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## TACKLING THE BARRIERS TO THE ACHIEVEMENT OF THE VISION OF NEPAD: ISSUES OF AGRICULTURAL CONCERN TO AFRICAN COUNTRIES

By

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### **Abstract:**

*The paper examines the vision and mission of the New Partnership for Africa (NEPAD) and considers the imperatives for success. It looks at the strategy of NEPAD within the framework of Comprehensive African Agricultural Development Programme (CAADP), to provide the strong political and financial support to the principles of these strategies. It submits that the new approach deviates from the past on country ownership, management and shared commitment that good governance should play in building the mission deliverables. It reviews the economic performance of the African nations to be sluggish as major macro-socioeconomic indicators recorded low trends over time. The sluggish growth engendered poverty, unemployment, corruption and other social vices militating against sustainable development. Despite the importance of agriculture to the growth potentials, the per capita agricultural production for Africa was lower compared to the world. It posits that the challenges before the African leaders are daunting but not insurmountable. To link the vision and mission of NEPAD, the paper identified some constraints such as low land productivity, low regional private investments, low infra-African trade and integration, over reliance of african governments on foreign aid to fund critical sectoral development projects, dominance of donors and multilateral financial institutions in development landscape of Africa, absence of functional key high-technology and*

*other transformation industries in Africa, weak and servile leadership-followership. To overcome these diverse constraints, the paper recommends that African leaders would need to: bring more areas under sustainable land management and reliable water control systems, accelerate regional private investments through national/-regional public-private partnerships and integrate African agricultural economies into global economy. Also Africa must reject the conditionalities attached to foreign aid/grants and commit their sovereign resources to fund NEPAD projects to show sustainable commitment to regional prosperity, create enabling environment to enable Economic Commission for Africa (ECA) guide NEPAD technically in the envisioned development process, improve leadership-followership relations through reduction in bad governance, corruption, selfimposition and autocracy. The paper concluded that Africa need to digest the principles of ownership and leadership. When these feats are achieved, Africa will grow faster than Asia did in the last millennium in the light of Doha Development Agenda (WTO) which seeks to increase African share of world trade.*

### **1.0 INTRODUCTION**

The New Partnership for Africa's Development (NEPAD) adopted in July 2001, by African Heads of

States and government which was the fifth region-wide initiative was to mainstream leadership, ownership and partnership in Africa's development process based on the best interpretation and application of partnering and leadership. Within the NEPAD framework, the African ministers for agriculture adopted at the 22nd FAO Regional Conference for Africa, held on February 8, 2002 in Cairo, to lay down key steps to be taken in the agricultural sector to achieve the objective of the NEPAD Comprehensive African Agriculture Development Programme (CAADP). The declaration on Agriculture and Food Security in Africa, ratified by the African Union Assembly of Heads of State and Government during its Second Ordinary Session held in Maputo in July 10-11, 2003.

At the country levels, development initiatives are not new to African

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continent. At the continent level, the New Partnership for Africa Development (NEPAD) as the fifth initiative heralded a new dawn of approach or innovation for Africa growth. This is because it was the first time in history that Africa's leaders have collectively taken responsibility for the country's development process.

These initiatives adopted in 2001 have given birth to a lot of social and economic regional concerns in the realms of: what is so different about NEPAD? , how will African Union (AU) succeed where OAU has failed? Do African leaders possess the collective commitment to push the present regional co-operation to success? How do we transform the isolated African economies to metamorphose through collective synergy to push development in the next millennium on a fast track? How do we integrate our similar/diverse economic and social background to negotiate for better world trade terms? This paper seeks to proffer answers to some of these questions. It attempts to do this from the anchor of discussing phased development in Africa: agriculture and rural development which the African ministers had resolved on 8/2/02 in Cairo

to reposition within the framework of NEPAD Comprehensive African Agricultural Development Programme (CAADP). In the spirit of CAADP as mentioned above, the African heads of state had collectively resolved in Maputo (10/07/2003) to provide strong political support to the principles of NEPAD and CAADP.

