

Transforming Africa's agriculture

Under our Feed Africa strategy, the Bank aims to transform Africa's agriculture into a business-oriented, commercially viable sector that guarantees food security and nutrition while generating jobs. Our support for the Green Morocco Plan Support Programme is developing agricultural value chains and improving governance in the agriculture sector.

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Chapter 2
Feed Africa

Although endowed with abundant agricultural resources, Africa suffers from food insecurity. Agricultural productivity and trade have grown in recent years, but so has hunger, and agriculture is still predominantly small in scale, low in productivity, and vulnerable to a host of threats: climate change, drought, conflict, economic shocks, and events like the Covid-19 pandemic and the desert locust crisis. Improving food production is a cornerstone of the Bank's work: adequate nutrition early in life enables healthy development and educational attainment, and the agriculture sector provides jobs and livelihoods for most of Africa's poorest people. Under its Feed Africa High 5, the Bank is investing in agricultural value chains, supply chain systems, natural resource management projects, and related infrastructure.

Agricultural development is vital for a food-secure Africa

Agriculture produces the nutrition that people need to fulfil their potential. Malnutrition is responsible for one-third of child deaths in Africa. It hits vulnerable smallholders, women, and children the hardest, and it impairs cognitive development.

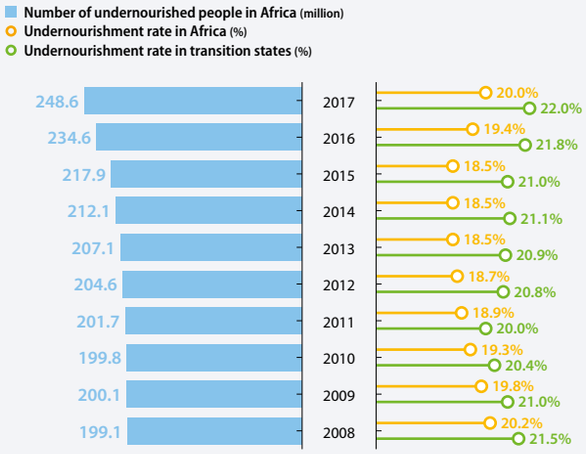
The creation of livelihoods and jobs for Africa's fast-growing working-age population depends highly on agriculture. Agriculture still employs more than half of the workforce in Africa and remains a significant employer in North Africa. Women make up more than 50% of economically active people who earn their livelihood in agriculture—yet they receive less than 10% of available credit and own only 1% of land. Even with strong economic growth in other sectors, a significant share of Africa's growing labour force will work in agriculture for some time.

> *More Africans suffer from hunger or malnutrition now than in 2015*

To help young Africans and women access secure livelihoods in agriculture, reforms must allow them secure land tenure—only about 10% of rural land in Africa is registered. By giving women farmers the same access to land, new technologies, and capital as men, countries could increase crop yields by 30% and feed an additional 150 million people.

The agriculture sector is also characterised by micro, small and medium enterprises (MSMEs). Helping MSMEs access finance and training is vital to creating jobs for young people. Finally, Africa needs to build more capacity to process agricultural products, so as to create more formal jobs in the sector.

Figure 3 **Undernutrition is growing in Africa's low-income and transition states**



Source: Food and Agriculture Organization

Food insecurity and malnutrition continue to rise

Despite robust economic growth, hunger is rising across most of the continent. The trend is driven largely by conflict (including land-related disputes), drought, climate change, and the interplay of these factors with economic shocks. Vulnerable women are at greater risk of malnutrition than men, and more girls die from malnutrition than boys. The Covid-19 crisis and the desert locust emergency in some Eastern Africa countries are expected to worsen food insecurity further.

