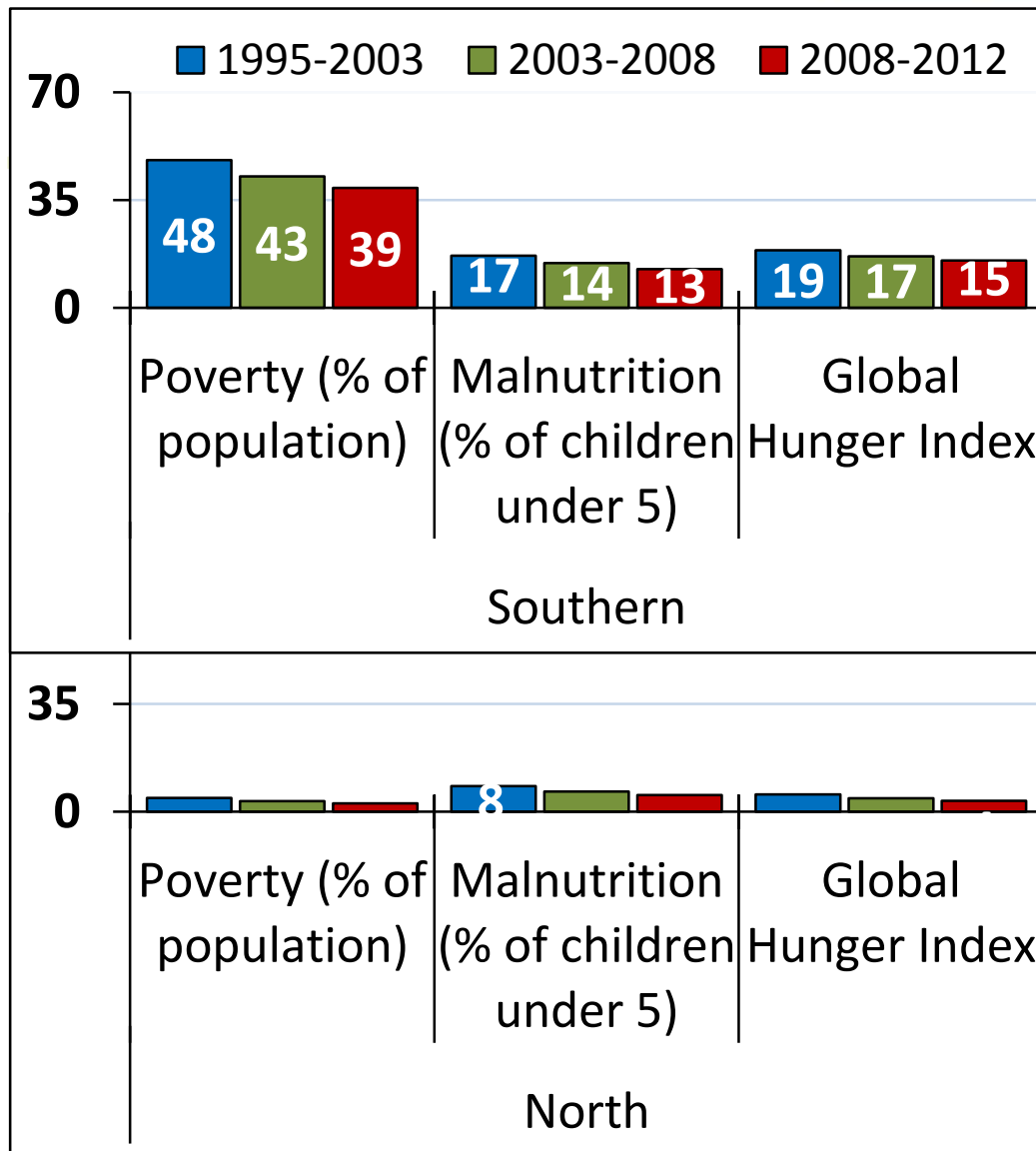
Poverty

Food and nutrition security

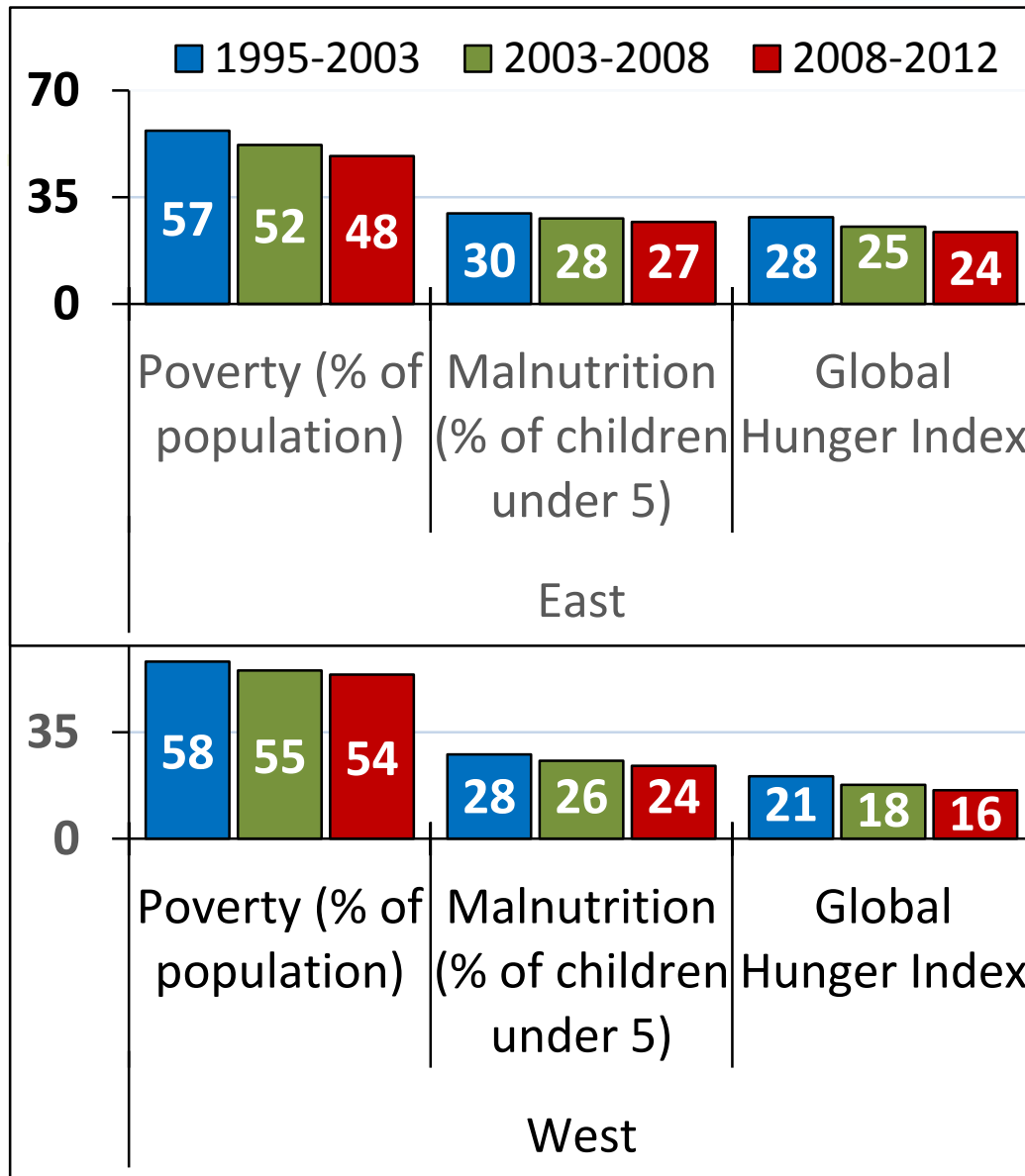
Hunger



- Poverty, malnutrition and hunger has declined at aggregate levels everywhere;
- Declined by 2% points per year on average in post-CAADP sub-periods compared to pre-CAADP



- **Differences across sub-regions:**
- Lowest levels in all three indicators in north Africa;
- Moderate levels of poverty in central and southern Africa;
- Moderate levels of malnutrition and hunger in southern Africa



- Highest levels of poverty in east and west Africa;
- Highest levels of malnutrition in central, east, and west Africa;
- Highest levels of hunger in central and east Africa

