

COMISSÃO DA CEDEAO

**ECOWAS
COMMISSION**



**COMMISSION
DE LA CEDEAO**

**International Conference on
Financing Regional Agricultural Policy
in West Africa
(ECOWAP/CAADP)**



**Transcorp Hilton Hotel, Abuja (Nigeria)
November 11-12, 2009**

Presentation of the mobilizing and federating programs

1 What need for mobilizing and federating programs?

- 1 The implementation of ECOWAS/CAADP is based on the implementation of investment programs at the national level (NAIP) as well as at the regional level. The NAIPs represent the visions, aspirations and priorities of Member States. As such, they constitute the referential framework for the programming of activities in the agricultural sector and the framework for coordinating international aid.
- 2 At the regional level, the mobilizing programs combine investments and public policy reforms (instruments and measures). They complement the NAIPs, incorporate regional dimensions, manage interdependent relationships between countries and organize their cooperation on common issues.
- 3 The mobilizing programs are designed in accordance with the desire of the ECOWAS Commission to accelerate the implementation of the regional agricultural policy. They correspond to a selection of strategic priorities enabling a response to be implemented to the crisis resulting from the new international and regional economic situation while undertaking structural reforms facilitating a far-reaching transformation of the West African agricultural sector.
- 4 By undertaking this prioritization work, the ECOWAS Commission aims to promote West African leadership in defining, steering and implementing policies and programs corresponding to the orientations defined by the Heads of State and Government following a comprehensive process of dialogue and negotiation with the operators in the agricultural sector and the field of food security. It also wishes to present the Member States and the Community with realistic programs which are in line with the implementation capacities and represent an acceptable cost for the different domestic and foreign contributors.

2 Definition of the mobilizing and federating programs

- 5 The mobilizing programs focus on a limited number of key questions which are decisive in stimulating and guiding a crucial and massive transformation of the West African agricultural sector.
- 6 They are aimed at providing solutions to the main obstacles to agricultural growth by simultaneously dealing with the production objectives, the business objectives and global environment in the agricultural sector and the objectives relating to access to food.
- 7 They are designed with a view to significant short- and medium-term results. These

results must be measurable when this first generation of programs comes to an end in 2014.

- 8 While focusing on the three axes and six components of ECOWAP/CAADP as well as the four pillars of NEPAD, these federating and mobilizing programs facilitate the implementation of the guidelines of the “Regional Initiative for Food Production and the Fight Against Hunger”. They aim to ensure the correct coordination of short-term investments in response to the urgent nature of the crisis as well as the medium- and long-term framework interventions: (1) the rapid and sustainable increase in food production, (2) the organization of the value chains and market regulation and (3) the food and nutritional security of vulnerable populations.



- 9 The mobilizing programs endeavor to pursue the efforts made within the framework of the emergency programs supported by the special facilities introduced by the development partners with a view to obtaining sustainable results in the fields of agricultural development and food security. In particular, the mobilizing programs facilitate the development of institutional mechanisms and the provision of services essential to agriculture on a sustainable basis with a view to securing the conditions of production and trade.
- 10 The mobilizing programs require priority investment from ECOWAS as they combine three main characteristics:
 - The need for coordination between the different departments within the ECOWAS Commission (agriculture, environment and water resources, macroeconomics, trade/customs, infrastructures, humanitarian affairs etc.);
 - The need for high-level political dialogue with the Member States of ECOWAS concerning the convergence of public policies;
 - The combination, both in their definition and their implementation, of (i) regulatory instruments (which cannot be delegated to other institutions), and (ii) investment programs at a regional level.
- 11 They respect the principle of subsidiarity between the different levels of public action. They therefore contribute to gradually making governance more transparent and consolidating the specific terms of the implementation of ECOWAP/CAADP, based on:
 - Permanent dialogue with the operators in the agricultural sector, in particular producers' organizations;
 - Taking advantage of the competences and know-how of the technical institutions specializing in the implementation of investment programs;
 - Leadership clearly exercised by the ECOWAS Commission and the other bodies (Summit, Council, Parliament) with regard to the general policy orientation and the development of regional compromises. More specifically, this leadership affects the



fields of sovereignty or regional competence involving public policy reforms or spheres where the partitioning of competences or capacities of specialist technical institutions do not permit an efficient delegation of the implementation process;

— Focusing the regional level on three main categories of intervention: i) management of interdependences between the countries; ii) cooperation concerning problems common to several countries whereby the regional level allows significant economies of scale to be achieved; and iii) management of the region's international relations.

