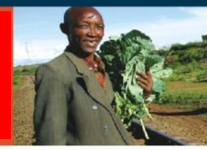
How are countries measuring up to the Maputo declaration?



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Introduction

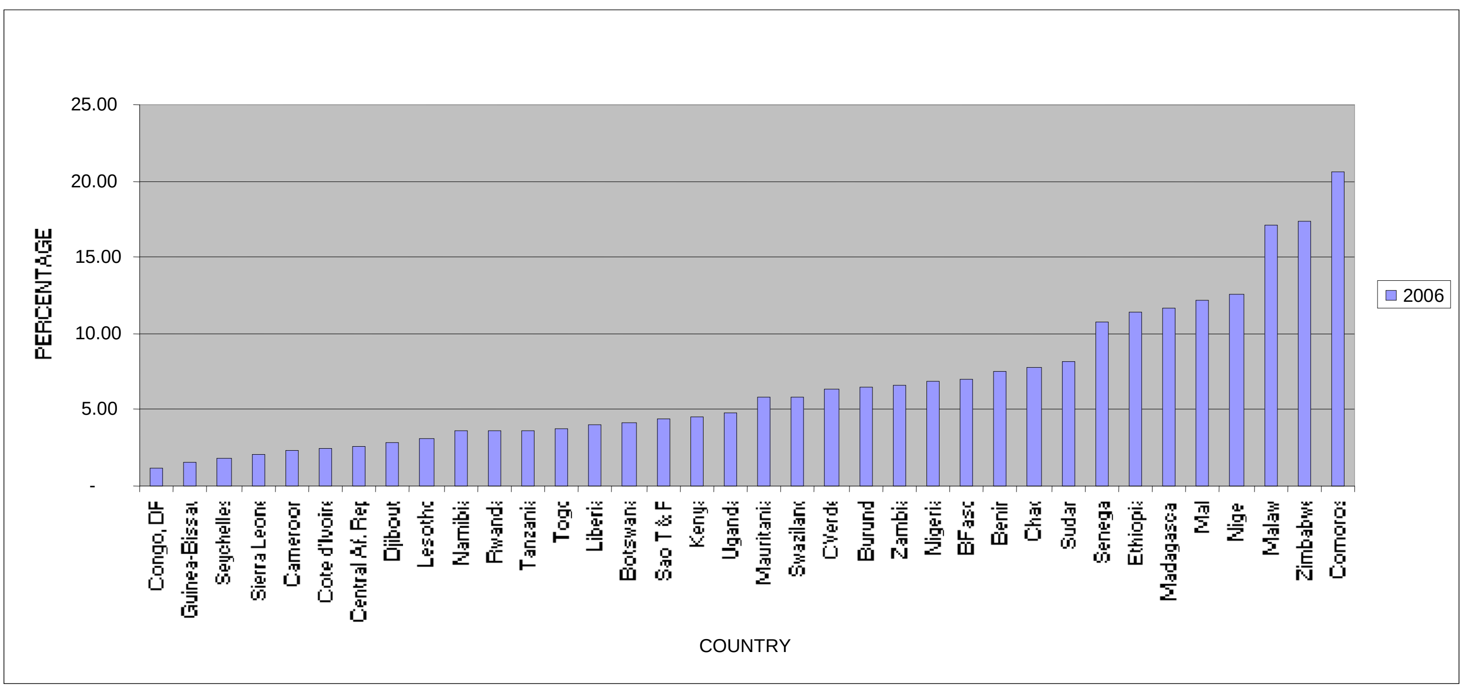
Key stakeholders in the agriculture sector have endorsed the Comprehensive Africa Agriculture Development Programme (CAADP) as a framework for contributing to the reduction of food insecurity and poverty in Africa and to contribute to the Millennium Development Goal (MDG) of halving poverty and hunger by 2015.

In order to ensure that adequate resources were made available, the 2003 African Union (AU) Maputo Declaration directed all AU member countries to increase investment in the agriculture sector to at least 10% of the national budget by 2008. To gauge progress towards this target, the AU and the New Partnership for Africa's Development (NEPAD) agreed to take on agriculture expenditure as a good variable to be monitored.