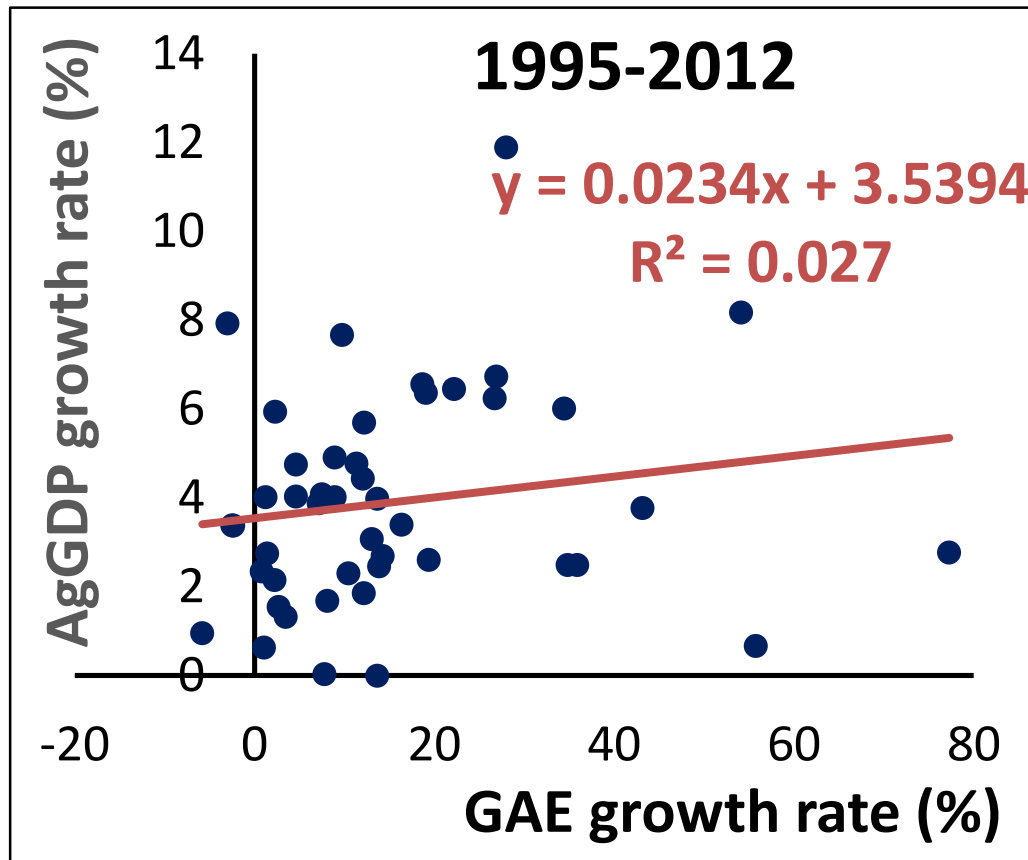


Correlations

Though do not imply cause-effect relationships (which require more detail data and advanced quantitative methods), strong correlation coefficient hints plausible association



Government agriculture expenditure (GAE) and agricultural GDP growth (I)

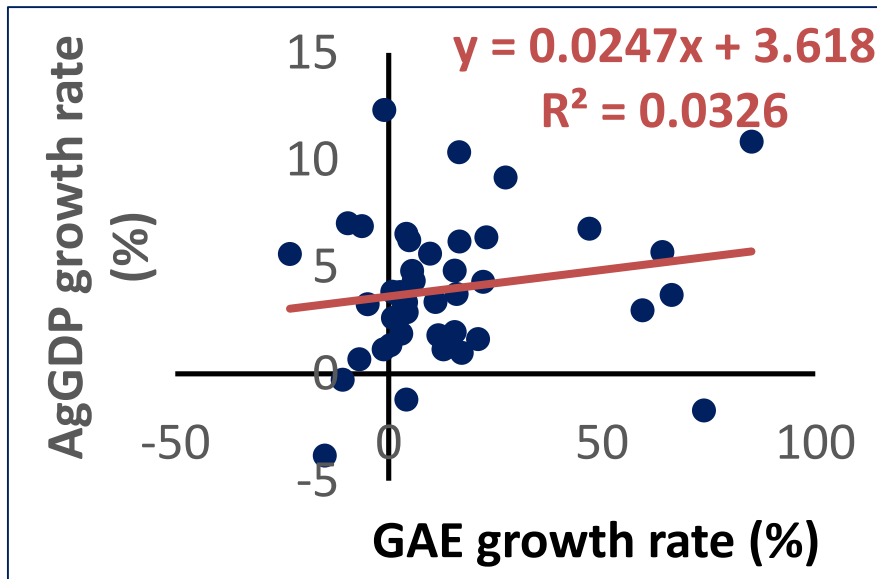


- Weak positive correlation between GAE growth and AgGDP growth
- Different results for different sub-regions, sub-periods, and *types of GAE (other studies)*

