LINKING SOCIAL PROTECTION TO AGRICULTURE
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NEPAD Planning and Coordinating Agency

NEPAD
TRANSFORMING AFRICA

AGRICULTURE AND FOOD INSECURITY RISK MANAGEMENT (AFIRM)
A NEPAD/CAADP PERSPECTIVE

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CAADP RF/MALABO AND AFIRM

- **1. How this program fits into the CAADP Results Framework and the Malabo Declaration**
- 2. What it entails to do with countries and regions in the next 4 to 5 years
- 3. What the specific role of social protection should be in this context
- 4. Exploring linkages with the FAO Agriculture - Social Protection Initiative

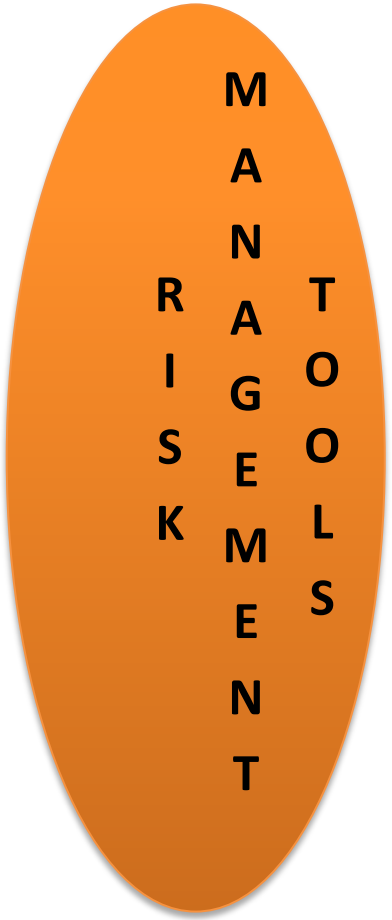
AFIRM = an Opportunity to address RISK AVERSION

- Smallholder farmers = 80% of African farmers
- Weak access to input and output markets
- Recurrent crises =➔ erosion of assets and low incentive to invest
- CAADP ➔Significant increase in Africa Ag Productivity = 6 % annually
- **MAJOR CHALLENGE**
- Shifting from managing crises to managing risk related to agriculture and food insecurity of smallholders rural producers

• MAJOR OPPORTUNITY

Contribution of AFIRM to CAADP RF LEVEL 2

- 2.1. Ag production and productivity
- 2.2. Better Functioning of markets
- 2.3. Increased investment and job opportunities
- 2.4. Availability and access to food and productive safety nets
- 2.5. Management of natural resources for sustainable ag production



Addressing Risks ("HOW")

Assessing risk factors of rural smallholders and SMEs / in terms of perception, level of confidence/

- Production : crop failure and labor shortage
- Market performance and price volatility
- Weak institutions and unpredictable policies
- Idiosyncratic
- **Political**

/ in terms of asset-base and trade-offs between

- On farm **VS** off-farm labour (hungry season
- Consumption **VS** Investment
- Selling at low price AT HARVEST TIME **VS** storing in order to get at higher price LATER
- Social Obligations **VS** Investment

Addressing Constraints ("HOW")

- **Hard infrastructure=**
  - Transport, energy, water-irrigation/potable, sanitation, education, health, storage and marketing facilities…
- **Soft infrastructure =**
  - Input and output systems, financial institutions, ICT, MIS, **planning, coordination mechanisms, timely and consistent interventions**

AFIRM METHODOLOGY

- 1. How this program fits into the CAADP Results Framework and the Malabo Declaration
- 2. **What will AFIRM do with countries and regions in the next 4 to 5 years**
- 3. What the specific role of social protection should be in this context
- 4. Exploring linkages with the Linking Social Protection to Agriculture Initiative

AFIRM METHODOLOGY

- Mainstreaming AFIRM in CAADP implementation in 9 African countries: Cameroon, Cape Verde, Ethiopia, Gambia, Liberia, Mozambique, Niger, Senegal and Uganda.
- Building capacity related to AFIRM in countries and regions with 3 regional centres/University in Niger, Cameroon and Uganda.

AFIRM METHODOLOGY

- **Holistic Approach to AFIRM**
  - Looking across sectors, at micro, meso and macro levels both at risks and constraints = **VALUE CHAIN APPROACH**
    - Production risks, market risks, institutional risks, consumption risks (in particular of smallholder rural producers), and idiosyncratic risks (disease, financial constraints and trade-offs)
  - **Risk Assessment and identification** of tools and policy instruments to address current risk factors
  - **Facilitation of implementation of the tools** with supporting policies/broker financing and enabling environment : public policies and PPP

AFIRM METHODOLOGY

- **Identify gaps** in terms of AFIRM tools, policy instruments, institutional capacities and human resources
- **Create partnership** with private sector, technical partners, financial institutions, farmers' groups and NGOS
- **Conduct feasibility studies** on design, formulation and implementation of the tools in specific regions and value chains of the country, and **the supporting policies and enabling environment**
- **With RECs**, identify cross-border risk management issues to be addressed

SOCIAL PROTECTION AND AFIRM

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PRESERVING SOCIAL AND HUMAN CAPITAL IN SOUTHERN AFRICA

- Combination of Anti Retroviral Treatment and SP programs, cutting by 60 % the death toll in Botswana in 7 years- specific target (self) with specific objectives
- Expansion of social welfare grants in Namibia
- Child Grants Program in Lesotho
- Social Cash Transfer Program in Malawi

Lifting rural producers out of extreme poverty in Ethiopia… and NEXT?

❖ **PSNP Successful BUT**

- **Awareness that MORE NEEDS TO BE DONE in order** to **NOT ONLY PREVENT AND PROTECT, BUT ALSO TO PROMOTE AND TRANSFORM**
  - Now combined with other risk management tools : insurance (**bundled with subsidies**), WRS, Credit and saving schemes, price stabilisation, irrigation and extension…
  - SHIFTING FROM **EXIT** STRATEGY PARADIGM TO ONE OF **GRADUATION** STRATEGY
  - BUILDING **LINKAGES TO MARKETS** AND
  - **CREATING INCENTIVES** for productivity increase **(avoiding trade-offs) allowing** a clearly informed decision making process
  - **Adopting a VALUE CHAIN Approach** to tackle downstream bottlenecks and risks === > **INVOLVEMENT OF OTHER ACTORS**

MAIN CONCLUSIONS

- **SP MEASURES SHOULD**
  - **NOT BE A STAND ALONE POLICY MEASURE IN AFRICAN AGRICULTURE**
  - **BE EMBEDDED INTO/BUNDLED WITH OTHER RISK MANAGEMENT INSTRUMENTS**
  - **BE EXTENDED TO OTHER RURAL PRODUCERS ALONG THE VALUE CHAIN, BUT ADAPTED based upon a BLEND of MARKET AND NON MARKET MEASURES through a Graduation Strategy**
  - **NOT BE PRECEDING THE SUPPLY SIDE , AS IT WILL CREATE A DEMAND FOR NON EXISTENT goods and services. Hence the URGENCY to build soft and hard infrastructure in rural areas**

LINKING ASPA TO AFIRM…

THANK YOU FOR YOUR ATTENTION