## **2.0 Vision, Mission and Strategies of NEPAD**

NEPAD is a policy plan, a strategy, and an organisation. It is a long-term vision of an African-owned and African-led development programme. It is a pledge by African leaders to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development, and actively participate in the world economy and body politic.

The NEPAD policy document is a comprehensive integrated development plan that addresses key social, economic and political priorities in a coherent and balanced manner. The document was prepared by the leaders of Algeria, Egypt, Nigeria, Senegal and South Africa at the behest of the OAU. The strategy was adopted by the

OAU in July 2001 and endorsed by the G8 leaders the same month. The document provides a vision, clear goals, and a comprehensive strategy for Africa's sustainable development.

At the birth of the African Union (AU), NEPAD was officially recognized as the economic blueprint for Africa and was endorsed by the Heads of State. The highest authority of the NEPAD implementation process is the Heads of State and Government Implementation Committee and it is supported by a Steering Committee and a Secretariat responsible for its implementation.

The NEPAD strategy focuses on three key envelopes (areas): The foundation stones which are embedded as improved peace and security; improved democracy and political governance; improved economic and corporate governance; sub-regional and regional cooperation and integration. The building blocks are: Prioritizing reform and investment into key resources and sectors of the economy: Infrastructure, in particular ICT, energy, transport and water and sanitation; Human resources, with a focus on poverty reduction, education,

reversing the brain drain, and health; Agriculture, to achieve food security; The environment; Culture, science and technology. Lastly the cement, to hold the blocks together are: Mobilizing resources to support the reform initiatives and the growth objectives, in particular: Enhancing capital flows by increasing domestic resource mobilization, and reducing capital flight, enhancing debt relief, enhancing flows of Overseas Development Assistance and improving delivery systems, and increasing private capital flows; and Improving market access for African countries by diversifying production through reform of, and investment in, the agriculture, mining, manufacturing, tourism, export and services sectors, removing non-tariff barriers and harnessing the private sector in development.

NEPAD is different from the past Africa focused initiatives in some ways which include: emphasis on African countries ownership and management; shared commitment that good governance should play in NEPAD building blocks; acceptance and support from the international community (G-8 and others); and the African peer review

mechanism.

### **3.0 Review of African Economies**

At 3.3, the average growth rate of the real GDP of Africa for 1999-2003 is low. Much lower is the real per capita GDP growth rate which ranged from 0.6 in 1999 to 1.5 in 2003 which implies that most African economies posted marginal growth rates over these periods. Other economic indicators such as agricultural sector growth rate, trade balance, investment ratio as % of GDP, terms of trade, national savings as % of GDP, FDI (as % to developing countries) have recorded low levels. However, inflation, growth of money supply, import growth, debt service (as % of exports), remained at high levels over these periods (Table 1). Also socio-economic indicators shows that 50 percent of African population live on less than US\$1 per day (European Community cattle stock receive more than \$2 per day in subsidies), child mortality for under 5s is 140 per 1000, life expectancy at birth is 54 and falling, 58% of the population has access to safe water, illiteracy rate is 41 %, telephone lines per 1000 people stands at 18 (compared with 146 for the world and 567 for high-

income continent). The sluggish growth of all sectors reinforced the rising incidence of poverty, unemployment, crime rates, corruption, and declining living standards.

### **4.0 Comprehensive African Agricultural Development Programme (CAADP)**

CAADP provides an integral framework of development priorities aimed at restoring agricultural growth, rural development and food security in the African region. It seeks to implement the key recommendations on food security, poverty eradication and sustainable use of natural resources. It comprised of five main pillars: expansion of the area under sustainable land management and reliable water control systems; improvement of rural infrastructure and trade-related capacities for improved market access; enhancement of food supply and reduction of hunger; development of agricultural research, technological dissemination and adoption to sustain long-term productivity growth and sustainable development of livestock, fisheries and forestry resources.

As a follow-up action to the Maputo declaration, representatives of 18 African ministers of agriculture of NEPAD implementation committee, the NEPAD steering committee, the African Development Bank, the World Bank, the International Fund for agricultural Development, the World Food Programme, FAO, and civil society, finalized the document in Rome in September 17, 2003 and came out with national long-term food security and agricultural development strategies, National Medium-term Investment Programmes (NMTIPs) and Bankable Investment Project Profiles (BIPPs) all embedded in CAADP.

