



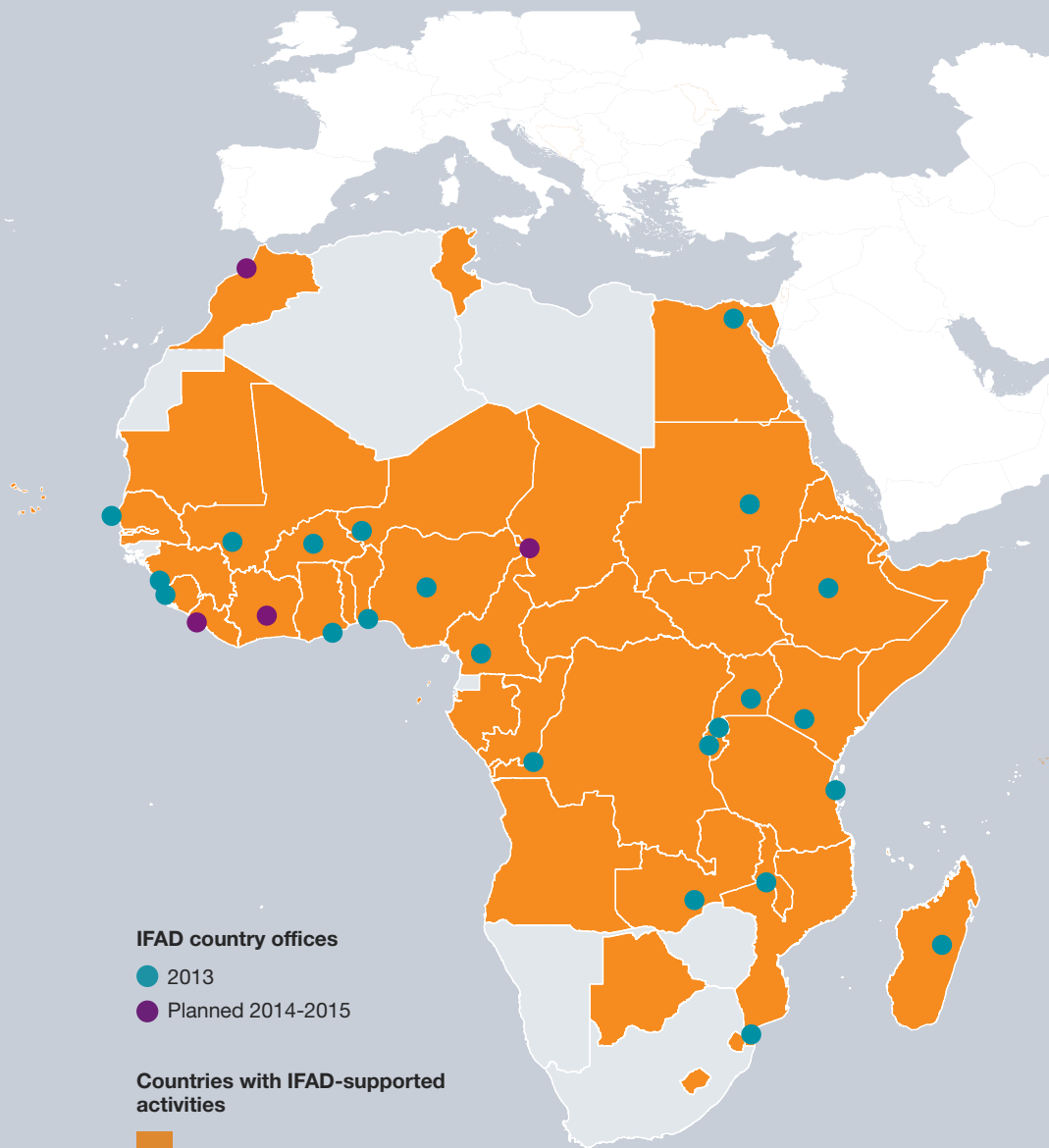
Investing in rural people



Fulfilling the promise of African agriculture

IFAD IN AFRICA

IFAD's work in Africa



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Fulfilling the promise of African agriculture

IFAD IN AFRICA

Agriculture plays a significant role in Africa, accounting for about 30 per cent of GDP south of the Sahara, as well as a significant proportion of export value. Not surprisingly, in most African countries, 60 per cent or more of employees work in agriculture.