Compliance with 2003 AU-Maputo Declaration

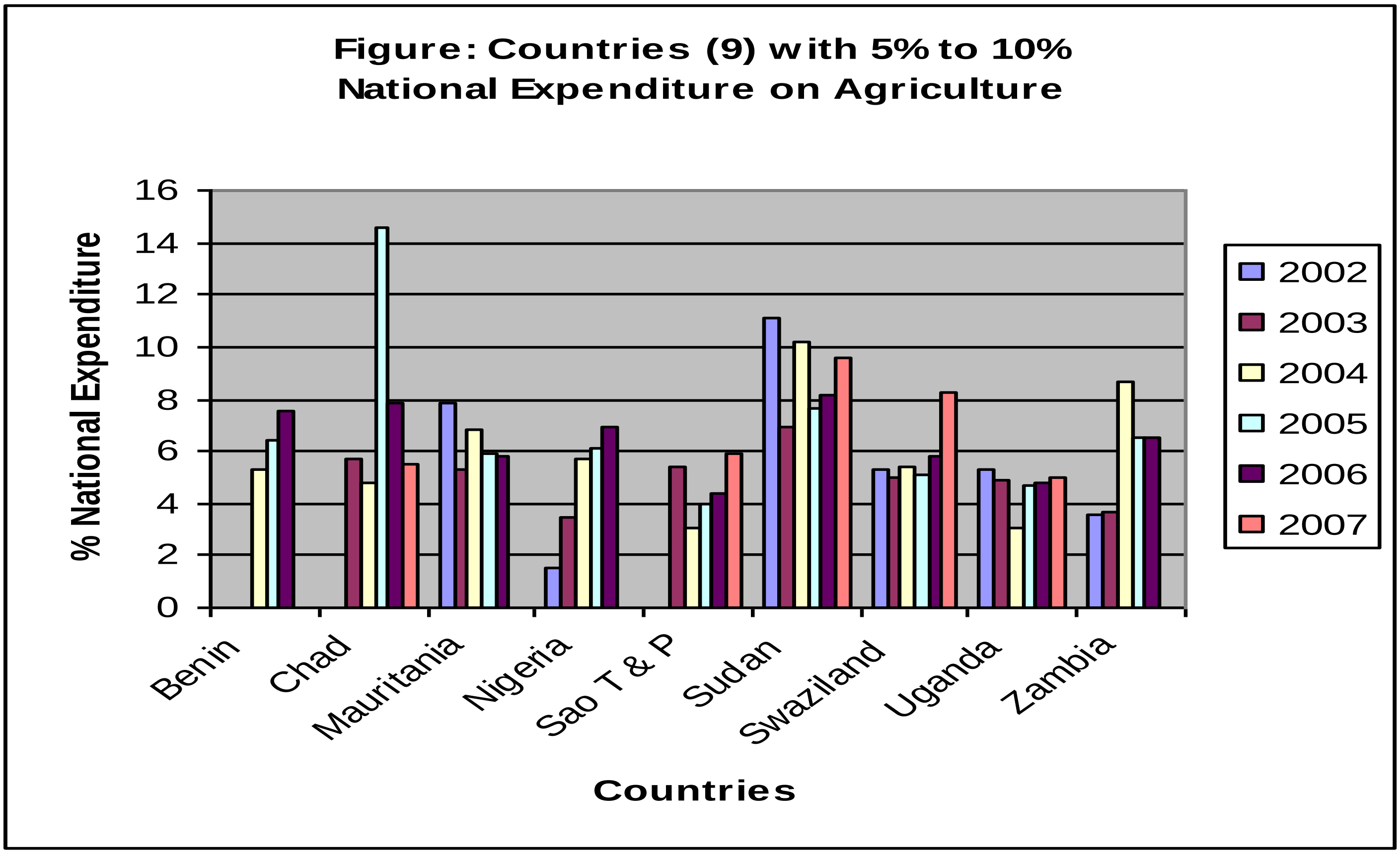
The 2007 AU/NEPAD survey found that 50% of the countries spent less than 5% of their national expenditure on agriculture development, reflecting a decrease from 57% in 2003. Figure 1 below attempts to portray the compliance of various countries with regard to the Maputo declaration.