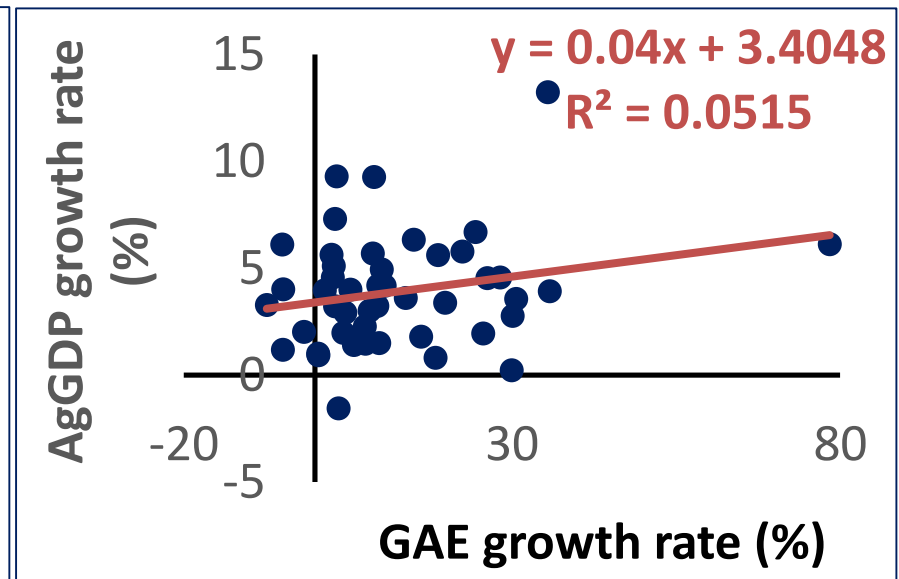


Government agriculture expenditure (GAE) and agricultural GDP growth (II)

1995-2003



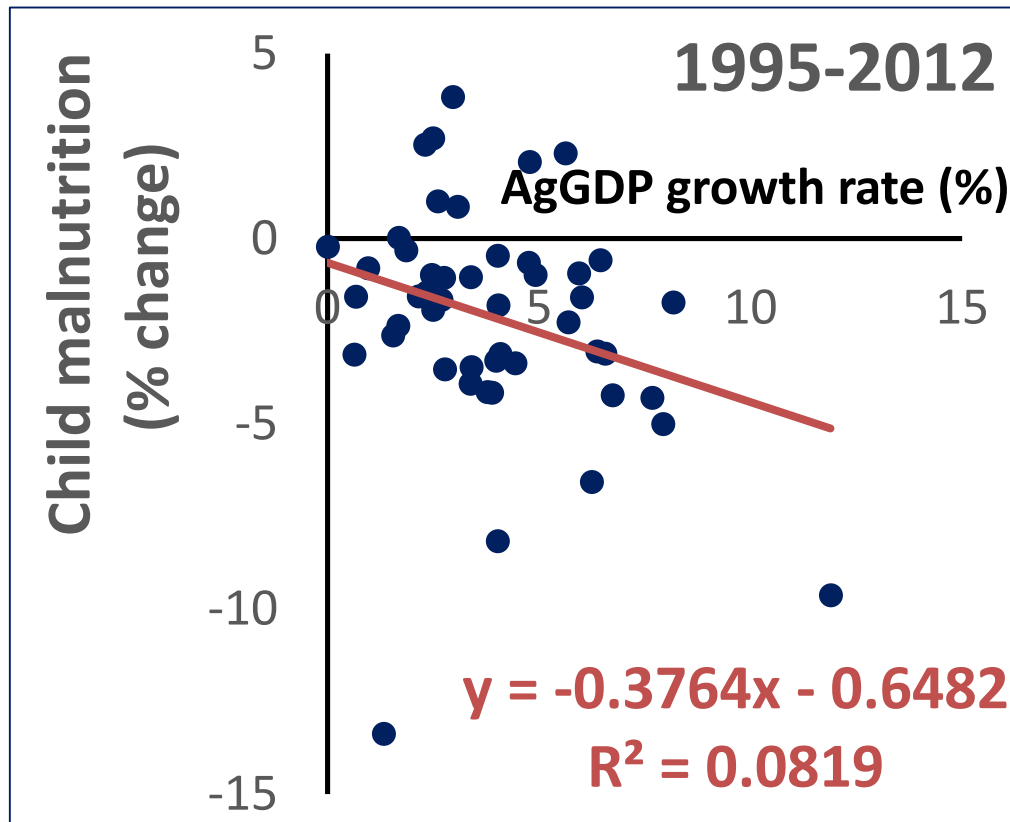
2003-2012



- Larger (but still weak) positive correlation between GAE growth and AgGDP growth in post-CAADP sub-period compared to pre-CAADP