Yet this barely scrapes the surface of Africa's promise. Only 6 per cent of cultivated land is irrigated in Africa, compared with 37 per cent in Asia, for example. Africa also has the largest share of uncultivated land with rain-fed crop potential in the world. In addition, African farmers use substantially less fertilizer per hectare than counterparts in East Asia and the Pacific.

Initiated by the African Union, the 2014 Year of Agriculture and Food Security shines a global spotlight on the current role and future potential of agriculture in Africa. It underscores how improved agricultural performance can enhance food security, promote better nutrition, create jobs and strengthen community resilience. And it emphasizes the vital contributions made by small farms, which make up 80 per cent of all farms in sub-Saharan Africa alone.

The International Fund for Agricultural Development (IFAD) is proud to be on the Steering Committee for the 2014 Year of Agriculture and Food Security. IFAD has supported rural development in Africa for 35 years, enabling poor rural people to grow and sell more food, earn more money and take greater control of their lives. We allocate about half of all new financing to the region. Our investments also leverage cofinancing for rural and agricultural development.



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IFAD recognizes that farming, even on the smallest scale, is a business. In our experience, when smallholder farmers have the necessary resources to grow their businesses, they can create vibrant and resilient rural communities. This includes ensuring that both poor rural women and men enjoy secure and equitable access to land and natural resources.

Below, we highlight our people-centred approach in Africa that empowers smallholders to transform their lives.

Project participants in Africa, 1978-2014



IFAD-supported projects have reached

256 million people in **Africa**

out of a **global total** of **430 million**

IFAD disbursements to Africa, 2009-2013

Share of total of US\$1,479.0 million



- DSF grants
US\$289.4 million - 20%
- Highly concessional loans
US\$1,058.1 million - 72%
- Intermediate loans
US\$78.6 million - 5%
- Ordinary loans
US\$52.9 million - 4%

Any discrepancy in totals is the result of rounding.

People-centred rural development

Sandile Mkhabela, who lives in the lower Usuthu region of Swaziland, had never seen a mushroom before the age of 29. Three years later, he transformed plastic bottles, an old refrigerator and an unused shed into a workshop where he began producing oyster mushrooms. He is already looking into franchising his business.

Mususkeba Bajo, a farmer in the Jahally community of The Gambia, prepares and sells a rice meal known as *Nyankatango* in Mandinka or *Mbahal* in Wollof. To the foundation of rice, she adds vegetables, dried fish and beans to create what was once known as “a poor man’s dish”. Initially, she had to buy rice on the market. Now that she has purchased land for a farm, she grows her own rice – building her business from the ground up.

Mkhabela and Bajo are just two of 430 million poor rural people who have benefited from IFAD-supported programmes in Africa and around the world.

Through grants and loans, IFAD focuses exclusively on reducing rural poverty, targeting some of the poorest and most deprived segments of the population – from small farmers and artisanal fishers to landless women and vulnerable youth to rural artisans and indigenous populations. In Africa, IFAD is empowering poor rural people to harness the potential of agriculture for the benefit of food security, nutrition and economic growth.

Building networks of farmers’ organizations

Across Africa, tens of thousands of grass-roots farmers’ organizations provide services to members and represent their interests with policymakers and business partners. Many of these groups have connected to national organizations, which in turn have formed regional networks (Box 1).

IFAD-supported projects provide a range of support to farmers’ organizations, from increasing access to inputs such as seeds and pesticides to strengthening storage and processing facilities. In addition to financing business plans, advisory services and monitoring tools, IFAD also links farmers’ organizations to value chain stakeholders through public-private partnerships.

Box 1. Networking in North Africa

In its 2009-2012 pilot phase, the Support to Farmers' Organizations in Africa Programme (SFOAP) strengthened 55 national farmers' organizations in 39 countries, as well as their 4 regional networks in sub-Saharan Africa. It increased management capacity and accountability, leading to more effective roles in policy forums. In addition, it established the Pan-African Farmers' Organization (PAFO).