Figure 1: Compliance with the 2003 AU-Maputo declaration on 10% in countries that provided 2006 data



Nearly 28% of the countries – these include Benin, Chad, Mauritania, Nigeria, Sao Tome and Principe, Sudan, Swaziland, Uganda, and Zambia are all making good progress towards the target. These countries are in the 5% to 10% category. See Figure 2 below. However, in 2003 this category accounted for 31% of the African countries.

Figure 2: The 5% to 10% category

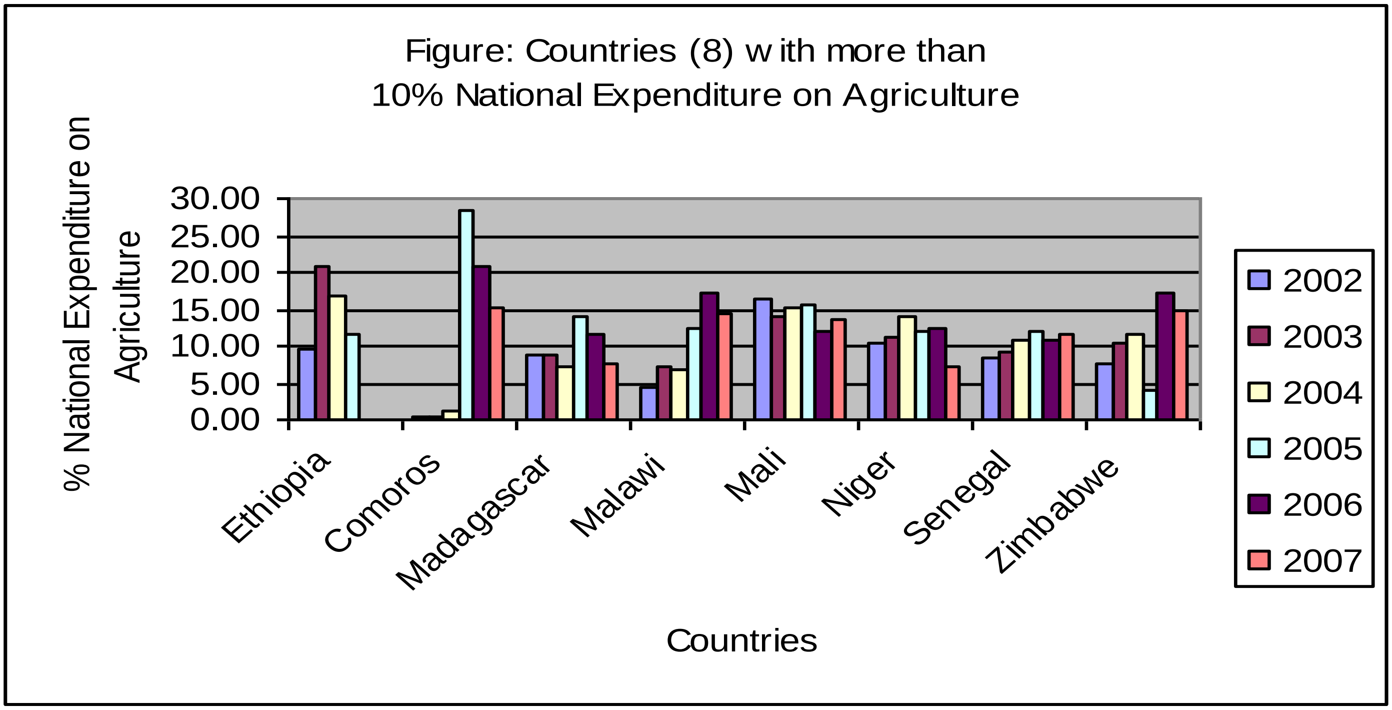


The number of countries spending more than 10% increased from 11% in 2003 to 22% in 2006. See Figure 3 below. These countries include Senegal, Ethiopia, Madagascar, Mali, Niger, Malawi, Zimbabwe and Comoros. Even though there are annual variations in expenditure, Figures 2 and 3 indicate that these countries are in general sustaining the expenditure allocations.

