

Ecoagriculture Policy Focus



Strategies for Sustainable Development in Rural Africa: A Framework for Integrating Investment in Agriculture, Food Security, Climate Response and Ecosystems

In July 2010, a group of senior leaders from across Africa and in international organizations with influence on food security, agriculture, climate action and ecosystems in Africa met to reflect together on how these challenges—with their multiple system dimensions—can be addressed and aligned more strategically. The Bellagio Dialogue explored how to seize current opportunities to devise an Africa-led strategy for sustainable development that would not only achieve food security and improve nutrition, with resilience to climate change, but also realize the benefits of sustainable land management for mitigating climate change and securing ecosystem services such as watershed protection, energy security and conservation of wildlife. This brief summarizes their analysis and policy recommendations.

Challenges and opportunities

Africa's rural areas are experiencing unprecedented financial flows in land and resource management. National governments are mobilizing agricultural investments to achieve NEPAD's goal of 10% of public expenditures. Official development assistance has been committed to improve food security, including a \$20 billion commitment from the G20 countries over the next 3-4 years. Africa is a potential recipient of both climate mitigation and adaptation funds. Other investments are flowing to water and watershed management, restoration of degraded land, biodiversity conservation and nature tourism. There is unprecedented foreign investment in agriculture and bioenergy.

For Africans, the broad goal of rural investments is the revitalization and modernization of the rural sector. This goal encompasses more productive agriculture, improved rural incomes and living standards, and good management of the natural resources that underpin long-term sustainable development (Figure 1). Rural resource management must adapt to the new conditions that population, economic and climate changes are bringing. African countries require coherent strategies to address these daunting challenges.

Yet most of the above investments are being structured independently, rather than as part of such a broadly encompassing strategy. Governments, businesses civil society and farming communities face sectorally “stove-

pipied” funding, policy and planning, with different—and even conflicting—goals and means pursued in the same rural landscapes.

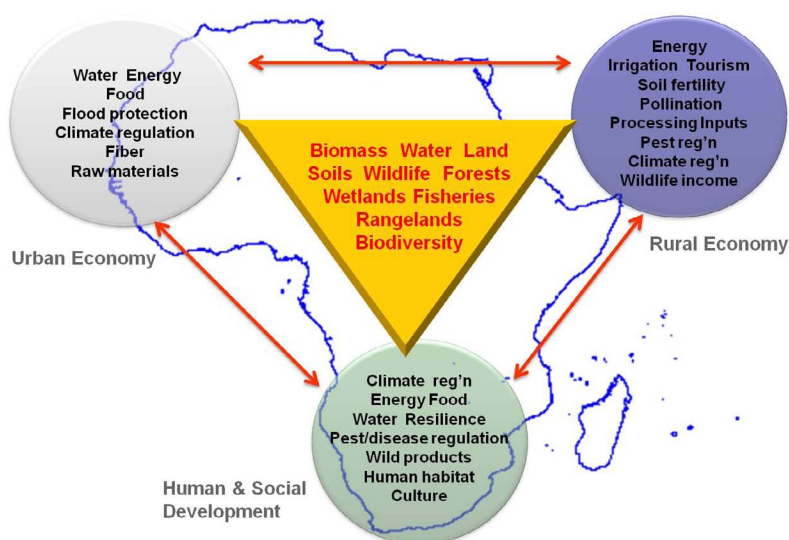
Principles for framing integrated strategies

Restructuring investments to achieve the full range of goals in rural Africa will require a re-framing of development and conservation thinking and action: in linking agriculture and rural development; financing rural development; and enabling governance, policy and planning.

Linking agriculture and sustainable rural development

Agriculture plays a central role in Africa, in supplying food for a growing

Figure 1. Contribution of healthy ecosystems to sustainable development



Source: Scherr and Wallace 2010.

population, in export earnings and in national economic development. Africans need to move quickly to feed their own populations through national and sub-regional food supplies, with imports tapped mainly to stabilize markets. Africa unquestionably possesses the technical potential to quadruple food yields through small-holder production.

Strategies and plans for agricultural development must reflect the diverse functions of rural resources in providing not only national food security, but also local food security, rural livelihoods, healthy ecosystems and people's holistic well-being. Successful strategies will support both commercial and subsistence agriculture. Farmer organizations can partner with food industry buyers, public procurement agencies, and others. Investments in increasing production must be coupled with investments to protect the natural resources; an 'ecological-agricultural' model is needed for rural areas that utilizes land resources efficiently at farm and landscape scales, managing tradeoffs between different sectors and exploiting potential synergies.