### **5.0 Analysis of the Likely Impact and Constraints of NEPAD Strategies on the Economic Growth of the African Countries**

Agriculture dominates the economies of most African countries and is the engine of economic growth. It produces the bulk of food consumed in Sub-Saharan Africa and accounts for about 70% of total employment, 40% of total merchandise exports and 35% of African Gross Domestic Product (GDP). The sector is also the main

source of raw materials for industry, the main purchaser of simple tools (farm implements) and services (transport), and other output of the industrial sector. In fact, one to two-thirds of manufacturing value-added in most African countries is based on agricultural raw materials and many services are linked to agriculture (ECA, 1999a).

Despite the crucial importance of agriculture (including fisheries, livestock and forestry) to the economy of many African countries, agricultural production and productivity for both food and cash crops remain low. The index of per capita agricultural production stood at 101.8 for 2001 for Africa as against 108.4 for the world. Consequently, food production has not kept pace with population growth in a number of Africa countries thereby placing large segment of the population in a precarious situation in terms of food security and nutrition. Weak exports and the fluctuations in prices of raw materials threaten the foreign exchange earnings capability of the sector. Moreover, the increasing demand for farm land due to rapid population growth has often resulted in considerable environmental damage, including soil erosion, loss of soil fertility,

water degradation, and deforestation (FAO, 1998, 2002).

It is important for the African governments to promote sustainable livelihoods which comprises of the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain, enhance its capabilities and assets both now and in future while not undermining the natural resource base (DFID, 1998 Falusi, 2005). Unfortunately in virtually all Sub-Saharan African (SSA) Countries, a vast majority of the population are not engaged in sustainable livelihoods, hence the widespread and increasing incidence of poverty (ECA 1999b, IFAD, 1999, UNDP 2001).

The central challenge of African development is to increase agricultural production to achieve food security, higher incomes and sustainable economic growth, while preserving the natural resource base. After food security, the region should seek technological and industrial advancement which will launch us into the comity of nations of wealth creators. It

is no doubt that given the existing potentials of the African economies, integrating their national development initiatives through NEPAD would result in regional prosperity and elevate the standard of living of Africans. It will also change in their favour the existing international economic relations of the world and improve socio-economic levels of employment, even income distribution, good infrastructure, strong sectoral industry agricultural-technological linkages, improved health status, and life expectancy.

African leaders recognized that these are no easy targets. Very few countries in the world, let alone in Africa, have sustained annual growth rates of 7% over any extended period of time. Getting the whole African continent to do it for 15 years, some would say, is impossible. But the challenge has been recognised, which is a start and the NEPAD strategy envelope contains a comprehensive series of initiatives and action programmes across a broad spectrum of activity. Achieving the success of NEPAD will require that the following issues and constraints be addressed by the African nations.

- i) Low land productivity resulting from inadequate land areas under sustainable water control systems

Large multitudes of African people are faced with deteriorating food situation because small hectares are brought under sustainable land management and reliable water control systems. The NEPAD choice of bringing more areas under sustainable land management and reliable water systems should be where the potential and competitive advantage exists. Africa is endowed with large areas that could be potentially brought under sustainable land management and reliable water control systems (Strategic Thrust I). For instance, the areas in the basin of the major rivers (Nile, Congo, Niger, Senegal and Zambezi), covering a large number of countries, which can target different projects through sub-regional organizations, are potential areas for sustainable land management, reliable water control systems and sustainable agricultural especially rice and vegetable production.

- ii) Low Regional Private Investments through National/Regional public Private Partnerships

As the implementation of NEPAD progresses, the NEPAD-SC (Steering Committee) must remember that the true source of economic progress is the creativity of human beings as the most vital natural resources of Africa are found in the minds and skills and enterprises of their citizens. From past experiences, it is seen that the current low industrialisation levels of African economies could be traced to the fact that African region do not rely on own resources to unlock the potential of development especially in African agriculture. Currently there is low level of intra-African partnerships in industrial and agricultural projects. The dilemma is extended to government at regional levels too. Although there are pockets of industrial investments in some regions particularly in the ECOWAS (West Africa Refinery Company in Sierra Leone, Cement Company in Benin Republic), the failure of existing joint ventures is stalling the growth of the initiatives from others.

