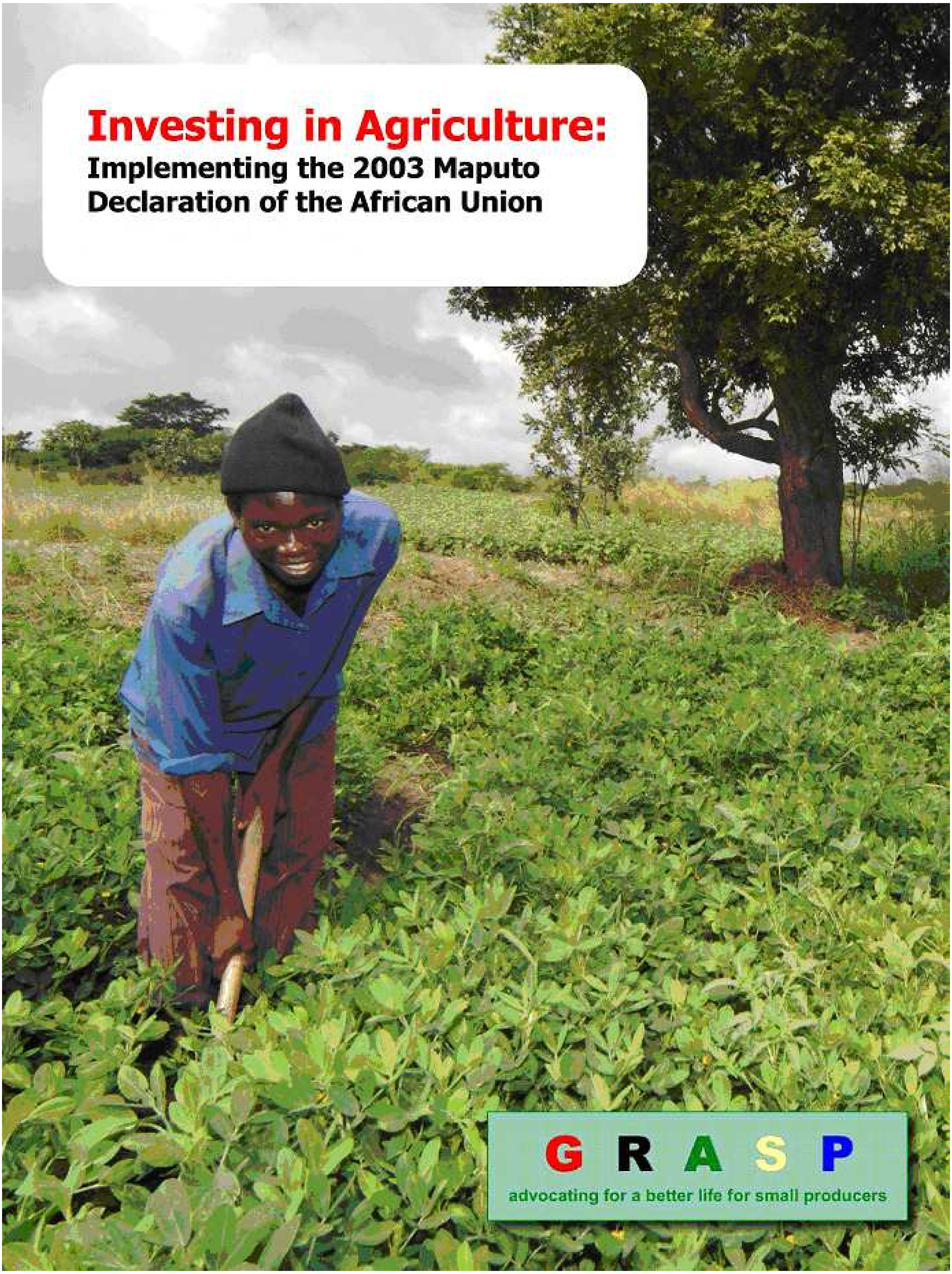
Investing in Agriculture:

Implementing the 2003 Maputo Declaration of the African Union



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Investing in Agriculture: Implementing the 2003 Maputo Declaration of the African Union

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Global and Regional Advocacy for Small Producers

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Executive Summary

More than 218 million people in Sub-Saharan Africa are living below the poverty line and survive in difficult conditions, with more than 70 per cent of the continent's poor people living in rural areas and dependent on agriculture for their survival. In most countries, agriculture is the largest contributor to GNI, the biggest source of foreign exchange - still accounting for about 40 percent of the continent's export earnings - and the main generator of savings and tax revenues.