Financing sustainable rural development

Achieving this vision of integrated and sustainable rural development will require re-shaping rural finance to mobilize domestic resources and the private sector, and improve government and donor spending. There are, in fact, vast untapped financial resources within the continent itself, if African institutions can mobilize to take advantage of them. For example, there are major opportunities to redirect funding now spent on food imports (which amounted to \$19 billion in 2008), the growing flow of foreign direct investment, and new 'impact investing'. The financial sector needs incentives to take more risky investments, for example by linking with microfinance to help buy down risk, or developing risk pools. Action can be taken to "de-block" private sector investment, even while governments pro-actively direct financial flows

to support a pro-poor, pro-green strategy. Private 'land grabs' for agriculture and biofuels pose serious concerns, and Africa must define and enforce basic rules on foreign direct investment. These issues need to be brought prominently to national Parliamentary debates on the budget, as do the particular investments that government is better equipped to do, such as road infrastructure.

Availability of finance constrains the decisions of leaders, but this is changing with the Comprehensive Africa Agricultural Development Programme (CAADP) process that encourages countries to form agriculture policies and a longer-term vision. Meanwhile, governments must build capacity to absorb new financing, and implement

by donors in Africa helps solve global problems.

Enabling governance, policy and planning

The continent cannot be governed now as it was 50 years ago. Africa needs to develop a new and powerful vision, with clear goals, to mobilize action. "Integration-oriented governance," with effective communication, negotiation, analysis, and participation is crucial. Across Africa there is actually considerable public policy in place to promote a broadly defined agricultural/rural development. Needed now is a corresponding paradigm shift among leaders and implementing agencies, and a harmonization of the work plans of various government

Integrated solutions are emerging across Africa

There are numerous and exciting farm and landscape innovations throughout the continent that jointly increase production, protect ecosystems, benefit communities and enhance climate resilience. Technical innovations include conservation agriculture and agroforestry production technologies that protect soils; increase drought tolerance and increase crop yields; biological corridors that provide wildlife habitat and protect watersheds in production landscapes; and holistic range management that stores carbon, increases livestock production and harbors wildlife. Market innovations include carbon finance that financially integrates production and conservation; companies 'greening' supply chain management; and product certification schemes that incentivize good ecological and social management, like Unilever's certified tea investments in Kenya. Institutional innovations demonstrate the potential for cross-sectoral synergy, such as farmer organizations' initiatives for cooperation in marketing and land restoration; collaborative landscape planning where diverse resource managers and users negotiate goals and strategies; payments to farming communities for ecosystem services; and granting farming communities who are good stewards greater rights to use public forests. These integrated innovations are ready to be mainstreamed and promoted widely.

policies to tackle corruption. New financial rules and mechanisms are needed to direct finance to integrated investments across sectors. African countries should be cautious about over-dependence on donor funding. There is a disconnect between the need for long-term financing for sustainability, and the short-term cycles of donor funding. Donors, development partners, and governments are starting to target rural communities directly, without passing money through central administration, but more ways are needed to lower transaction costs. To obtain funding, clarity is needed in defining policies, monitoring, and follow-up, and, increasingly in demonstrating how investment

ministries responsible for different aspects of rural development. Ways must be found to link important informal processes into the formal process, at African Union and regional levels. More investment is needed to implement, and improve the effectiveness and integrity of, multi-stakeholder processes at national, landscape, and village levels, including farmers, private industry and finance, as well as government agencies and civil society.

Meanwhile, national plans need to be Africanized. Africa needs its own centers of expertise for evidence-based policy analysis. Regional and sub-regional economic integration

must be informed by analysis of comparative advantages and differences among countries, to develop roles that improve function overall. Existing organizations such as the Regional Economic Commissions (RECs), the Alliance for a Green Revolution in Africa (AGRA) and the NEPAD Agency, must evolve their roles. Organizations must work to strengthen the present CAADP process, and tackle issues of accountability and continuity. Long-term challenges require long-term action, thus responsibilities must be embedded in institutions and leaders with long-term presence in rural areas, not necessarily with politicians who come and go.

Priorities for action

Transformative, integrated rural development and resource management will require five priority actions.