- iii) Low intra-African Trade and Integration

It has been argued that to have a policy environment that is conducive to broad-based economic growth with food security, poverty

reduction, equity, better environmental management and productive public-private partnerships, the reform of the integration of the African economies into the global economy is a prerequisite. The political objective pursued under the proposed reform, that needs to be undertaken at the regional level and monitored by NEPAD-SC through APRM, is to ensure the equitable reallocation of wealth and wealth creation capacity and the democratization of development process at global

level. Another serious issue to be tackled is the sustenance of subsidy to African farmers. OXFAM recalled that 25,000 American cotton producers received a staggering \$3.9 billion in subsidies in 2000/01 seasons. Under the 2002 Farm Bill they will receive a price 73 percent above world market levels. Such strong support has enabled farmers to ignore market signals and stimulated overproduction. Even though their cost price is three times the average in Burkina Faso, and Nigeria and despite a price fall of 54 percent since mid-1990s US exports have almost doubled. US market share has risen from 16 percent in the early 1990s to more than 20 percent at the end of the decade.

#### IV) Over Reliance of African Governments on Foreign Aid To Fund Critical Sectoral Development Projects.

The decision of the United Nations General Assembly not to develop new programme and structure to run parallel to NEPAD and to even discontinue existing initiative and programme, implies that African initiatives have been based on increased measures of over-reliance on the international community in terms of ideas, loan and aid for the implementation of related programmes and projects. The presentation of NEPAD (the fifth region-wide initiative), as a framework of interventions for all concerned with Africa's development, to various fora gave the impression that African leaders have not learnt their lessons on the effects of over-reliance on flows of external resources from developed countries. Such fora included the G8 Genoa Summit in Italy in July 2001; the International Conference on Financing Development in March 2002; the Conference on the Financing of NEPAD held in Dakar, Senegal, in April, 2002; the G8 Kananaskis Summit in Canada in June 2002; the African Economic Summit on NEPAD hosted by the World Economic

Forum in Durban in June 2002; the World Summit on Sustainable Development, in 2002, and the High-level plenary meeting on NEPAD held on September 16, 2002 under the auspices of the United Nations.

Appeals to advanced nations for support in these fora just show that Africa is getting co-operation on NEPAD process but not so much on its substance. Since the outcome of such cooperation and approach of over-reliance on external support is usually widespread poverty, conflicts and loss of African dignity, President Wade then strongly argued that as far as he knows loans and assistance have never developed any country including Africa (see figure 1). He recalled that no one should misunderstand NEPAD to be an initiative whose central goal is to beg for assistance and loans from the World Bank and the International Monetary Fund (PANA, Dakar, 09/12/2002) (NIANG, 2005). Easterly shows in Figure 1 that, using 10-year moving averages over the last 30 years, aid as per capita of GDP was increasing while growth per capita in Africa was decreasing.

What is clear is that planning on over-reliance

on external financial flows will turn NEPAD from hope to despair because developed countries will neither willingly partner with Africa to achieve equity in global wealth distribution nor provide the expected financial resources to support increased individual and collective self-reliance in Africa's development.

v) There is Dominance of Donors and Multilateral Financial Institutions in Development Landscape of Africa

Every country in Africa is 'blessed' with a large number of donors and the Bretton Woods Institutions which impedes the continent from exercising the basic and fundamental right to make decisions about their future because the continent provided ready market for their goods, excess stocks and extension of their home employment.

The National Summit on Africa held in 1998 reaffirmed that the international community headed by Western democratic regimes and multilateral financial institutions, identified misguided state-directed economic policies and bad governance by African regimes as the root cause of economic and

social crises. These institutions then dominated economic policy and resource mobilization on the continent through the introduction of economic adjustment model of development that was uniformly implemented across the continent regardless of the prevailing conditions.

