The status of agri-food systems in Africa

Prof. Abebe Haile-Gabriel

FAO Assistant Director-General/Regional Representative for Africa, Ghana

State of food security and nutrition: Both hunger and malnutrition have been worsening over the last few years. The prevalence of hunger has been on the rise in the Africa region since 2017. As such, the status of food security and nutrition in Africa is backsliding.

The 2022 Report on "***The State of Food Security and Nutrition in the World***"[1] shows that about 278 million people in Africa faced hunger in 2021. This is an increase by 13 million more people compared to the 2020 level, and by 46 million more people compared to the 2019 level, which is the pre-Covid-19 pandemic time. With one in five people facing hunger in 2021, Africa is bearing the heaviest burden in terms of prevalence compared to other regions.

Overlapping shocks and protracted crises have exacerbated vulnerability to risks and uncertainties. While the type of shocks remains largely the same as previous couple of years, i.e., climate extremes, conflicts/wars, Covid-19 pandemic, and economic shocks, there are some new dimensions. A significant and impactful difference in 2022 has been the war in Ukraine, which is geographically removed from Africa by thousands of miles away but with direct multifaceted adverse impacts on economies and livelihoods in Africa. What has exposed the economies and livelihoods in Africa to such adverse uncertainties and risk is the weakness and/or missing mechanisms and capacities to mitigate the impacts of these multiple shocks.

Climate variability and extremes: The Horn of Africa has faced a worst drought in four decades, exposing up to 20 million people to hunger in 2022, with devastating impacts on livelihoods. Similarly, more than 40 million people in the Sahel and West Africa sub region face acute food insecurity in 2022, which marks significant jump from three years ago – then it was about 11 million people. The recent FAO-WFP Hunger Hotspots Report[2] indicates that six of the top ten countries most affected by hunger globally are in Africa. They make up for 14 of the top 20 countries.

COVID-19 Pandemic: More people slid into chronic hunger in 2020 than in the previous five years combined. Recovery from the socio-economic impacts of COVID-19 has been quite a challenge in Africa.

---

[1] FAO, IFAD, UNICEF, WFP and WHO. 2022. *The State of Food Security and Nutrition in the World 2022*.
[2] WFP and FAO. 2022. Hunger Hotspots. FAO-WFP early warnings on acute food insecurity: June to September 2022 Outlook. Rome.

According FAO projections, more than 310 million people to go hungry in Africa by 2030, which would be more than 21 million more undernourished people in 2030 than a counterfactual scenario of no COVID pandemic situation. Both scenarios (with or without Covid-19 pandemic) paint a bleak future that hunger would be on the rise in Africa, instead of falling to zero by 2030 (SDG2).

Conflicts/wars and economic shocks: The war in Ukraine has exposed Africa's vulnerability to excessive dependence on food imports as well as strategic agricultural inputs (e.g. fertilizers). At least 23 African countries rely on Russian Federation and Ukraine for wheat imports; 15 of them for at least half of their imports; still some few for more than three-quarters of their imports. In addition, the Russian Federation is a major supplier of NPK fertilizer to at least 11 countries.

Some reports[3] on tracking food and fertilizer export restrictions confirm that African countries have been among the severely impacted. According to the report by the UN Global Crises Response Group[4], of the 38 SSA countries 55% have been severely exposed to food crises, and 63% to tightening finances. Food prices have skyrocketed (FAO Food Price Index reached historic peak levels in March 2022). Healthy diets have become literally unaffordable for the majority of the population (more than 890 million for SSA in 2020). Fertilizers have become less available in good time and unaffordable for farmers (prices rose by as high as 300% according to some estimates (e.g., AfDB).

Countries debt distresses increased due to rising public debts, which rose from 64.3% of GDP in 2019 to 71.4% of GDP in 2021. Public debt ratio rose to 20 year high in 2022 in Africa. This has led to dramatic increase in cost of public borrowing (which increased by 20% since start of 2022), and increased allocation of revenues to servicing external debt (which stands at about 11.5% of revenues in 2022)[5].