During the main phase (2013-2017), UMAGRI, a professional organization established in 1989, became the fifth regional network to join the programme. With members in Algeria, Egypt, Libya, Mauritania, Morocco, Sudan and Tunisia, UMAGRI seeks to create a common agricultural market in the Maghreb and improve the competitiveness of its members' agricultural products.

Initially, SFOAP is providing institutional support to help UMAGRI revitalize the network, including the development of policy positions. Most member countries will launch pilot projects to target local economic activities, promote agricultural entrepreneurship of rural women, establish value chains and facilitate access to inputs. Ultimately, the programme wants to empower farmers' organizations in North Africa to become successful, reliable and stable, capable of representing their members effectively and providing farmers with good advice.

SFOAP now supports 68 national farmers' organizations in 49 countries.

Generating opportunities for women and youth

In poor rural communities, women and youth are often the most marginalized and vulnerable members of society. Yet empowered women can strengthen family livelihoods, improve food and nutrition security, and enhance overall resilience in the face of climate change and socio-economic instability. Meanwhile, a productive rural environment not only creates jobs for a younger generation, it also strengthens food security and stems the flow of migration to urban centres.

IFAD is a leader in addressing gender inequality, at both the policy and programme levels. A project in the Amhara region of Ethiopia, for example, has provided more than half the women heads of households with land certificates, securing their rights to own, use and transfer land. The Western Sudan Resource Management Programme, which won IFAD's 2013 Gender Award, formed some 660 savings and credit groups that mobilized more than 11,000 members, of which 93 per cent were women; these groups have developed a strong savings culture among rural women, enhancing their self-confidence and elevating their social status. Through another project in Morocco, women are playing a stronger role in both the social and economic arenas of their community (Box 2).

IFAD has also been increasingly addressing the needs of African youth. At the policy level, a recent study co-funded by IFAD showed how organizations can help young farmers overcome constraints in accessing land, markets, finance, technologies and capacity-building. In the field, IFAD has supported several innovative youth-oriented projects, including a project that targets vulnerable youth in the Niger Delta (Box 3).

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Box 2. The road to equality in Morocco

In the mountain zones of Al-Haouz province in Morocco, IFAD worked with rural women to improve their access to credit and involvement in community decision-making. The project helped establish 20 women's associations and enabled nearly 5,000 women to benefit from literacy classes.

In the village of Ouaouisseft, a 3-kilometre feeder road built by the project enabled women to save time on water transportation. This, in turn, has freed them to pursue new ways of generating income – from herbs and medicinal plants to embroidery. The women also set up a childcare service in their village so they could earn income without neglecting their children.

While the new road was intended simply to reduce transportation costs, it has given the community – and in particular, the women – much more. Playing a more active role in community life has increased the women's self-confidence. Men also appreciate their contributions, and so gender attitudes have begun to be transformed as well.

Box 3. Catfish and vegetables transform life for vulnerable youth in Nigeria

Not only is Nigeria the most populous country in Africa, it also has the largest youth population in the region. Moreover, about 70 per cent of Nigerians aged 15 to 24 are unemployed. Harnessing this creative energy could help transform the country, and push the entire continent forward.

In the Niger Delta, an area better known for violence than farming, IFAD targets disadvantaged youth through the Community-Based Natural Resource Management Programme. By providing financial and technical resources, the programme has helped youth turn catfish and vegetable farms into vibrant, profitable businesses. At the same time, it has enhanced community cohesion, reduced violence and increased access to nutritious food.

The programme has created more than 20,000 jobs, enabling youth to become more integrated into their communities. Young farmers in the area have become role models, contributing to wealth and stability and making this a place where businesses can thrive.

Sharing knowledge, technology and tools

Investing in people takes many forms. In Senegal, an IFAD project strengthened the capacity of women leaders through training sessions in technical knowledge, entrepreneurship and marketing, as well as “soft skills” such as communication, negotiation, lobbying and advocacy. A project in Madagascar combined human resource training for youth with investments in modern infrastructure (Box 4).

Building partnerships

Since its inception, IFAD has recognized the importance of collaboration. We maintain strategic relationships among partners – from bilateral donors, governments and research organizations to the private sector and organizations of small and rural producers. By involving others, we leverage our resources, promote our approach and ensure that investments benefit poor rural people.