The outcome of the dominance of the multilateral financial institutions in Africa was ably described by William Easterly in his book entitled "The Elusive Quest for Growth: economists' adventures and misadventures in the tropics." Easterly, one of the Senior Advisors at the World Bank stated that like the ancient questors, modern economists have tried to find precious object, the key that would enable the poor tropics to become rich. The precious objects that economic experts offered ranged from foreign aid to investment in machines, from fostering education to controlling population growth, from giving loans conditional on reforms to giving debt relief conditional on reforms. None has delivered as promised. He underlined forcefully that the region that we treated most intensively, Sub-Saharan Africa, failed to grow at all.

vi) Absence of functional key technology and other transformation industries in Africa

Evidence has shown that development must be preceded by availability of functional iron and steel, aluminium and plastic industry that is anchored on high level of technological ability. These basic industries are supported by high level of sub-sectoral linkages that supports creative industrialisation. Due to myriad of problems, these industries are Peer Review Mechanism, for private investments opened to willing firms for full African ownership. These firms, through the formula of African Social sector Development Agency (ASDA), will enter into negotiations with willing member states to develop and execute a NEPAD-SPA (Sectoral Programme of Action) subject to sectoral peer review and developed under the framework of APRM.

## **6.2 Accelerated Stimulation of Regional Private Investments through National /Regional Public-Private Partnership**

The only reliable path to regional prosperity in Africa that will lead to sustainable

industrial development and food security is for Africa to rely on its own resources to unlock the potential of development especially in African agriculture. To unlock the potential of industry/agriculture and to harness the source of economic progress, the Joint Secretariat should push for reforms to lower the perceived risk of doing business in Africa and between African countries so that the opportunities in terms of production and trade resulting from the advocated reform in internal/regional and external markets access can be realized.

On production side, the challenge remains on how we can influence positively the attitude of African's private sector towards development especially in the agricultural sector. It should be noted that, in addition to the subversive impacts of protectionism practiced in developed countries, which will be now controlled through the advocated reform of access to internal/regional and external markets, one of the reasons why big businesses do not invest in industry/agriculture has to do with the physical constraints and risks associated with production. Big businesses in Africa do not often see sufficient profit

opportunities to justify significant and long-term investments in agricultural production but rather they see immediate profit opportunities in imports of "cheap" food-stuffs and ready-made or finished agricultural-based products and consumer goods from outside of Africa into a narrow national market while exporting raw agricultural products to foreign markets which are increasingly protected against agricultural products and value-added products.

These import and export as practiced by African businesses limit their capacity to engage in wealth and employment creation at the local, national, and regional levels. This situation must be changed under NEPAD.

### **6.3 Integration of African Agricultural Economies into Global Economy**

Promotion of intra-regional African trade will eventually reform the integration of African agricultural economies into global economy. In terms of market access, the reform should aim at ensuring that every African country commits itself to (a) cover 60% or more of its imports

from the rest of the continent for each strategic and major commodity and service, and (b) supply external markets increasingly with processed products instead of raw materials.

To be able to do this, agricultural production has to be supported aggressively through subsidy, technological enhancement and institutional strengthening to redress the impact of the argument that free trade as currently preached would not lead to sustained growth and development in Africa. Trade liberalization, as practiced up to now, increases the vulnerability of Africa. Hence, for African leadership to continue to call for trade policy reforms, especially to achieve fair trade, and to continue to believe in the rhetoric of free trade, especially in the agricultural sector, would mean that African leadership is not still convinced that the fundamental drive for growth and development will come from within Africa itself, as it is the case in other parts of the World. This situation worsens the case of the continent in the current debate under Doha Development Agenda, seeking a better deal for African exports under the WTO.



If they turn the table with a guaranteed access to (internal/regional) markets (agricultural products in finished form and of African origins primarily) across Africa and secondarily to the (external) markets of developed countries, it is postulated that the ASDA system will enable the business communities to continuously respond to effective demand. Africa has to ensure that security of supply is widely distributed across the continent and the allocation of wealth is equitable across countries. With this approach, the rationale for Africa to undertake, under NEPAD, the advocated reform of the integration of African agricultural economies into global economy will be justified and rewarding.