Responses: faced with fiscal and balance of payment imbalances, countries look to development partners for help. Development partners in turn have been proposing some policy choices, including establishment of financing instruments. Some notable examples from IFIs and FAO include:

> AfDB announced in May 2022 a $1.5 billion African Emergency Food Production Facility[6] to help Africa mitigate rising food prices and inflation caused by the war in Ukraine, climate change and the Covid-19 pandemic. Subsequently, a total of $1.13 billion has been approved in July by the Group's Board in mixed financing for Emergency Facility programs targeting 24 countries.
>
> World Bank announced in June 2022 that its Board has approved[7] a $2.3 billion program to help countries in Eastern and Southern Africa increase the resilience of the region's food systems and ability to tackle growing food insecurity. It also announced a scale up in its Financing for Food Security with Additional $315 Million to Strengthen the Resilience of Food Systems across West Africa.

[3] https://doi.org/10.2499/p15738coll2.135857

[4] UN Global Crisis Response Group on food, energy and finance. Brief No. 2. June 2022. Global impact of the war in Ukraine: Billions of people face the greatest cost-of-living crises in a generation.

[5] UNGCRG, ibid.

[6] https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/african-emergency-food-production-facility

[7] https://www.worldbank.org/en/news/press-release/2022/06/21/world-bank-approves-2-3-billion-program-to-address-escalating-food-insecurity-in-eastern-and-southern-africa

IMF is engaging more than 20 African countries for assistance program.

IFAD has established Crisis Response Initiative[8] to support targeted and tailored interventions to ensure access to inputs, such as seeds, fuel, and fertilizer; support access to finance for rural producers' immediate needs; invest in small-scale infrastructure to improve productive capacity and reduce post-harvest losses; and facilitate access to markets and information on markets.

- FAO's has proposed the establishment of a Global Food Import Financing Facility (worth $24 billion) to help 62 low and lower middle income countries (of which 34 in Africa) with balance of payment problems, complementing existing UN and IFI mechanisms, increasing resilience for the future as it includes smart conditionality. FAO has also proposed policy recommendations and solutions to support action to achieve efficiency gains and support resilience building.

The strategic concerns are related to dealing with exposure to risks and uncertainties and the resulting high level of vulnerabilities as a result. Some of the recommended actions include enhancing productive capacity of strategic commodities; encouraging more production and consumption of locally produced goods (shifts in consumer behaviour); building resilience against future shocks; and engaging in beneficial intra-regional and global trade. For Africa, the AfCFTA should provide huge opportunities, but without getting the production right, only little trade can take place in practice.

In this regard, a recollection of some of what had been attempted previously through collective African initiatives would be appropriate, which are more directly related to the issues at hand, which can serve as a useful entry point for reflection and guide policy response.

In 2006 two African Summits held in Abuja, Nigeria adopted important Declarations. These are first the **Abuja Declaration on Food Security,** committed to *"…take urgent measures to accelerate the development [through promotion and protection] of strategic commodities (rice, maize, legumes, cotton, oil palm, beef, dairy, poultry and fisheries) at the continental level, and cassava, sorghum and millet at sub-regional level without prejudice to focused attention being given also to products of particular national importance"*. Wheat was added to this list later on. The second is the **Abuja Declaration on Fertilizer for Green Revolution** committed to *"… undertake to promote national/regional fertilizer production and intra-regional fertilizer trade to capture a bigger market and take advantage of economies of scale through appropriate measures such as tax incentives and infrastructure development…"*

Some sixteen years later after the adoption of those significant Declarations, Africa's dependence on food imports and vulnerabilities to risks of shocks has increased, with mounting food import bills (which stood at about $56.4 billion in 2022, increasing from previous levels of $46 billion in 2020). SSA is the largest rice importer region in the world. Similarly, dependence on fertilizer imports has increased, with reduced availability and access by farmers. With price of natural gas already high and rising, the cost of fertilizer is expected to increase further next year, impacting agricultural production and compromising food security and nutrition. Incidentally, it is worth noting that the Dangotte/Nigeria Fertilizer Plant was launched earlier this year; however, targeting the rest of the world markets. Translating those political statements into concrete actions remains a challenge in Africa.