In 2019, the **number of hungry or malnourished people in Africa** reached 246 million, 80% of whom live in low-income ADF countries. These figures sustain an increase that has been taking place since 2016. Given steady progress in other developing

Table 3 **Africa's agriculture is making progress but needs to do better (Level 1)**

INDICATOR	AFRICA		ADF COUNTRIES		TRANSITION STATES	
	Baseline 2015	Latest 2019	Baseline 2015	Latest 2019	Baseline 2015	Latest 2019
Agricultural productivity (constant 2010 $ per worker)	1544	1680	689	862	797	797
Africa's net agricultural trade balance ($ billion/year)	-38.9	-28.2	-0.7	1.9	-7.2	-5.7
Africa's share of market value for key processed commodities (%)	10.3	14.0	9.3	13.0	2.0	2.0
Fertiliser consumption (kilograms per hectare of arable land)	25	27	14	14	6	9
Cereal yield (ton/hectare)	1.6	1.6	1.3	1.4	0.8	0.9
Number of people hungry/malnourished (millions)	240	246	173	198	80	95
Prevalence of stunting amongst children under 5 (%)	25.2	34.1	25.8	34.9	38.9	39.2
– of whom girls	32.4	32.4	35.3	35.3	37.9	37.8

Improvement over baseline Stability Deterioration

regions, the trend leaves Africa as the region with the highest incidence of hunger. The number of people suffering from hunger or malnutrition in Africa is higher now than it was in 2015, when parties agreed on the sustainable development goal of ending hunger by 2030 (Figure 3).

> *Public investments in agricultural productivity and adding value to agricultural products are limited*

The **prevalence of stunting amongst children under 5** was unchanged in 2019, at 34%. It remains significantly higher than the 2017 rate of 24%, a historical low that followed a sustained fall since the early 2000s. At 39%, stunting rates amongst children under 5 were higher in transition states.

This data makes it clear that efforts must be scaled up. The Comprehensive African Agricultural Development Programme (CAADP) aims to end hunger in Africa by 2025, and the sustainable development goals on food security, nutrition, and agriculture target 2030. To reach these goals, the Bank and its partners have among other things launched African Leaders for Nutrition, an initiative to engage high-level political leadership to promote nutrition in Africa.

Improving **agricultural productivity** will be vital to making the sector more resilient. Agricultural productivity fell marginally in 2019 to $1680 per worker, but remains 9% above its 2015 level. Levels are significantly lower in transition and low-income ADF countries. **Cereal yields** increased to 1.6 tonnes per hectare in 2019, returning to 2015 levels. Yields were marginally lower in low-income ADF countries and were significantly lower in transition states.

Better agricultural productivity and higher yields will depend upon expanded access to modern farming inputs, methods, and technologies. In 2019, **fertiliser consumption** in Africa grew to 27 kg per hectare of arable land, up from 25 kg in 2015. Fertiliser use was just above half of this level in low-income ADF countries and was even lower in transition states.

Efforts to raise productivity and add value to agricultural products are also held back by limited public investment in the sector. This helps explain the poor state of infrastructure vital to agriculture, especially roads, water storage, and irrigation technologies, logistics, and processing equipment.

As highlighted in the 2018 ADER, linking agricultural producers across the region and increasing trade in agricultural products is vital to adding value to products, raising incomes, and promoting food security. Africa achieved a welcome increase in its **share of the global market value for key processed commodities**, from 11% in 2018 to 14% in 2019. The Bank also approved support for several new agro-industrial processing zones in 2019, which will further expand the production of and trade in processed commodities (see the section on new programmes).

Although **Africa's net agricultural trade balance** worsened moderately in 2019 to a deficit of $28 billion, the shortfall remains significantly lower than during 2015–2017, when it averaged $39 billion.

The Bank's support for agricultural development

Agricultural development is one of the Bank's core priorities. Guided by its Feed Africa Strategy, in 2019, Bank-funded **improvements in agriculture benefited 20.3 million people**, nearly all of whom live in low-income ADF countries. This is more than three times the number in 2015 and vastly exceeded our 2019 target of 6.3 million. In Uganda, for example, the Community Agricultural Infrastructure Improvement Programme boosted farmers' income through agro-processing initiatives, better access to markets, and a reduction of post-harvest losses,

benefiting 2.4 million rural households. Of those benefiting from the Bank's agricultural programmes in 2019, **9.6 million were women**.