**6.4 African Nations should be ready to ignore the conditionalities attached to foreign aid/grants and commit their sovereign resources to fund NEPAD projects to show sustainable commitment to regional prosperity.**

To own the development process properly, Africa nations should commit itself and resources to making development assistance

play a catalytic and supportive role by channeling only its sovereign resources to implement nationally and regionally defined and agreed development priorities under the ownership and leadership of Africa as envisioned under NEPAD. This is the only way that Africa can be economically free and may invite the development partners on their own terms. This assertion supports Niang (2002) that with the above-mentioned adjustments in force, development partners will have less incentive to continue the form of development assistance that is self-perpetuating, that focuses on retention and not on creation and that violates the principles of subsidiarity, additionality, solidarity, supplementarity and economic principles. Development assistance will then be brought in line with the subsidiarity and supplementary principles as spelt out in the Nations Charter adopted in June 1945.

**6.5 African leaders should create enabling environment to enable Economic Commission for Africa (E C A) guide NEPAD in the envisioned development process**

It should be reiterated that the orientation taken for the African Peer Review Mechanism will, however, limit the interference of foreign partners in NEPAD. African governments have decided that APRM should be carried out by an independent and credible African institutions and funded by own resources to retain ownership, leadership and freedom from political interference and pressure. As implied by African Union President Obasanjo, once the mechanism becomes fully operational, Africa would have taken one giant step towards controlling its own destiny.

Moreover, the African political leadership and people should realize once for all that they have to break with past practices through a genuine structural transformation of partnerships at all levels especially the partnership that links Africa and the Rest of the World based on over-reliance in order to lay solid

foundations for unleashing the greatness of African people. According to NIANG (2001c, 2000d) in the absence of such structural transformation, the acronym NEPAD will take different meanings: "Never Enable Poor Africa to Develop;" "Never Expect Progress in Africa's Development," or "Never Expect Poor Africa to Develop." Under such condition, NEPAD will then become the kneepad of Africa (NIANG, 2005).

#### **6.6 Improved leadership - followership relations through reduction in Bad Governance, Corruption, Self-imposition and Autocratism of African Leaders**

There is the need to redefine partnership between African political leaders and followers which affords the leaders' rethinking of development process as an integral component of the NEPAD process. A carefully planned rethinking of development process should enable the leadership and followership to be determined to put and maintain Africa on the path of broad-based economic growth that gives equity, food security, poverty reduction and better

environmental management. It would give the strategic directions for interventions that would ensure the successful mainstreaming of ownership and leadership into the development process and give the substance required for NEPAD to put Africa on the accelerated path of economic prosperity, political stability, and collective sustainable development within the framework of the African Union. To achieve this, political tolerance, freedom of speech and constructive criticism of our leaders must be pursued transparently in all African countries.

#### **7.0 Concluding Remarks**

The paper extols the virtues of NEPAD initiative and examines the success factors in the light of the long road of African nations to sustainable co-operation in economic growth and development of the continent. The paper submits that under the envisaged new relationship between African leaders and African people, it is possible that with the right economic policies, Africa is endowed with more than enough natural and human resources to develop from its inner strength and to undersell many of the so-called developed countries

whose dominance at global level is more dependent on the exploitation of Africa politically, economically, financially and culturally. African people do not need to depend on handouts aimed at keeping them around the poverty line through PRSP. The situation in which the great majority of African people find themselves is due to the loss of leadership and ownership of development process, as rightfully recognized under NEPAD, and the weakening of African socio-cultural values.

African people should develop a taste for locally or regionally produced goods and services. They should commit themselves to taking pride in preferring locally and regionally produced products and services over those processed outside the region. Africa should cease to be a supplier of raw materials and a sure source of demand for processed and finished products made outside of Africa.

Above all, Africa should then digest the principles of ownership and leadership and take the required time to adequately mainstream them in the development process so as to minimize the risk of NEPAD having the same fate as the other four previous region-wide

initiatives. The constraints earlier identified are not insurmountable particularly if the suggested recommendations are considered and implemented, Africa will grow faster than Asia did in the last millennium in the light of Doha Development Agenda of the World Trade Organisation (WTO) which seeks to increase African share of world trade.