12 The mobilizing programs allow the thematic actions envisaged in the different sub-programs of the RAIP to be intermeshed in the framework of more coherent and holistic transversal approaches. They take into account the different determinants of the transformation of the agricultural sector and abandon the "technicist" approaches which push the economic, business and institutional environment of the producers and other economic operators into the background.

13 The mobilizing programs attempt to satisfy a feasibility criterion. They must reflect the human and institutional capacities currently available for the implementation process and the budgets that might reasonably be allocated in light of the commitments of the regional and international communities (cf. the conclusions of the last G8 summit held in Aquila in July 2009).

14 The federating nature of the programs can be expressed on three levels:

- They federate the national and regional priorities within a shared vision: the NAIPs include priority programs integrating regional dimensions which exceed the prerogatives of the national institutions and which are covered by the mobilizing programs;
- They federate and coordinate the investments approach and the public policy instruments approach (regulations, incentives etc.);
- They federate the approaches developed in the different sub-programs of the RAIP around common key issues.

3 How do the mobilizing programs intermesh with the RAIP and the thematic programs which already exist or are under development?

- 15 After the adoption of the agricultural policy in 2005, a series of thematic programs was designed. These relate, for example, to cross-border transhumance, the fight against avian flu, the fight against fruit fly, the inputs market, biosecurity, etc. Furthermore, ECOWAS began work on defining an Regional Agricultural Investment Program (RAIP) focusing on six components:
1. *The improvement of water management*, consisting of (i) the improvement of irrigation, (ii) the integrated management of invasive aquatic plants and (iii) capacity building for organizations in the cross-border basins;
 2. *The improved management of other shared natural resources*, including (i) the organization of transhumance and the planning of the route taken, (ii) the sustainable management of forest resources and (iii) the sustainable management of fish resources;
 3. *The sustainable development of farms*, taking into account (i) the integrated management of soil fertility, (ii) the strengthening of support services provided to producers and (iii) the dissemination of improved technologies;
 4. *The development of agricultural value chains and the promotion of the markets*, consisting of (i) the development of the different value chains (food, peri-urban agriculture, export crops, short-cycle breeding, agro-forestry products, non-industrial fishing and aquaculture), (ii) the development of product processing, (iii) the strengthening of support services provided to operators and (iv) the promotion of national, regional and international trade;
 5. *The prevention and management of food crises and other natural catastrophes*, focusing on (i) the promotion of early warning systems, (ii) the development of crises management systems, (iii) support for the rehabilitation of zones after crises and (iv) the development of compensation mechanisms/insurance against catastrophes;
 6. *Institutional strengthening*, including (i) the integration of a standard approach, (ii) support for the improvement of agricultural and rural policy and strategy formulation capacities, (iii) the sustainable financing of agriculture, (iv) communication, (v) steering and coordination capacity building and (vi) monitoring and evaluation capacity building.
- 16 These components were subject to detailed programming. To this end, ECOWAS designated project and thematic group leaders responsible for guiding the process for each component. These components are intended to be sufficiently exhaustive and to correspond to the objective of the complete implementation of ECOWAP/CAADP. A similar work was undertaken for the formulation of the regional agricultural information system (AGRIS).
- 17 The thematic sequencing of the components of the RAIP poses a problem of activities overlapping between the different components making it more difficult to ensure the coherence of the project as a whole. Moreover, the distinction between actions falling under national responsibility, regional responsibility and those shared between the two levels of governance is not complete. The decision to develop mobilizing programs aims to overcome these difficulties. Consequently, the design of the mobilizing



programs drew heavily on the actions identified within the framework of these components and processes. In the first few years, these programs are intended to focus on a set of regional priorities in phase with the resources that can be mobilized as well as the institutional and human implementation capacities.

18 With regard to the issue of information, seen as an essential priority, the entire AGRIS program is integrated in mobilizing program n° 2 focusing on the global environment of the agricultural sector. This is also justified with regard to the steering and monitoring/evaluation needs concerning the policy and programs which require a noticeable improvement in the production and processing of data at the national and regional levels. AGRIS also brings together the “information” elements handled specifically in each component of the RAIP.

19 Once the first three mobilizing programs have been implemented a second generation of programs will be developed to complement the first and to cover other priorities.