The length of **feeder roads built or rehabilitated** by the Bank increased to 3919 km in 2019, mostly in low-income ADF countries. This was double the Bank's target for 2019 and five times the results in 2015. The Bank's recently completed Tanzania Marketing Infrastructure, Value Addition and Rural Finance Support Programme rehabilitated feeder roads and reduced transport costs by 20% to 50%.

> *"We are strengthening agriculture-related infrastructure, encouraging business, and catalysing flows of capital*

In contrast, the Bank's performance declined against other targets, such as the **area of land with improved water management** and the **share of the rural population using improved farming technology**. While we did not complete operations that provide farmers with agricultural inputs during this period, under the Technologies for African Agricultural Transformation (TAAT) initiative, we are promoting access to technologies that increase agricultural productivity and modern farming techniques, with the aim of reaching 40 million farmers by 2025 (Box 2).

One example of the Bank's work to extend irrigation is a project in Mozambique that will irrigate 10 000 hectares of land for sugarcane and food crops. The Bank also recently approved a project to sustainably mobilise surface water and groundwater to boost rural agricultural production and employment in Senegal.

The Bank expanded other types of infrastructure that add value to and commercialise African agriculture. In Tanzania, the Bank funded the rehabilitation of warehousing used to store agricultural produce. It also funded the expansion of marketplaces and the construction of a cold room for milk storage. In Zambia, we supported the construction of a livestock service centre that trained over 5000 farmers in livestock production, processing, and marketing. The centre also funded the construction of milk collection centres, livestock market centres, and livestock slaughter facilities. This infrastructure helped increase the average annual income of targeted farmers from $364 to $512. Women and youth farmers constitute more than 40% of the project's direct beneficiaries.

Extending access to finance is especially vital to expanding agricultural production for the significant number of MSMEs operating in the sector. In Côte d'Ivoire, we supported a $112 million facility to extend pre-financing (advance payments for production that increase cash flow) to small cooperatives and wholesalers in the cocoa sector. This has enabled 7500 farmers to

Box 2 **Using agricultural technologies to raise productivity**

Under the Technologies for African Agricultural Transformation (TAAT) initiative, the Bank is collaborating with WorldFish to disseminate proven aquaculture technologies and promote self-sufficiency in inland fish production. The initiative has directly benefited over 130 000 aquaculture value chain actors in ten countries (Burundi, Benin, Cameroon, Côte d'Ivoire, Democratic Republic of Congo, Ghana, Kenya, Nigeria, Tanzania, and Zambia) and has increased fingerlings production and greater access to fish seeds. A continent-wide campaign dubbed "Eat More Fish" is also increasing awareness of the benefits of fish consumption. At the same time, TAAT is increasing productivity in other commodity value chains, such as maize, rice, wheat, high-iron beans, cassava, sorghum/millet, orange-fleshed sweet potato, and livestock.

Box 3 **Stories from beneficiaries – Young entrepreneurs in agriculture**



The African Development Bank provided a $20 million loan to fund the Support Project for Youth Employability and Integration in Growth Sectors (PAEIJ) in Togo. Togo has recognised that agriculture is key to addressing its growing problem of youth unemployment. The project, which is being implemented over 2016–2021, is helping young entrepreneurs develop value chains in the production of maize, cassava, soybeans, small ruminants, and poultry.

One beneficiary of the project is the Agricultural Growth Connection (JCAT). Located some 150 km north of Togo's capital, Lomé, JCAT specialises in producing and certifying organic soya. In the 2018–2019 season, it harvested over 10 200 tonnes of soybeans from nearly 7400 hectares. JCAT's General Manager, Toto Yao, recently met with potential buyers of the 15 000 tonnes of quality soybeans expected from next year's harvest. "The Bank's financing will let us make a qualitative leap in our operations. In three years, we have gone from exporting 2000 tonnes of soybeans to 5000, then 7000, and now 10 000 tonnes. We plan on beginning processing very soon, but that will require significant investment," says Yao, who employs 47 youth full-time. Overall, this project has created over 35 000 jobs across Togo.