Indeed, for the rural poor, dividends generated by sound investments often go far beyond promoting economic growth and creating jobs. The Western Sudan Resource Management Programme, for example, has strengthened social cohesion within the Elhimir community in North Kordofan State. Building a water yard close to home, apart from reducing conflict over scarce water, has allowed the families to make productive use of the time saved. This in turn has resulted in increased crop production and household income, as well as improved child health and school enrolment (especially for girls).

IFAD plays a significant role in creating the right conditions for public-private-producer partnerships to flourish in Africa (Boxes 5 and 6). On the one hand, we work with governments to help them create favourable policy environments and infrastructure. On the other, we help build relationships between small-scale producers and private companies. Above all, we ensure that marginalized groups such as poor rural women and ethnic minorities benefit from any partnership we support.

Box 4. Innovation in Madagascar

Technical innovations and mechanization are crucial to build on recent gains in agricultural productivity in Madagascar. Vocational training for small rural producers and support for farm modernization are thus central to the country's agricultural development.

In response, IFAD launched the Vocational Training and Agricultural Productivity Improvement Programme (FORMAPROD) in 2013. The programme aims to reach about 7 million people – about 20 per cent of the country's population. It focuses on vulnerable groups, including young people in rural areas who have not completed their schooling and young women who are heads of households.

Working directly with other IFAD-supported projects in the country over 10 years, FORMAPROD will identify and train young farmers, agricultural technicians and extension agents, and support continuous vocational training in all 13 regions. Through investments in agricultural infrastructure and productivity, the programme will support the National Strategy for Agriculture and Rural Training, as well as regional training initiatives.

With its relatively long timescale, FORMAPROD will help Madagascar plant the seeds for future generations of farmers, and make small-scale farming a professional, modern business.

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Box 5. Credit for rural farmers in Kenya

The Government of Kenya, in partnership with the European Union, had an agricultural subsidy scheme to facilitate access by small farmers to improved inputs, including improved seeds and fertilizers, as well as training on agronomic practices. The scheme led to a 150 per cent increase in productivity for farmers in a single year. However, the concern was that farmers would remain dependent on subsidized inputs to maintain yield increase.

IFAD brokered a partnership with Equity Bank, one of largest rural banks in Africa, to invest US\$3.7 million in the programme to link small farmers to financial services. Beyond increasing yields, the linkage with a financial institution will allow farmers to access formal credit to sustain investments.

By providing smallholders with improved inputs and agricultural techniques, IFAD, the EU and the Government of Kenya will have created a platform for smallholders to graduate from subsistence to commercial farming. It is expected that this will be a flagship public-private partnership that will enable family farms to improve food security and increase their income.

Box 6. A burst of financial energy for small coffee and cocoa plants

Through the five-year Smallholder Tree Crop Revitalization Support Project (STCRSP), IFAD funded the first private-public sector partnership in Liberia. A private exporter, the Liberia Agriculture and Asset Development Company (LAADCO), joined forces with the Ministry of Agriculture to revitalize smallholder coffee and cocoa plantations.

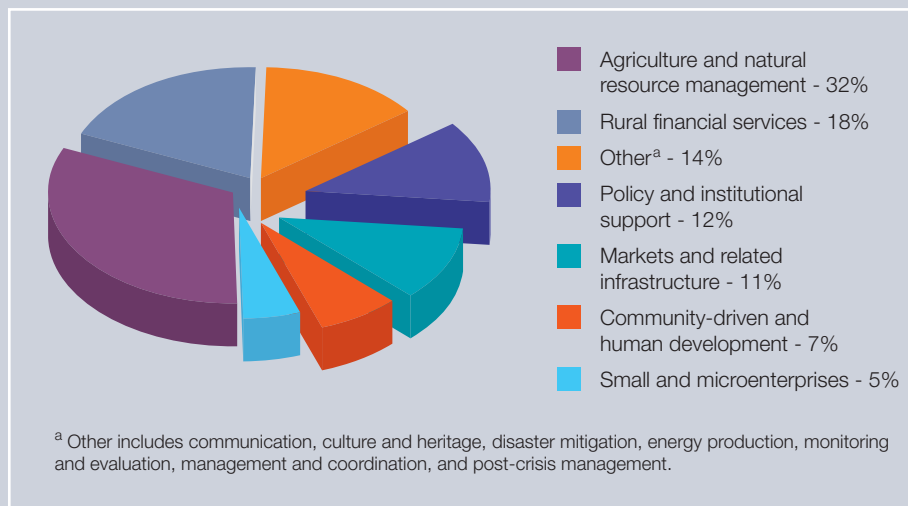
To date, LAADCO has invested more than US\$1 million to help three cooperatives rehabilitate 1,000 hectares of coffee and cocoa smallholder farms. The funds have built teams of extension workers made up of technicians, agronomists and supervisors, purchased pick-up trucks and motorbikes and provided much-needed pre-financing for the cooperatives' working capital.