20 One further fundamental point is that the financial mechanism provides for the *implementation of a fund or account dedicated to regional or multi-country initiatives. These initiatives have already been developed* and are part of

the implementation of ECOWAP/CAADP, but could not be covered by the first three mobilizing programs. This account will enable new thematic programs to be financed as soon as they are prepared.

- 21 Finally, a certain number of work sites are in progress and concern the 2nd and 3rd axes of ECOWAP focusing on the implementation of the intra-community trade mechanism and the adaptation of the foreign trade mechanism respectively. These work sites concern in particular the adaptation of the Common External Tariff with the creation of a fifth tariff bracket and the re-categorization of certain products, the negotiation of the market access offer within the framework of the EU-West Africa Economic Partnership Agreement and the reduction of obstacles to internal regional trade. They are coordinated by the ECOWAS Commission’s Department of Trade and Customs. These essentially regulatory aspects are included in the mobilizing programs, primarily numbers one and two.

4 Summary presentation of the three mobilizing programs

4.1. The promotion of strategic products for food sovereignty

- 22 Achieving regional food sovereignty means prioritizing products which (i) demonstrate a significant production potential, (ii) correspond to the changing dietary habits of the populations and (iii) are subject to large imports from outside the region which can be substituted by taking advantage of the complementarities of the production basins and promoting regional trade.
- 23 All food products (millet/sorghum, corn and rice, roots and tubers, fruit and vegetables, animal products etc.) contribute to food sovereignty: nevertheless, in light of the three previous criteria, the strategic food value chains are given initial priority: rice-corn-cassava and livestock-meat and related products.
- 24 The objective of the first mobilizing program is to support all regional initiatives and strategies for the development of agri-food value chains, in order to improve the incomes of the rural population, reduce food dependency of the ECOWAS Member States and modernize production systems. It is structured around two components:
- *Component 1*: Promotion of food commodities that contribute to food sovereignty: rice-corn-cassava. This component 1 includes (i) support for the modernization of family farms and sustainable intensification of production systems, (ii) the development of irrigation, (iii) structuring and organizing value chains and (iv) promoting processing and value addition of products;
 - *Component 2*: Promotion of the livestock, meat and milk value chains. This component includes (i) supporting the adaptation and securing of the various livestock production systems; (ii) the management of movement of herds among countries and the prevention/regulation of conflicts in the use of natural resources; (iii) the restructuring and organization of marketing channels or value chains; and (iv) the promotion of processing and value addition to products.

4.2. The promotion of a global environment conducive to regional agricultural development

- 25 With regard to the economic and business environment or the physical environment, major changes affect regional agricultural development. This program is more global in nature than the previous one in that it concerns actions enabling the environment of the sector as a whole to be improved, irrespective of the type of production and the agro-ecological zone. Consequently, they have a general scope of application and avoid support being channeled away from sub-sectors considered to be non-priority within the framework of the first mobilizing program.
- 26 The objective of the second mobilizing program is to contribute to the creation of a business, physical, informational and institutional environment conducive to a massive transformation of production systems and agricultural value chains in West Africa. It has four components:
- *Component 1*: Improving the business environment of agri-food chains through (i)

- the promotion of regional trade of food products, (ii) the development of trade infrastructure suitable for agricultural food products, and (iii) the adaptation and implementation of new trade provisions at the borders of the ECOWAS area;
- *Component 2:* Adaptation to climate change and variability, and integrated management of shared resources. This component includes: i) strengthening regional research on climate change and its impacts on production systems and ii) strengthening the capacity for integrated management of shared water resources;
 - *Component 3:* Operationalization of an information and decision support system including i) monitoring of the environmental and macroeconomic context, ii) monitoring of agricultural policies, iii) monitoring of production systems and of the food and nutritional situation and (iv) monitoring of markets and trade opportunities;
 - *Component 4:* Strengthening institutional and human capacities through three complementary sub-components: i) regional support to capacity strengthening initiatives, ii) strengthening the coherence of regional policies, and iii) improving the management of ECOWAP/CAADP.

