Re-prioritize national budgets toward food production and keep supply chains open to avoid hunger pandemic as COVID-19 exacerbates food security challenges in Africa - Delegates

22 May 2020 - African countries must urgently boost their agriculture budgets and food stockpiles and keep supply flowing to avert a likely hunger pandemic, currently heightened by the COVID-19 pandemic, delegates at a policy seminar hosted by the African Development Institute (ADI) urged on Tuesday.

Delegates noted that the food challenges facing Africa today is not new. For a long time, the continent has been grappling with several factors hampering food access by the poor, including the locust outbreak in the Horn of Africa, Fall Army Worm, insecurity and conflict, climate change and extreme weather events, droughts and floods and cyclones before the outbreak of COVID-19.

Disruptions in domestic and global food production and supply caused by lockdown policies such as border closures, price hikes triggered by panic buying and hoarding, as well as protectionist policies to contain COVID-19, and lack of coordination among relevant Government Ministries and Agencies, are factors deepening extreme hunger and malnutrition in Africa. Urgent coordinated action at national, regional and global scales are required to tame the tide, experts at the seminar underscored.

The two-day policy seminar, titled, Building Resilience in Food Systems and Agricultural Value Chains: Agricultural Policy Responses to COVID-19 in Africa, examined the pandemic’s impacts on Africa’s food systems and value chains, and offered policy recommendations to make them more resilient and efficient. It was the second in a series of the ADI’s Global Community of Practice (G-CoP) seminars organized to provide evidence-based policy guidance to African Development Bank Group member countries.

Held on 18th and 19th of May 2020 for the western and eastern hemispheres respectively, the two-day policy seminar brought together 770 experts from 57 nationalities including 94 panellists across 24 nationalities: 537 experts from 50 nationalities including 57 panellists from 18 nationalities for the first day; and 234 experts from 41 nationalities including 37 Panellists from 16 nationalities on the second day. Key panellists included former Ministers of Finance, former Ministers of National Planning, a former Chief Economic Adviser to a Head of State, technical staff of Prime Minister’s Offices, and specialists from multilateral institutions such as the World Bank, IFPRI, FAO, UNDP, UNECA, CGAIR, the UN, Oxfam, and WWF; and many universities, think tanks, professional associations including the African Association of Agricultural Economists (AAAE), and private sector leaders.

Currently, Africa relies on more than $47 billion worth of food imports to supplement domestic supply to feed its citizens, and this could increase to $110 billion by 2025. Every $1 billion spent on food imports is equivalent to 670,000 on-farm jobs and 200,000 off farm jobs exported elsewhere,
while millions of Africa’s teeming youths remain unemployed. More than 218 million people in Sub-Saharan Africa are undernourished – a number that has increased by 44 million in the past 25 years. Close to 40% of children under 5 years of age in Africa are undernourished. Rising food insecurity in rural villages is driving increasing social insecurity and rural-urban migration is rising as the hunger pandemic deepens. Already, 135 million people worldwide are experiencing critical food insecurity. Without urgent coordinated action to mitigate the impacts of COVID-19 on food production and supply, an upwards of 265 million people could be on the brink of starvation globally, almost double the current rate of crisis-level food insecurity. Children under 5 years who survive the hunger pandemic during COVID-19 lockdown may suffer stunting and reduced brain development – a condition that could limit their intelligence quotient capacity.

In Africa’s fragile economies, existing social insecurity, economic fragilities, residual health shocks such as Ebola in eastern part of the Democratic Republic of Congo, Army Worms and the new generation of locusts in Eastern Africa, and extreme weather events caused by climate change have left citizens more vulnerable to COVID-19, the Experts noted.1

“These confluences of factors driving extreme hunger could kill far much more than COVID-19 in Africa if lockdowns persist without clearing the choke-points in the food supply chain to the vulnerable. This is like a silent war on the most vulnerable populations without guns,” said one of the experts.

They observed that the impacts of COVID-19 is not limited to citizens alone. With already constrained budgets and limited fiscal space, Central Bank Governors and Ministers of Finance must struggle to find the needed resources to respond to the immediate health effects of COVID-19 under fast depleting national reserves, plummeting commodity prices, local currency depreciation; and amid double demand and supply shocks across sectors - especially in the food and health markets locally and globally. These unprecedented double shocks leave African governments with limited monetary and fiscal tools to respond.