LAADCO is a ready buyer and market for cooperatives and farmers in the project area. It pays up to 50 per cent more than traditional intermediaries, as well as a 10 per cent commission to cooperatives. Due to LAADCO's higher capacity, sales have also increased. All told, some 1,000 smallholder farmers have benefited.

Supported by IFAD, the government and LAADCO are exploring how to rehabilitate another 15,000 hectares of cocoa and coffee. LAADCO has committed US\$5 million to cofinance this objective.



IFAD current portfolio financing by sector for African countries



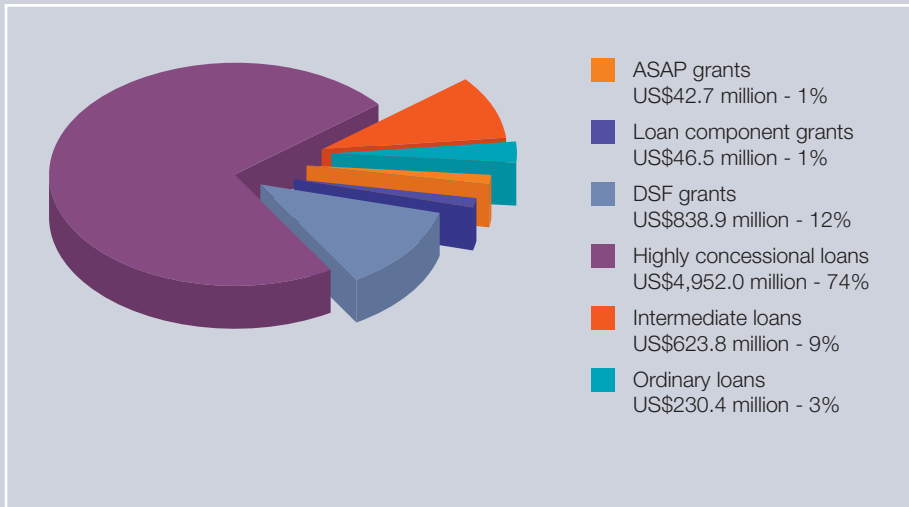
Looking ahead

With the target date of the Millennium Development Goals (MDGs) in sight, the 2014 Year of Agriculture and Food Security is perfectly timed to showcase the importance of agriculture to sustainable development and to the emerging post-2015 development agenda.

As a contribution to the high-level processes to shape the post-2015 agenda, IFAD has been reminding policymakers that rural women and men must play a central role to eradicate poverty and promote inclusive growth. In May 2013, we established a task force to coordinate our involvement in these various processes, and promote our vision for productive, resilient and sustainable rural areas.

IFAD financing in African countries by financing terms, 1978-2013

Share of total of US\$6,734.4 million



IFAD concurs with the results of a high-level global consultation on hunger, food security and nutrition on the post-2015 development agenda held in Madrid in 2013. Participants called for a “new brand of enlightened, principled partnerships,” with smallholder farmers – women and men alike – at the centre.

Poverty has multiple dimensions: insufficient income and resources, hunger and malnutrition, ill health, limited access to education and other basic services, inadequate housing, insecurity, discrimination and exclusion. Often poverty is also associated with lack of meaningful participation in civil, social and cultural life. Any post-2015 development agenda must encourage governments and other actors to create conditions for the economic and social empowerment of poor rural people, particularly the most disadvantaged.