4.3. The reduction of food vulnerability and the promotion of sustainable access to food

- 27 The development of regional food production requires better income for producers and other operators in the value chains while attempting to improve the competitiveness of the products to reduce the cost of food for all consumers in West Africa. In the short term, the price increase caused by the global environment and this strategy of promoting regional products will exacerbate the problems of access to food for vulnerable populations. A mobilizing program in this field is justified (i) with regard to the food security¹ objectives pursued by the regional and international communities and (ii) to guarantee the feasibility of the agricultural development and promotion of food sovereignty policy in light of the proportion of the population concerned by problems of economic access to food.
- 28 The general objective of the third mobilizing program is to help ensure the coverage of food needs of vulnerable populations and reduce the structural vulnerability of populations in rural as well as urban areas. This program is structured around five components:
- *Component 1:* Definition of a regional approach to safety nets for vulnerable populations, including support for defining a common approach and intervention instruments concerning access to food for the poorest, in urban as well as in rural areas;
 - *Component 2:* Adaptation of the vulnerability and food-crisis-prevention monitoring system. This component includes i) adaptation of the crisis-prevention and management systems to the changing context and food risk factors, (ii) developing the capacity to support decision-making for prevention of crises within the region and for targeting of interventions; and (iii) strengthening the consultation and coordination mechanism on the food and nutrition situation;
 - *Component 3:* Promotion of safety nets for vulnerable urban populations;
 - *Component 4:* Implementation of targeted safety nets for poor or vulnerable rural populations;
 - *Component 5:* Promotion of regional instruments for food security.

1. Food security exists when all human beings have, at any moment, physical and economic access to sufficient, healthy and nutritive food enabling them to satisfy their energy needs and food preferences in order to lead a healthy and active life (extract from the Declaration adopted during the World Food Summit, Rome, November 1996).

5 Financing mobilizing programs

- 29 The financial mechanism proposed to mobilize and commit resources linked to the implementation of the mobilizing programs refers to the global ECOWAP/CAADP financing mechanism. This mechanism corresponds to the decision of the Heads of State and Government to adopt ECOWAP. It is based on the creation of a regional fund dedicated to the financing of the agricultural policy (ECOWADF). The fund management mechanism, the guiding principles of which were approved by the extraordinary meeting of the Ministers of Integration, Economics and Finance, Agriculture and Trade, is examined in a separate note “The institutional framework and financial mechanism of the implementation of ECOWAP/CAADP”.
- 30 The ECOWAS Commission estimated the needs for implementing the priority actions defined in these three mobilizing programs at 900 million dollars over a period of five years. The funds are allocated to the three programs as follows: program n° 1 = 50%; program n° 2 = 30%; program n° 3 = 20%.
- 31 The total contribution of ECOWAS using its own resources is 150 million dollars over the same period, representing internal financing of 16.7%. This rate of internal financing is calculated on the basis of the Community’s current resources and the budgetary allocations of the Department of Agriculture, the Environment and Water Resources. The measures implemented within the framework of the implementation of ECOWAP, in particular the change in customs duties, will lead the Community to re-evaluate the allocation of these additional resources in relation to the importance of agriculture in the sector-based policies of ECOWAS. Nor does the budgeting include the contributions of other types of operator, primarily producers and the private sector. This leads to a mechanical over-evaluation of the share of resources required from the international partners.
- 32 The programs are budgeted globally. This relies on political arbitrage linked to the respective importance of the three programs. At the end of the International Conference and depending on the commitments of the international partners, the feasibility studies will enable the content of the activities to be identified together with the corresponding costs while revising, if necessary, the proposed allocations.
- 33 The financial mechanism provides for:
- The implementation of a fund dedicated to agriculture and food, including where necessary sub-funds or accounts dedicated to specific themes or enabling resources intended for Member States to be channeled;



- The creation of a common framework enabling resources to be mobilized with a view to the sustainable financing of agriculture, prioritizing the pooling of resources while offering the possibility of opening dedicated accounts which are managed according to the common procedures of the fund;
 - The guarantee that the resources are collected, managed and disbursed in an efficient, equitable, transparent and responsible manner in order to reassure the contributors with regard to the use of the funds (member states, international partners, foundations, ECOWAS Commission etc.) and ensure the sustainability of the mechanism;
 - The guarantee that the use of the resources is controlled and that the performance of the fund is evaluated.
- 34 Several scenarios are currently being studied and evaluated and will be discussed with the international partners before being submitted to the arbitrage of the decision-making bodies of ECOWAS.