Table 4 **Feed Africa indicators (Level 2)**

INDICATOR	AFRICA			ADF COUNTRIES		TRANSITION STATES	
	Baseline 2015	Actual 2019	Target 2019	Baseline 2015	Actual 2019	Baseline 2015	Actual 2019
People benefiting from improvements in agriculture (millions)	6	20.3	6.3	5	20.2	0.5	0.9
—of whom women	2.9	9.6	3.1	2.6	9.6	0.2	0.4
Feeder roads built or rehabilitated (km)	800	3919	1500	800	3830	254	492
Land with improved water management (thousand ha)	45.5	23.3	47.8	20.3	18.9	0.4	12.4
Rural population using improved farming technology (millions)	0.60	0.10	0.63	0.60	0.10	0.02	0.02
—of whom women	0.30	0.04	0.31	0.30	0.04	0.01	0.01
Agricultural inputs provided: fertiliser, seeds, etc. (thousand tons)	0.6	0	1.7	0.6	0	0	0

Achieved 95% of 2019 target | Achieved less than 95% of 2019 target | Achieved less than the baseline | Data not available

improve the quality of their crops and develop drying and storage facilities.

Africa is home to 60% of the world's uncultivated arable land. To help develop this resource in order to reduce poverty, generate jobs, and boost economic growth, the Bank is developing an inclusive and sustainable land governance programme to support African countries as they resolve land issues and transform agriculture.

> *We are developing a land governance programme, supporting the sustainable management of forests, and building agro-industrial processing zones*

Africa's forests are a vital source of food, energy, shelter, income, and employment for hundreds of millions of people. In Rwanda, the Bank supported a project to promote sustainable woodland management and forest restoration ($5 million in Bank/Congo Basin Forest Fund funding). This project expanded forest cover, supported non-timber products such as sustainable crop and fodder production, and helped cooperatives produce mushrooms and honey.

Africa's rivers, lakes, and coastlines are a vital source of livelihood for an estimated 12 million people who work as full-time fishers and fish farmers or full-time or part-time processors—the equivalent of around 2% of Africans between 15 and 64 years old. The Bank supports fisheries and aquaculture in a range of countries, to promote nutrition-sensitive diets and livelihood security.

New programmes

To continue supporting the development of African agriculture and sustainably provide the nutrition, livelihoods, and incomes needed by Africa's fast-growing population, the Bank recently approved a range of new investments in food crops, cash crops, livestock, vegetables, paddy rice, fisheries, and aquaculture.

In relation to food crops, the Bank approved support to produce cassava, maize, bean/cowpeas, and rice in six provinces in the Democratic Republic of Congo as well as food crops in Eritrea. The Bank will supply pre-financing for cocoa production by local cooperatives and small farmers in Côte d'Ivoire and will upgrade and develop infrastructure in the cashew sector in Benin. We also committed to supporting the livestock and dairy sectors in Benin, Chad, Eritrea, Sudan, Tunisia; the fisheries and aquaculture sectors in Equatorial Guinea and Malawi; and the production of olives in Tunisia. Special agro-industrial processing zones add value and build production capacity, and the Bank sees them as a growing priority. The Bank recently approved a number of new projects in this area in Ethiopia, Guinea, Mali, Senegal, and Togo.

The Bank is also expanding agricultural opportunities for youth and is working with the Rockefeller Foundation and the Bill & Melinda Gates Foundation to assist African governments in promoting agricultural production and adding value. Similarly, the Bank is strengthening its collaboration with the Panafrican Farmers' Organization, a platform that mobilises Africa's farmers and producers, to help deliver the Bank's Feed Africa High 5. ■