The majority of Africans are small producers who rely on farms of less than 2 hectares for their food and income. Around 80 percent of Africa's farmers are women and 60 to 80 percent of Africa's food is produced by women. These small producers face numerous challenges hampering their ability to improve their circumstances, such as: declining and fragmented landholdings; low input use; declining soil fertility; changing climate; poor access to both financial services including rural credit, and poor functioning or unreliable output markets; HIV and AIDS crisis which is causing significant demographic changes among the farming population. The macroeconomic policy environment brings additional challenges due to rapid liberalisation of agricultural markets and declining national policy space, high global food prices and the global economic downturn.

The development of national and regional agricultural systems which support broad participation of small producers must become a political and programmatic focus in African countries and the global community.

In 2003, African governments committed through the Maputo Declaration to increase public investment in agriculture to a minimum of 10 per cent of their national budgets and to raise sector growth by at least 6 per cent by 2008. They developed the Comprehensive Africa Agriculture Development Programme (CAADP), a common framework for accelerating long term agricultural development and growth in order to eliminate hunger and reduce poverty through agriculture. Despite this commitment, hunger and poverty are on the rise in most parts of Africa.

While national efforts form the frontline in addressing hunger and poverty, after years of neglect there is a renewed commitment from the global community to increase agricultural investment and aid to developing countries. The World Bank's *World Development Report 2008: Agriculture for Development* called for increased investment and putting agriculture at the heart of the development agenda. In July 2009, the G8 and allied governments and international organisations committed to prioritizing food security, nutrition and sustainable agriculture in the policy agenda. Later this year, global leaders will gather in Rome for the World Summit on Food Security. These commitments and the subsequent policies and actions will influence the success or failure of Africa's own initiatives. Given the global food crisis, this renewed interest in agriculture is all the more welcome.

National, regional and global policies that effectively and efficiently address the needs and interests of small producers are critical in improving their position in agricultural value chains and reducing hunger and poverty. Regulatory frameworks and macroeconomic policies as well can influence the success or failure of given policies in improving the productivity and income-generating opportunities of small producers engaged in production or elsewhere in the value chain. External factors like weather and global prices can also impact positively or negatively. It is also important to recognize that African governments are not the only actors investing in the continent's agriculture sector - the private sector and donor community also influence the opportunities for small producers. However, the policies made and implemented at the national level play a key role in creating opportunities for or exacerbating the challenges faced by small producers.

To this end, the Global and Regional Advocacy on Small Producers (GRASP)[1] coalition commissioned studies in Cameroon, Ghana, Malawi, Tanzania, Uganda, and Zambia to ascertain the level and type of public agricultural investment and whether national agricultural policies are beneficial to small producers. In most instances, national agricultural policies as written, addressed the main challenges of small producers: improving productivity, accessing credit, enhancing value-addition, improving access to markets, increased participation in cooperatives/producer organizations. However, the studies revealed key challenges to effective implementation. Analysis of the findings and policy recommendations are synthesized in this report.

Nearly all countries in the study have made significant progress in achieving the 10 percent spending target. According to the GRASP commissioned reports, Ghana, Malawi and Zambia have even surpassed the 10 percent target. Cameroon's investment in the sector has, however, remained quite low. Achieving 6 percent growth rate in agricultural productivity has proved more challenging for most countries. Despite difficulties in accessing the data, most countries reported low levels of growth in agricultural productivity and great fluctuation between periods of growth and contraction.