6 The institutional implementation framework

- 35 The institutional framework is also presented in greater detail in the specific note “The institutional framework and financial mechanism of ECOWAP/CAADP”. In brief, the framework is based on:
- The strengthening of the political steering capacities of ECOWAP/CAADP within the Department of Agriculture, the Environment and Water Resources of the ECOWAS Commission;
 - The introduction of a mechanism linking the different departments concerned by the establishment of the agricultural policy within ECOWAS Commission: *the Inter-departmental Committee for Agriculture and Food*. This handles questions falling into the sphere of influence of other departments, in particular those of trade and customs, taxation, infrastructures, macroeconomics, humanitarian affairs;
 - The establishment of an *Advisory Committee on Agriculture and Food* bringing together the member states, the parliament and the different groups of operators. It is the multi-operator forum for discussion with regard to the implementation of ECOWAP/CAADP;
 - The creation of a structure enjoying autonomy with regard to administrative and financial management, the *Regional Technical Agency for Agriculture and Food*, delegated by the Commissioner responsible for Agriculture, the Environment and Water Resources. This body will primarily be responsible for implementing the mobilizing programs by establishing contractual agreements with the operators, regional cooperation institutions and socio-professional operators by means of calls for proposals, calls for tender or private contracts in accordance with precise criteria.

7 The policy instruments and incentive measures

- 36 In parallel to formulating national and regional agricultural investment programs, the ECOWAS Commission undertook the definition of regional public policy instruments necessary to achieve the objectives of ECOWAP. There is a strong interdependence between the investment approach and the instrument approach. For example, in the case of storage, the viability and efficiency of investments to be made in infrastructures is highly dependent on the existence of a pertinent regulatory framework.
- 37 The public policy instruments refer to the fields of i) controls and standardization, ii) incentives or de-incentives (taxation) and iii) regulation. They represent levers which allow ECOWAS to operationalize the options, orientations and objectives undertaken when ECOWAP was adopted. Due to their adaptable nature, they can accompany the changes in the agricultural sector by anticipating them as quickly as possible.
- 38 The studies in progress relating to these regional public policy instruments cover three domains: i) the intensification of production, ii) market regulation and iii) the improvement of access to food for vulnerable populations:
- The instruments of the sustainable intensification of production aim to promote economic and fiscal incentives to ensure a considerable improvement in the general access of producers to inputs (improved seeds, fertilizer, pesticides, veterinary products, cattle and poultry feed) and agricultural equipment. They represent one of the major levers of the modernization of farms. These instruments also include specific mechanisms encouraging the dissemination and use of technological innovations;
 - The instruments of market regulation, the main function of which is to stabilize agricultural and agri-food prices in order to favor remunerative incomes for producers and limit the reduction in consumer purchasing power. Two categories of instrument are currently being examined: border instruments including customs duties (re-categorization of the ECOWAS CET) and the adoption of a precautionary measure and instruments concerning storage (warehouse receipts, private regional stocks, public buffer stocks etc.);
 - The instruments of social protection aimed at improving access to food for vulnerable populations. These instruments will specify the terms of shifting from an approach focusing on the food crisis to an approach aimed at reducing structural vulnerability. They will include measures aimed at strengthening the capacities of the national and regional institutions responsible for food security and the capacities



allowing the effects of the instability to be reduced (local stocks, intervention stocks and targeted interventions).

- 39 The results of all the studies concerning the instruments will be discussed with the member states and the socio-professional operators before being submitted for examination and adoption by the ECOWAS Ministries of Integration, Economics and Finance, Agriculture and Trade.

8 The next steps

- 40 In the weeks following the International Conference on Financing ECOWAP, three important activities have been scheduled:
- A dialogue with the member states and regional actors. In addition to the senior personnel of the Department of Agriculture, the Environment and Water Resources, it will involve the leaders of the NAIP process in each country, the leaders of the technical bodies involved in defining the components of the RAIP, the professional organizations and the support structures. The expected results of the meeting are:
 - The analysis and evaluation of the scope of the results from the conference,
 - The definition of the process of formulating the logical frameworks of the three mobilizing programs, including the identification of the tasks to be performed, the target groups, the results achievement indicators and the definition of a timing chart for each activity,
 - The examination of the results of the studies concerning the policy instruments and the institutional steering framework and financial mechanisms for ECOWAP/CAADP;
 - An in-depth discussion between the ECOWAS Commission and the technical and financial partners with a view to better understanding the domains in which the different parties concentrate their efforts. This discussion will also aim to consolidate the synergy between the regional actions currently being implemented and the actions scheduled in the framework of the three mobilizing programs;
 - At the end of the two previous activities, the ECOWAS Commission will define an action plan including a precise work program for 2010. This work program will include the introduction of economic policy reforms, the implementation of the institutional framework and the financial mechanism for ECOWAP/CAADP and the development of the monitoring/evaluation mechanism.