But COVID-19 is not to blame for Africa’s challenges. “Africa has 20% of the world’s natural gold reserves, 56% of natural diamond reserves, 21% of natural phosphate rocks, 69.4% of natural platinum reserves, 60% of cobalt, and 9% Copper reserves, 60% percent of arable land, 13% of the global population, abundant energy potentials, many smart and innovative people, and many friends globally. Africa must now, more than ever, adopt policies to enhance resilience capacity to compete in agricultural production, processing, trade and industry,” said one of the key speakers in a clarion call for action.

The seminar proffered several policy options to address the hunger pandemic during and after he COVID-19 lockdown and build more resilient food systems and agricultural value chains in Africa. These include: short policies to “keep the “bones of arteries” of the domestic food systems and inter-regional food supply chains open during the pandemic”; medium term structural reforms to re-prioritize food systems and agricultural value chains during the economic recovery and

---

1 In the Democratic Republic of Congo, over 15 million people are already experiencing acute food insecurity fueled by intense armed conflict in the eastern region amidst the high risk of Ebola re-emergence of the country as of March 2020. In the whole of the Eastern Africa region, a new generation of locusts is wiping out vital food supplies for millions of people.

© African Development Institute (2020).
rebuilding phase, and long term policies to enhance self-sufficiency in food production, value addition and inter-regional trade.

1. **SHORT TERM POLICIES:**

   In the short term, countries should “do whatever it takes to keep the “bones of arteries” of the domestic food systems and inter-regional food supply chains open during the pandemic”. Some recommended policy measures include:

   1.1. **Prioritise food systems and agricultural value chains as a national security emergency.** Governments must establish green corridors and keep the domestic food systems and inter-regional food supply chains open during the pandemic. It was noted that selective border closures may be ill-advised in Africa as agricultural trade is not always exclusive and most intra-regional food supply chains are informal. Unlike developed countries where the supermarkets and restaurant industries are well developed including e-trade and delivery systems, most African households rely on informal channels. Introducing trade or non-trade barriers is therefore not a desirable policy in Africa, especially during pandemics such as COVID-19.

   2. **Implement social safety net policies:** During the period of lockdowns and social distancing, Governments should develop evidence-based traditional social safety net type policies that target vulnerable populations, especially youths and women, business start-ups including SMEs and MSMEs. It was noted that women are susceptible to domestic violence, sexual abuse, denial of reproductive rights, while SMEs and MSMEs (most of which are headed by youths and women) face forced liquidation during lockdowns. Social safety net polices such as cash transfers, food and essential commodity distribution, grants, tax waivers, concessional loans and credit guarantee schemes should be designed with a clear targeting and surveillance systems to ensure that the essential needs of youths and women are met. While the challenge of poor data and legal identity systems was recognized, the G-CoP experts recommended their use to reach established youth and women associations, community based organizations, faith-based and traditional establishments. Banks and telecommunication companies, and tried mobile phone-based technologies such as the e-wallet systems, MPESA (mobile money), recharge cards could use as channels to target and reach the vulnerable groups.

   3. **Inter-Ministerial and Inter-Regional Coordination:** While COVID-19 is primarily a health pandemic, the impact transmission pathways are primarily sociological (human behaviours), economic (ability of individuals and governments to respond), and political (the ability of national governments to take prompt evidence-based response actions; and geo-political (the capacity of international governance to take prompt actions to safeguard our global commons. At the national scale, Governments should engage the related Ministers including Agriculture, Health, Finance, Trade and Industry, National Planning, National Security and Defence, and local experts and communities when designing rapid response policies to contain the virus. It was noted that, in the medium term, Governments should consider fundamental structural reforms of their governance institutions and delineation of ministerial and associated agencies.
based on lessons learned from COVID-19. One area of emphasis by the experts is the need to undertake a reform of the Ministry of Agriculture and ensure proper reorientation of its roles in food supply and the value chains system.