[8] https://www.ifad.org/en/crisis-response-initiative

Policy choices: FAO recommends policy actions to diversify source of food suppliers as well as domestic production; improve effectiveness and efficiencies of social protection programs; increase efficiencies in the use of agricultural inputs, including fertilizer (e.g., through use of soil maps); reduce food loss and waste along the food supply chain by developing innovative solutions, including changing consumer behaviours; and avoid imposing ad-hoc policy reactions when food prices increase. However, the effectiveness of policies depend on the incentive structures that they transmit to producers.

Looking at rate of government assistance as a share of production value (2006-2018)[9] we could note that high and upper income countries provide several positive incentives (price support, output subsidies, input subsidies, etc.); and the richer the countries, the bigger these incentives. Lower middle income countries tend to deploy limited positive incentives (mainly input subsidies) and disincentives (through price distortions); the magnitude of the disincentive is much bigger than the incentives. On the other hand, low income countries tend to provide disincentives (through price distortions) and do have few positive incentives; and these would characterize most African countries.

Implications for UNFSS transformative pathways: It may perhaps be appropriate to talk of "Big Elephants in the Africa Room". These include, among others: first, the need to treat food security a national security agenda, taking into consideration the imperatives of reducing Africa's current desperate dependence on imports of strategic commodities (food commodities and inputs). The question is whether national securities have not already been compromised/undermined by such vulnerabilities. The second is about the fact that investment finance is a real constraint, due to the narrow fiscal spaces and mounting debt distress, limiting the capacity of governments to increase budgets for investment in agri-food transformation actions. The third is the plausible way out, which is the imperatives to 'putting ones money where ones mouth is', hence the need to address structural issues more strategically, including taking advantage of emerging/existing opportunities being made available by partners to operationalize the food systems pathways.

In this respect, some suggestions could be made for further reflections. If we have to go by successful examples and experiences from high and middle income countries, Africa needs to **fix the incentive structure** to enhance its production capacity. This may include repurposing resources to prioritize food consumers and to incentivize sustainable production, supply and consumption of nutritious foods – these would help make healthy diets less costly and more affordable for all. Secondly, African countries need to **use AfCFTA as an important platform** to enhance production capacity without which trade won't happen. Thirdly, Africa needs to **embrace science and innovation** to drive the agri-food systems transformation agenda, including being more intentional in improving business models, financing mechanisms, partnerships, advocacy, etc., and fourth, African countries should **seek and enforce mutual commitment and accountability** to action and results.

RUFORUM and African universities can continue to leverage on existing relevant platforms to advance science and innovation through effective policy dialogue and advocacy; develop capacities and technical competencies; and importantly to develop and use the right kind of narratives.

[9] http://www.ag-incentives.org/ cited in FAO, IFAD, UNICEF, WFP and WHO. 2022. The State of Food Security and Nutrition in the World 2022.

ABOUT THE AUTHOR

Prof. Haile-Gabriel is the Assistant Director-General and Regional Representative for Africa, FAO. Prior to that, he served as the Deputy Regional Representative for Africa, Representative to Ghana and the Regional Program Leader for Africa in FAO. Before joining FAO, he served as a Senior Manager, Director of the Semi-Arid Food Grains Research and Development and Head of the Rural Economy Division, at the African Union Commission. Prof. Haile-Gabriel has more than 30 years of extensive experience in strategic leadership and management in complex environments at national, sub-regional and regional levels, focused on higher education system and agricultural and rural development in Africa. He holds a Doctorate and Masters in Agricultural and Rural Development from the International Institute of Social Studies in the Hague, the Netherlands.

This is our third issue in a series of articles we are releasing as part of the RUFORUM 2022 Annual General Meeting Digests. More information about the meeting is available at https://www.ruforum.org/AGM2022/. Join the Conversation on Social Media using our Official hashtag #RUFAGMZim2022