Agricultural GDP growth and malnutrition (I)

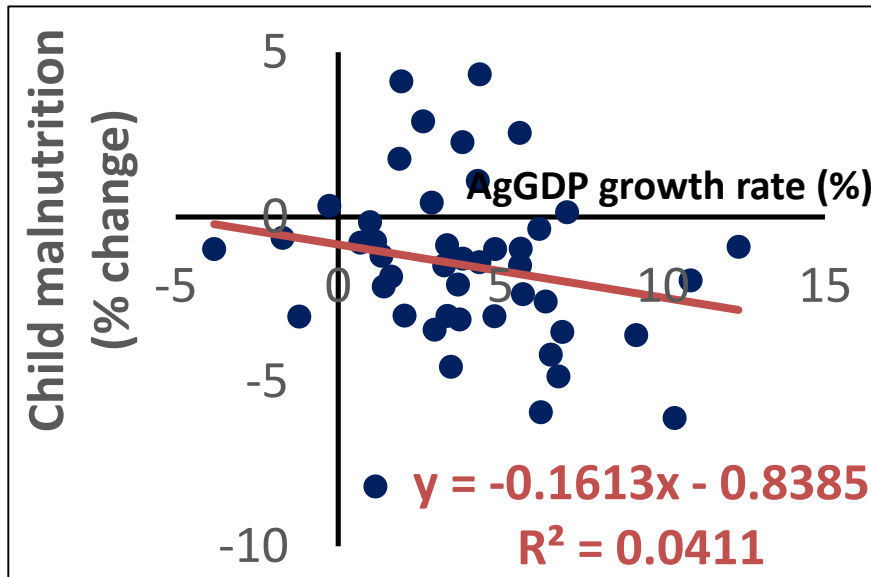


- Weak positive correlation between AgGDP growth and malnutrition reduction
- Different results for different sub-regions, sub-periods, and *drivers of AgGDP growth (other studies)*

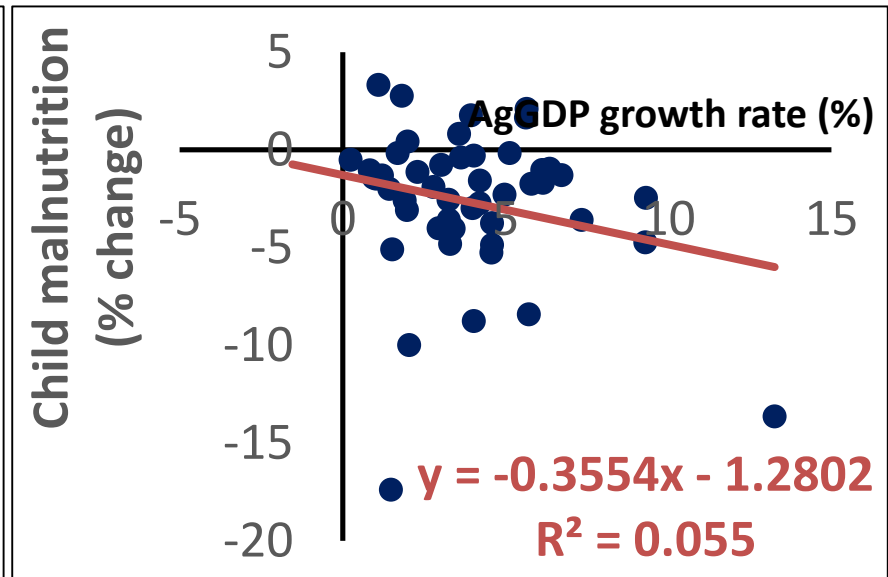


Agricultural GDP growth and malnutrition (II)