4. **Digitisation of Food Systems and Supply Chains:** It was noted that COVID-19 has fast-tracked the transition to the 4th Industrial Revolution era – one in which most routine economic activities are performed by technologies (from accelerated e-markets; to drones for input distribution, pest and disease surveillance, and food delivery from farm-gate to customers; to robot-operated mechanisation of farming, food processing and logistics; to mobile phone-based applications for extension services; and artificial intelligence guided farm and agri-business management; and block-chain assisted agricultural finance and product markets. While the digital divide could limit widespread adoption of these technologies in Africa, governments should innovate and take bold steps towards a gradual digitisation of food systems and agricultural value chains in Africa. The experts emphasized that digitisation is the new normal and is already happening in many African countries. Typical examples include the mobile money in Kenya (MPESA), drone delivery of drugs and blood banks in Rwanda; mobile phone-based extension services (Land potential knowledge systems (LandPKS)) and more. It was noted that African youths and women have demonstrated high levels of ingenuity in social innovations and business start-ups but require innovative financing ecosystems to grow their businesses. Delegates called on Development Finance Institutions to scale up financing for Africa’s youth and women-led start-ups which are developing these social innovations to transform African food systems and agricultural value chains. Digitisation of supply chains will also deliver additional benefits by streamlining the trade channels and Customs duty to reduce leakages through illicit duty charges along the supply chains.

5. **Targeted Support to Small Holder Farmers and Urban Farming:** It was noted that over 60% of Africans make their living from agriculture with 80% of them in small scale farming. To a large part, small scale farming supplies more than half of Africa’s food needs. COVID-19 lockdown and social distancing policy have created “choke-points” for this local food supply system in Africa. Farmers are not able to go to farm to plant or harvest their crops and consumers are afraid to buy food from local food markets for fear of contamination. Countries should ensure the free movement of farmers and trading in farmer’s markets with adequate support systems to guarantee food safety standards and the safety of the farmers and produce marketers. Provision of personal protection equipment (PPEs) such as face masks and hand sanitisers would help. In many countries, farm input subsidies and long-term contractual purchase of farm produce will be needed to boost confidence and avert prolonged food shortage for the coming harvest seasons. Governments should engage local producers, urban farmers and suppliers to define policy measures to boost production, ensure food quality and safety standards, and safeguard food supply in the short to medium term.

6. **Re-stock Food Reserves and Stock-piles at the global, regional, national and local levels:** The traditional style food buffer system- notably food storage and stock-piling during the good times remain as effective as they were in ancient times. Governments should create facilities for
food reserves at state and local county levels and implement contract farming systems that create incentives for farmers to stockpile excess produce during harvest seasons. Provision of storage facilities and food banks at local governments and country levels could incentivise farmers to store their excess food and receive coupons “food cheque book” that allow them to withdraw from their savings in times of scarcity. Implementing this policy will require investments to scale food processing and storage technologies.

7. **Retooling annual budgets to increase allocations to food production, processing and supply chain development.** Food is essential for life. Countries are encouraged to implement the Maputo Declaration that required national governments to allocate at least 10% of GDP to agriculture. Where fiscal capacity allows, governments should do more. The limited fiscal space and budget rigidities in most African countries could limit the implementation of this option due to competing demands.

8. **National Agricultural Productivity Accelerator Fund (NAPA Fund) to support small farmers and SMEs to ramp up production in the short and medium term.** Set up private equity and diaspora remittances securitisation platforms to aggregate funding for agricultural production, food systems and value chain development in Africa with the African Development Bank as manager of such a fund.

9. **Targeted support to scale up the blue economy.** This should include targeted polices to support urban fisheries and streamlined governance of fish stock and fishing licences in African waters. It was noted that the dry fish value chain provides unique opportunities for nutrition supplementation during pandemics such as COVID-19.

10. **Inclusive policies required:** Community engagements to co-create local solutions to ensure continued food production and food supply based on local knowledge. Solutions need to be flexible and adaptive to local realities.

11. **Sign long-term contracts with local producers, urban farmers and suppliers.** Uncertainties in the food market can be eliminated with relevant national government institutions entering into long-term contracts with local food producers. This will also help safeguard supply variability in the short- to medium-term.