Impact of Investment on Growth and Incomes

Rising public investment should be complemented with private sector, Non-Governmental Organisation and donor investments. These investments are expected to lead to at least 6% agriculture sector growth per annum. Recent estimates from Resakks indicate that nine countries – such as Angola, Eritrea, Ethiopia, Burkina Faso, Nigeria and Senegal achieved 6% agriculture sector growth. Even though investments in agriculture have long gestation periods, four of these countries allocated more than 5% of national expenditure to agriculture development in 2006, thereby, providing a strong link between the levels of investment and sectoral growth. Estimates from the International Food Policy Research Institute suggest that an increase of $1 in farm incomes results in increased rural incomes of $1.5 to $2.5. Therefore, sustaining high levels of investment and sector growth is essential to the attainment of the MDGs.

Figure 3: The 10% category



Constraints to Compliance with AU Decision on 10%

Senior civil servants identified the following key constraints:

a. Inadequate high level political will to inspire the country to prioritize agriculture in the national budget;
b. Lack of/inadequate agricultural sector policy strategies;
c. Inadequate capacity in the ministries of Agriculture to provide compelling (impact driven) evidence to show that the agriculture sector can make a significant contribution to national economic targets;
d. The low domestication/internalisation/ownership of the 2003 Maputo Declaration in most countries;
e. National emergencies, such as HIV/AIDS and natural disasters (including bad weather), divert resources from agriculture;
f. Countries receiving donor funding sometimes fail to meet the conditions and the disbursements are lower than anticipated;
g. Inadequate capacity to spend what is allocated and therefore, the ministers of finance cut allocations in subsequent years;
h. Mistaken belief that agriculture receives donor support and is not capital intensive;
i. High debt service diverts resources from priority sectors as it has first claim on the budget;
j. Emphasis on manufacturing rather than agriculture;
k. Lack of AU sanctions on countries that fail to comply with AU decisions;
l. Lack of peace and stability and bad governance divert resources away from agriculture to security.

Accelerating Compliance with the 2003 AU-Maputo Declaration on 10%

At continental level, the AU/NEPAD and RECs are to:

- **Assist the ministries of agriculture to build capacity to collect and analyze data to convince the ministries of finance to comply with the AU declaration;**
- **Assist member countries to build the capacity of national monitoring mechanisms on 10% allocation and the emerging impacts;**
- **Enhance the capacity of regional and international partners to enable them to assist in advocacy work to promote national ownership and compliance with the 2003 Maputo decision;**
- **Enhance experience sharing and mutual review through regional and continental meetings and exchange programmes;**
- **Enhance efforts to promote good governance, accountability and peace to minimize diversion of resources from the agriculture sector.**

At national level, stakeholders are to:

- **Enhance advocacy and lobbying capacity of the Ministry of Agriculture staff involved in national planning and implementation consultations;**
- **Create a framework to coordinate positions of all ministries and organizations that are involved in agriculture-related activities;**
- **Sensitize key policymakers to encourage them to domesticate the Maputo decision so that the ministries of Finance are compelled to comply;**
- **Strengthen consultations with the beneficiaries in the preparation of the plans and advocacy to mobilize resources;**
- **Promoting good governance and accountability in the use of national resources;**
- **Appeal for greater high-level political commitment from the Heads of State and Government to ensure that their ministries of finance comply with the AU declaration.**

Conclusion

The AU declaration to adopt CAADP and commit member countries to allocation of 10% of the budget to its implementation was a landmark decision. While 18 countries now allocate more than 5% of the national expenditure to agriculture development, only 8 countries have complied with the 2003 AU-Maputo decision. It is obvious that the 2008 deadline for compliance with the AU decision was optimistic. Even though there is limited progress, the estimated impact of increased investment on growth and incomes is enough justification for member countries to recommit their countries to comply with the AU decision. African leaders should also continue to appeal to development partners to complement their efforts. In addition, African leaders should continue to create the enabling environment to encourage the private sector to increase investment. It is important to note that further gains from increased investments will be realized from targeting these resources at the CAADP national priorities being identified through the ongoing stocktaking work. The impacts of the rising food prices have again put agriculture development issues in the forefront.

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