1995-2003



2003-2012



- Larger (but still weak) positive correlation between AgGDP growth and malnutrition reduction in post-CAADP sub-period compared to pre-CAADP



Conclusions and implications

Key findings

Future work vis-à-vis Malabo Declaration



Conclusions and implications (I)

- Significant progress in several indicators associated with CAADP
- High inter-temporal variability in key indicators (e.g. government agriculture expenditure) reflects challenges in sustaining commitment → Malabo Declaration is timely
- **Malabo Declaration:**
 - Has many result areas with specific and more ambitious targets → more indicators needs to be tracked
 - Elaborates desired contribution of agriculture to overall results → more disaggregated indicators are needed



Conclusions and implications (II)

- **Malabo Declaration:**

- Asks for implementation strategy and roadmap
→ more deeper analyses are required (e.g. efficiency and effectiveness of different types of policies and public spending)
- Commitment to systematic regular review process → effective (institutionalized) M&E systems and mutual accountability platforms

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IDEAL DISAGGREGATED EXPENDITURE DATA

Functions (COFOG)	Economic classification	Agricultural sub-sector	Agricultural sub-functions
701. Gen. Pub. Services	21. Compensation of employees	Crops	Extension
702. Defense	22. Use of goods and services	Livestock	Research
703. Pub. Order & Safety	23. Consumption of fixed capital	Forestry	Irrigation
704. Economic Affairs	24. Interest	Fishery	Land management
705. Environ Protection	25. Subsidies	Level	Market infrastructure
706. Housing & Community Amenities	26. Grants	Central	Farm support
707. Health	27. Social benefits	State/Region	Policy, planning, M&E
708. Rec., Culture, & Rel.	28. Other	Local/District	Regulation, licensing
709. Education		...	Statistics
710. Social Protection			...
	Policy objective	Target	
Source of financing	Food security	Demography	Planning/Execution
Domestic (loan, tax)	Productivity/Growth	Geography	Budget
External (loan, grant)	Expenditure

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Thanks



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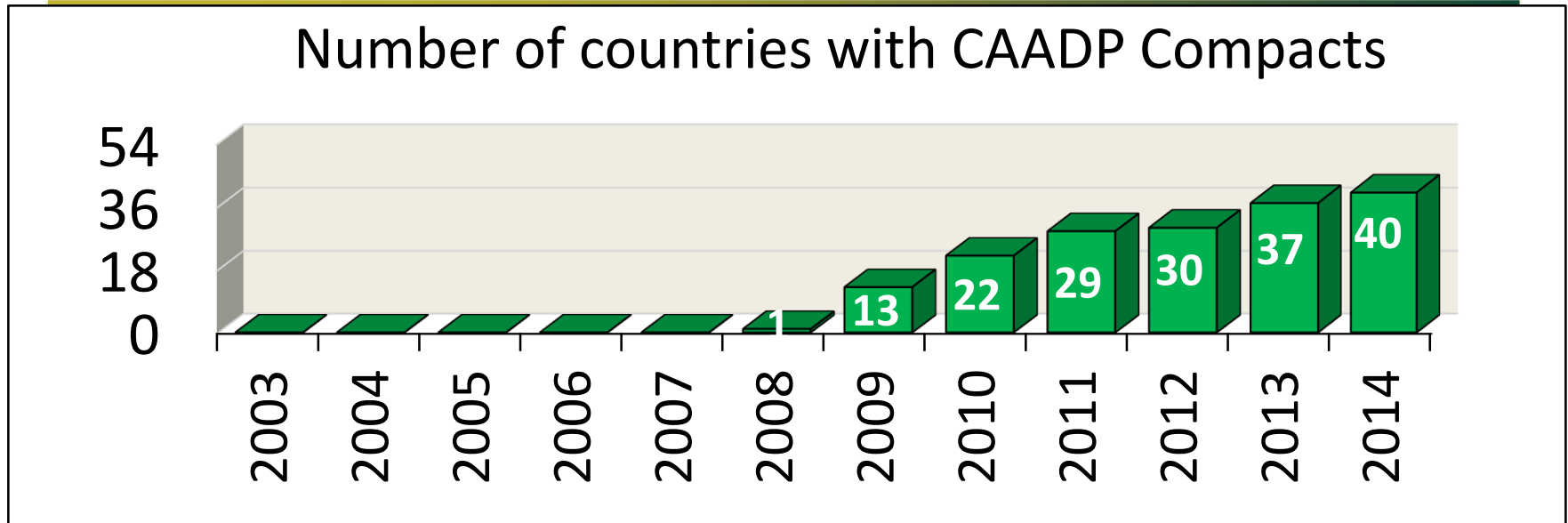
CAADP Implementation process