12. **Accelerate implementation of the Bank’s Hi-5s:** The G-CoP experts recommended that the Hi-5s strategic priorities of the Bank Group provides an overarching framework for building resilience in African economies, including in food systems and agricultural value chains. Notably, two key programs of the Feed Africa Strategy were highlighted by the meeting: the Technologies for African Transformation (TAAT) and the Special Agricultural Processing Zones (SCPZs).

**MEDIUM TERM POLICIES:**
In the medium term, governments are encouraged to implement policies that support self-sufficient food systems and food supply chains to make the sector less vulnerable to global shocks, rather than profit maximization. Specific policy options include strategic reforms to:

1. **Implement structural reforms including re-organization of government Ministry structure to prioritize agriculture and agribusiness in national security agenda.** The G-CoP experts called for the establishment of a “One Health Ministry” hosted at the Presidency to oversee the related sectors as Parastatals such as Food and Agro-aliend Industrialization Agency (FAIA), Public Health and Safety Agency (PHSA), and Environmental Health Agency (EHA). The G-CoP experts believe this will foster an integrated holistic systems approach to food policy management: from understanding soil biomes, soil fertility and water management, to input supply management, food production, processing and logistics, feeding habits and implications for health, education and the environment. This integrated complex systems approach will enable decision makers to better understand the interconnections among the various parts of the human experience with the blue economy (economic value of the aquatic ecosystem), the green economy (economic value of terrestrial ecosystems) and how the human-animal-plant interactions, through the food we eat, defines human health and vulnerabilities to disease-causing agents such as corona virus. It was noted that the political economy of structural reforms may constrain the implementation of the One Health Ministry as this would entail merging the existing Ministries – notably, agriculture, health, trade and industry and environment. At the minimum, governments may consider establishing the three agencies listed above as separate Ministries, including (i) a Ministry of Food and Agro-aliend Industrialization; (ii) a Ministry of Public Health and Safety; and (iii) a Ministry of Environmental Health.

2. **Invest in Special Food Processing Zones (SFPZs) and National Agricultural Innovation Parks (NAIPs).**

3. **Re-introduce and Revamp Farmer Cooperatives, Marketing Boards and Commodity Exchanges:** to stabilize supply chains and enhance market competitiveness.

4. **Implement Agricultural Trade Policy Reforms** – Domesticate the African Continental Free Trade Area (AfCFTA) and strengthen inter-regional trade in agricultural produce. Digitize Customs governance to simplify Customs duties and trade tariffs to facilitate trade effectiveness.

5. **Diversify Agricultural Production and Value Chains:** with a focus on boosting productivity and competitiveness in crop and fish production; digitization of food processing, storage and marketing in all sectors.

6. **Increase funding and collaboration to fill existing large data and knowledge gaps.** This will require effective local, regional and global coordination and partnerships for data collection and cross-learning at all levels. The G-CoP experts emphasized that questions concerning who the food poor and vulnerable are, where they live, what type of food they require, how they can best be reached, etc, can only be answered through quality data and information.

7. **Invest in Agricultural Research & Development and Smart Technology Development and Deployment:** Governments are encouraged to enforce the implementation of the Maputo
Declaration – 10% of GDP to be invested in agriculture. The African Development Bank Group and partners to scale up investments in technologies for agricultural transformation (TAAT). It was noted that the Bank’s Hi-5s already provide an integrated framework for building resilience in African economies, including in the food systems and agricultural value chains. Therefore, rapid scaling up on investments in the Hi-5s will facilitate Africa’s recovery from the COVID-19 and build more inclusive and green economies for the future. This will help the continent to fill the investment gaps in basic rural infrastructures required to improve domestic and intra-regional food systems and supply chains. For example: power and light, industrialization, regional integration and investments in human capital and education in science technology and innovation are all pre-requisites for successful agricultural transformation in Africa.