1. Accelerate smallholder food crop production within an integrated strategy

The first priority is for Africans to accelerate smallholder food production for domestic markets in a way that is commercially, socially and environmentally sustainable. The approach should fit within a holistic strategy to enhance rural life and conserve ecosystem services in agricultural landscapes, as well as emphasize the role of farmers as important managers of landscapes and watersheds. Government budget commitments to agriculture would be designed to catalyze additional private sector, local government and civil society investment, engage African research institutions, and build systems capacity and cross-sectoral partnerships regionally. Institutional planning, with strong farmer and rural community participation, would identify and realize commercial opportunities for smallholders; strengthen farmer organization and leadership; and design incentives and institutions to encourage smallholders to move towards sustainability. The strategy would accelerate future crop breeding efforts through collaborative research on open-source genomic sequencing

of at least 10 important African food and tree crops, such as millet and sorghum, to identify drought-tolerant genes, nutrient density or nitrogen uptake. Complementary research would improve agronomic practices, including ecological management of cropping systems for water, soils, climate and biodiversity. Through integrated technical extension services, led by farmer organizations and cooperatives, farmers would be educated (and educate one another) in both sustainable agricultural practices and ecosystem stewardship, and interact with local partners, and civil and political champions for integrated landscape development.

2. Expand and strengthen integrated landscape initiatives

The second priority is to expand and strengthen integrated landscape initiatives, where agricultural, energy, watershed, climate and biodiversity investments are aligned and reflect local priorities negotiated among actors. There are, in fact, numerous such initiatives in Africa, including ecosystem management projects, integrated watershed management programs, sustainable land management programs with a landscape focus, biological corridors through production landscapes, and trans-boundary conservation programs. But these are inadequately documented and shared. Lessons learned from the African experience should be synthesized, particularly in relation to the formation and membership in multi-stakeholder platforms for planning and action; sources of investment finance for integrated strategies; mechanisms and methods used for cross-sectoral planning; role and impacts of local and national policies; sources of technical support and capacity-building; and sustainability of landscape efforts over time. The results should be used to build capacity

and provide technical assistance for stakeholders to plan and act inter-sectorally at landscape scale, including district planning for sustainable land management and climate mitigation/adaptation and conservation projects, and to design of financial mechanisms to support landscape-scale investment.

3. Ally climate action and sustainable land management strategies

The third priority is to ally climate finance and action, for both mitigation and adaptation, to sustainable, integrated land management for croplands, rangelands, forests, and wetlands. There is enormous potential for emissions reduction (by reducing forest and grassland clearing, and soil degradation) and carbon sequestra-



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tion (by improving soil organic matter, growing trees and palms, and conserving habitats). Economic opportunities for climate adaptation and mitigation funding can tap carbon as both an agronomic input and as a 'product' in the global marketplace. Diverse carbon payment models are being developed to finance sustainable land management, but methods need to be improved for implementation with smallholders at large scale, in ways that also meet rural development needs. Efforts are needed at international level to shape climate investment funds and at national and landscape levels to incorporate climate action into rural development frameworks. These initiatives will demand effective collaboration among farmers, civil society, private sector, international agencies, and governments.

4. Develop investment platforms for integrated rural finance

The fourth priority is to address the current fragmented flow of investment resources for narrowly-defined rural sector investment. Innovative financial platforms should be set up at regional and national levels, to link resources from diverse public, private and donor financial resources, to enable much greater investment in integrated strategies. The platform would include components like microfinance, carbon finance, agricultural subsidies, impact investments, and foreign direct investment. New sources could be added from climate finance, or by shifting 10% of total African funds used for food imports into a fund for rural investment. The tasks of a platform would include: compiling information and knowledge on sources/packages/structures of money; articulate problems and solutions and the regional and national levels; coordination/pooling/facilitation of public-private partnerships; tracking trends on flows/economic valuation of production; and innovative finance, and the emerging role of institutions. The platforms would be set up as a

Priorities for Action

1. Accelerate smallholder food crop production within an integrated strategy
2. Expand and strengthen integrated landscape initiatives
3. Ally climate action and sustainable land management
4. Develop investment platforms for integrated rural finance
5. Promote policy dialogue and strengthen governance to support integrated strategies

partnership among many parties, including farmer and private sector organizations.

5. Promote broad-based policy dialogue to support integrated strategies

The fifth priority is to undertake national and regional policy dialogue

to define rural priorities and sectoral synergies. The NEPAD Planning and Coordinating Agency's new Rural Futures Initiative aims to mobilize dialogue and action for rural renewal in Africa. The Initiative was refined and endorsed by the Regional Economic Commissions, and launched at the African Development Forum in October 2010. Key elements are to expand development policy discourse to broaden participation, enhance the quality of governance, strengthen coordination and build capacity for national and regional planning across sectors; integrate climate adaptation and mitigation into development planning and programming (e.g., develop analytic tools and mobilize carbon finance); support countries and CAADP to integrate agriculture in annual domestic macroeconomic planning and budgeting; and establish systems of monitoring and evaluation.

For further reading:

Scherr, S.J. and C.A. Wallace. 2010. Background paper for Bellagio Dialogue, July 2010. Washington, DC: EcoAgriculture Partners.

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