Compacts

Country and other supporting initiatives



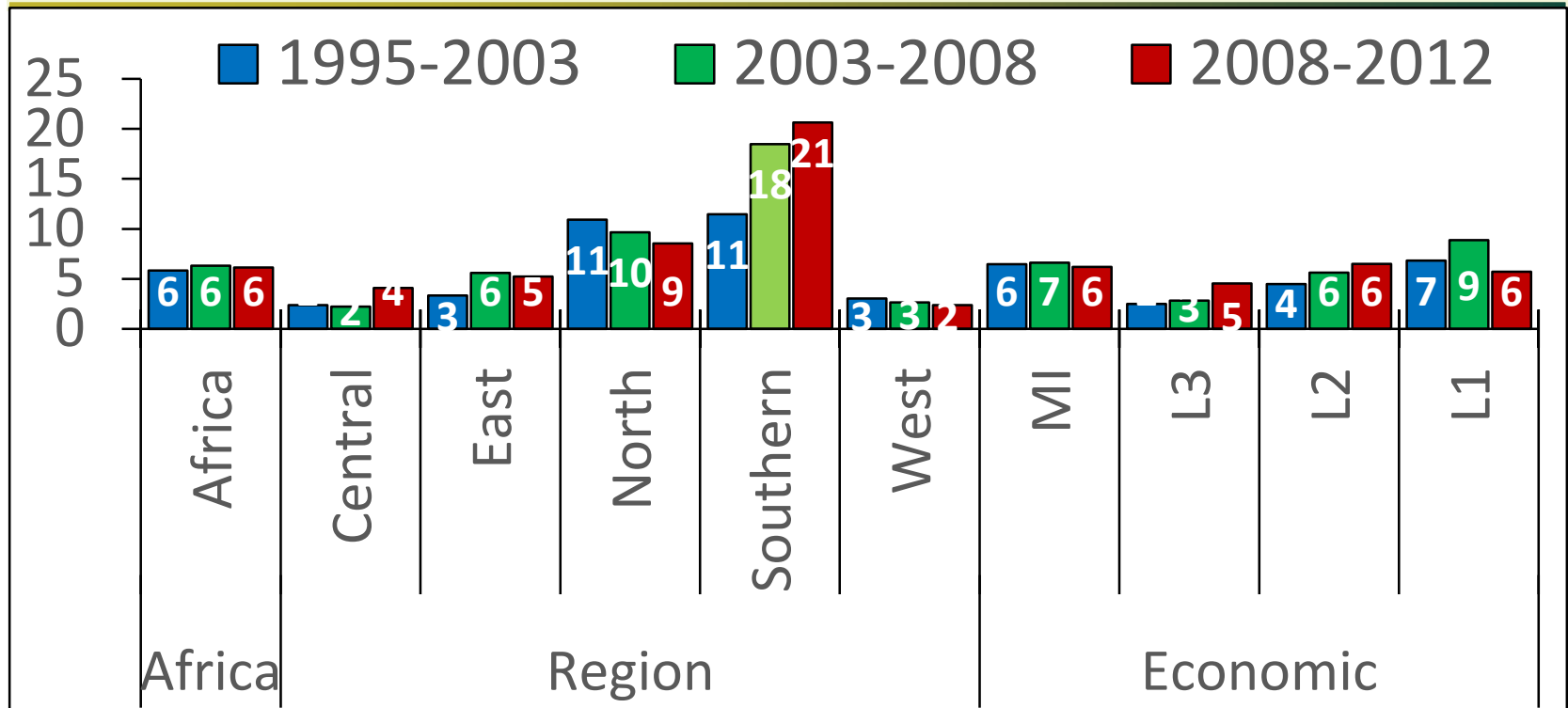
CAADP processes and supporting initiatives



- **Other country:** NAIPs (xx by end of 2013); Country SAKSS (12 by end of 2014); CANs (14); JSRs (7)
- **Supporting initiatives:** GAFSP (15 approved \$563 million); Grow Africa (7); New Alliance (10)



Government agriculture expenditure (annual average % of agriculture value added)





Land and labor productivity