8. **The G-CoP experts also called for implementation of longstanding policy options in the sector.** These include calls to (i) strengthen Africa-led agricultural policy research institutions, universities and farmer organizations; (ii) establish / strengthen Centres of Excellence for smallholder farm management; (iii) reform curriculum to prioritize agribusiness and value chain development, and retrain faculty members; (iv) invest in human capital development; (v) integrated land and water resources management; (vi) import substitution and diversification to limit vulnerabilities; (vii) specialised fiscal buffers and stabilizers for food systems in national budgets; (viii) reform agriculture advisory services through digital platforms; (ix) Government-enabled private sector commercialisation of food production, processing and marketing (crop, animal, fish), and (x) innovative land reform policy to provide secure ownership rights and tenure.

**LONG TERM POLICIES:**
For the long-term, the experts called for global cooperation particularly in agricultural research and development; agricultural sector reforms: structural, institutional, regulatory and legislative; development of intensive and targeted educational programs; introduction of databased - and blockchain-linked financing schemes; targeted international collaboration and joint ventures; and creation of intelligent states with integrated rural-urban food supply networks, food stockpile, urban farming and technology enabled supply chains.

2. **POLICY TIMING, DESIGN AND IMPLEMENTATION**

Whichever policy options are chosen, countries should pay attention to the policy design, sequencing and the timing of implementation. Poorly designed recovery policy is likely to be ineffective in delivering desired economic outcomes regardless of theoretical potential. Countries are advised to avoid “copy pasting” policies designed for other contexts such as the “lockdown” policy. Policy-makers should proactively engage local experts and scientists to help them identify the appropriateness of policies in their local conditions. Furthermore, policymakers should map out the potential multiplier effects and co-benefits on other sectors of the economy at the policy design stage. It was noted that lack of capacity for policy implementation is also an ongoing concern on the

---

2 The African Development Institute’s Global Community of Practice (G-CoP) provides a platform for member countries to access world class certified experts on specialized policy themes for rapid response policy advisory services, training and technical assistance to the Bank’s Member Countries.

© African Development Institute (2020).
continent. Policy design should include clear indicators of accountability and strategies for monitoring progress to maximize impact. National contexts and priorities differ and so should the policies targeted at addressing them.

The G-CoP experts noted that policy timing, timeliness and flexibility in implementation will be important characteristics for achieving the desired outcomes. In the context of COVID-19, there are many known unknowns and unknown unknowns. It is yet unclear how long the pandemic will last and whether there will be recurrence after the first cycle. With the current nationalistic approaches to the prevention and containment measures, it is very likely that hotspots of the virus may remain in less developed countries, especially in Africa, for much longer. These could become future epicentres for another global spread of the virus. In addition, it remains unclear whether the estimated recession will be deeper than projected with possible default cascades. The discussion on the shape of the recovery of the economies remain unclear. It is yet to be seen whether economies will take the “V”, “U”, prolonged “U” or even a “W” or “L” shaped recovery path. Without a coordinated global action, the recovery path may likely be a multiple “W”, if there are multiple waves in future.

While extreme urgency was required in introducing prevention and containment policies, that were sometimes inappropriate for local conditions, successful policies for the recovery and rebuilding phase will be defined by appropriateness of the specific policies adopted to specific social, political, environmental, and financial contexts of actors.

Equity considerations demand that recovery policies should not pass on significant liabilities to the future generations. Intergenerational inequities will be exacerbated within and among countries if policy responses to pandemics such as COVID-19 focuses on re-booting unlimited consumption. The COVID-19 lockdown and social distancing policies have exposed the significant inequities in the current economic system which focuses on maximizing current consumption to maximize GDP growth without much recourse to the externalities of social and natural capital, and the overall welfare of the current generation. The G-CoP experts encouraged African governments not just to focus on rebuilding the economy but to build better economies – one that focuses on sufficiency, efficiency, inclusiveness and equity.

Contact: African Development Institute, Global Community of Practice, e-mail: ADIGCOP@AFDB.ORG

Prof. Kevin Chika Urama, FAAS,
Senior Director, African Development Institute;
African Development Bank Group,
Avenue Joseph Anoma, Abidjan Plateau; 01 BP 1387; Abidjan 01 – Cote d’Ivoire;
Tel: 225 20 26 42 73; Mobile: +225 75750525
Email: k.urama@afdb.org;

Global Distribution of Delegates