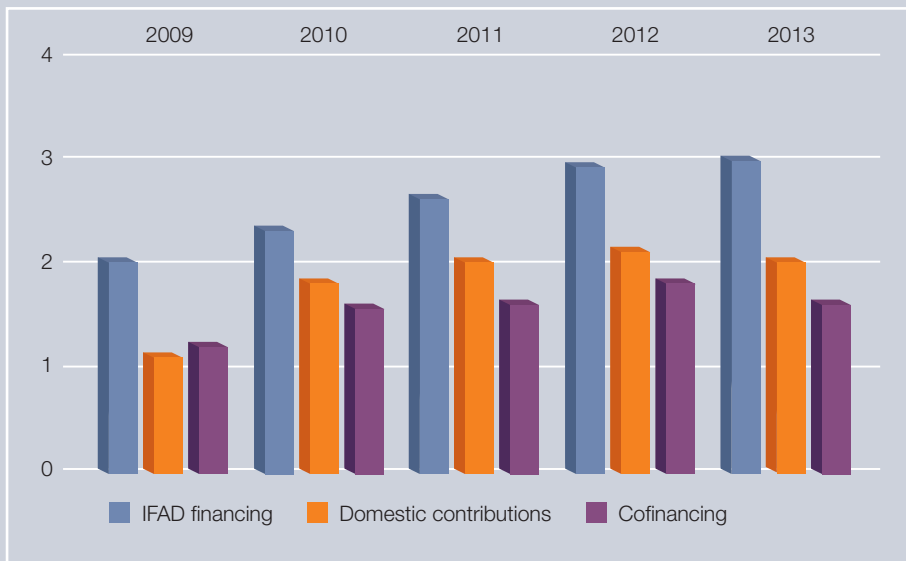
IFAD believes that rural areas are in danger of further social and economic marginalization. As the world becomes more urban, rural sectors must be transformed so they can deliver greater amounts of food, clean water and environmental services. As urban and rural economies grow more interdependent, we must develop synergies that generate mutual benefits.

In light of harsher environmental conditions brought on by climate change, a younger rural population and dramatic changes in markets, agriculture must be transformed to reach its full potential. Smallholder farmers need greater access to financing, investment, supply chains and markets. This requires an enabling institutional and policy environment that protects farmers, sets standards and safeguards for responsible investment, and promotes good governance.

Reducing poverty demands a special focus on strengthening the resilience of poor rural households and their livelihoods against shocks. IFAD's Adaptation for Smallholder Agriculture Programme (ASAP), for example, aims to improve the climate resilience of large-scale rural development programmes and heighten the capacity of at least 8 million smallholder farmers. ASAP's first grant (2012) was to the Republic of Mozambique as part of the Pro-poor Value Chain Development Project in the Maputo and Limpopo Corridors (PROSUL).

IFAD current portfolio in African countries

Amounts in US\$ billion



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A call to action

When it comes to raising the profile of agriculture, African nations recognize they must take the lead.

In July 2003, at the African Union summit in Maputo, Mozambique, African leaders pledged to allocate at least 10 per cent of national budgets to agriculture and to achieve at least 6 per cent annual agricultural growth. In the same year, they adopted the Comprehensive Africa Agriculture Development Programme (CAADP), pledging to develop national agriculture through defined investment plans. And in 2006, African leaders committed to allocating 1 per cent of agricultural GDP to agricultural research and development (R&D).

In the decade since the Maputo Declaration, fewer than 20 per cent of countries have fulfilled either of their Maputo commitments; more than 30 have signed the CAADP compact with at least 19 countries launching detailed plans to accelerate agricultural development; and 8 countries have exceeded the R&D pledge.

With a view to scaling up investment in rural spaces, production systems, consumption markets, natural resources and environmental services, and influencing the post-2015 development agenda, IFAD supports the call for an “enhanced Maputo” agreement:¹

- Increase investment and improve services to smallholder farmers, especially women, including concrete timetables for meeting their existing pledges.
- Prioritize and accelerate policies and investments that support smallholder farmers.
- Increase transparency and accountability in the implementation of an enhanced Maputo framework, while engaging smallholder farmers on accountability.

1 Adapted from One.org, http://one-org.s3.amazonaws.com/us/wp-content/uploads/2013/10/131008_ONE_Maputo_FINAL.pdf





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