Merely increasing agricultural spending may not lead to increased productivity or reduced poverty and hunger. For example, targeting interventions to large producers can achieve growth, but may not have the deeper benefits of poverty reduction and food security. Similarly, policies like agriculture liberalisation if not accompanied with other policies and protections may achieve export opportunities for those already well-positioned while excluding small producers and enabling an influx of imported goods to crowd out small producer crops from local markets. To ensure that agricultural investment and growth improves the position of small producers and reduces hunger and poverty;

- *The AU needs to set complementary food security improvement and poverty reduction targets so that growth in agriculture should also translate into poverty reduction and improved livelihood for small producers.*
- *AU/NEPAD needs to implement a campaign to raise awareness among parliamentarians, policy-makers, and agency staff on national government commitments to increasing agricultural spending and growth for poverty reduction and food security.*

The GRASP country studies sought to identify the recurrent and investment shares of agricultural expenditures as a first means of determining the share of resources benefiting small producers. This proved quite challenging as differentiated data was difficult to obtain and it was impossible to identify which resources supported programs specifically for small producers. Among the countries, recurrent expenditures exceeded investment expenditures in nearly all cases. However, since 2004 most countries have brought recurrent expenses to below 60 percent of the agricultural budget since 2004. The studies revealed the need for both greater investment in agriculture and public support to improve the sector's ability to effectively utilise additional funding. While there is legitimate need for administrative structures within agricultural ministries and departments, adequate programmatic spending is necessary if producers are to benefit from public programmes. It is commendable that the AU/NEPAD has developed an agriculture expenditure tracking system under the programme RESAKSS. It is recommended that;

- *AU/NEPAD should continue to develop a common system for agriculture expenditure tracking, taking account of the need to differentiate spending between recurrent and investment costs; and among categories of producers to show what portion of the finances actually results in benefits to small producers.*

[1] Global and Regional Advocacy for Small Producers (GRASP) is a network of civil society organizations from Africa, Europe and North America that have joined forces to advocate for the interests of small agricultural producers in Africa. The network seeks to enrich the efforts of small producers with their own and those of like-minded people and organizations elsewhere and to coordinate advocacy efforts, enhancing the engagement and influence of small producers and their representatives in global and regional policies.

- *The AU should adopt greater transparency and specificity in the collection and reporting of financial data which will allow for analysis of disaggregated data and greater accountability for the use of public funds and implementation of public policies.*
- *The AU should identify a minimum investment/recurrent expenditure ratio that is necessary for a country to realise agriculture growth.*
- *AU countries should devote at least 50% of agricultural budgetary resources solely to invest in supporting small-scale agricultural development.*

Targeting was a key issue for all countries. Without policies and programmatic interventions being targeted specifically to small producers and their needs, agricultural resources and programs tend to favour large-scale commercial farmers. While this may contribute to agricultural growth and GDP, it is less likely to improve the position of small producers, or have the CAADP desired effect of poverty reduction and hunger eradication.

- *National governments should ensure policies are developed within a coherent national rural development framework.*
- *National governments must target policies among categories of producers, at a minimum differentiating between subsistence, small producer commercial, and large-scale farm operations; and accounting for the distinct interests of women producers.*
- *National governments should prioritize small producers and identify strategic food and cash crops for targeting based on national food security, food self sufficiency and rural development needs.*

Producer organisations have the potential to increase the opportunities and market power of small producers. Despite the fact that the majority of African farmers is not (yet) organised, and despite challenges in effectively establishing producer organisations, they remain the most efficient and effective means for improving small producers' opportunities in agricultural value chains.

- *National governments should provide incentives for the producer organisations to function well and provide services that meet the needs of their members.*

The best laid policies are meaningless if they are not implemented effectively. Successful implementation is dependent on a clearly defined organisational structure, adequate financial resources, proper beneficiary targeting and political will. The country reports clearly demonstrated that poor coordination among implementing agencies, lack of political will, and the absence of clear processes for monitoring and evaluation are contributing factors to the challenges to successful implementation faced by many African countries. In addition, the studies found that small producers have been largely marginalised in policy formulation processes. Small producers must be included if policies are to reflect their interests and needs and hence participatory policy development is a prerequisite.

- *National governments must improve inter-ministerial coordination.*
- *National governments must develop proper monitoring and evaluation systems which include participation from all relevant stakeholders.*
- *National governments must ensure that organisations of small producers have active and meaningful participation in the full policy cycle – from issue identification through policy development, implementation and monitoring and evaluation. Where the capacity of producer groups in any of these areas is limited, national governments and donor agencies must support the building of that capacity.*

Africa's small producers face many constraints to increasing productivity and developing farming as a business. Input subsidies for fertilizer and seeds are vital, particularly for promoting domestic food production. However, subsidy voucher schemes often represent interventions that offer quick benefits, but not long-term sustainability. The countries included in the study had varying experiences with subsidies. Those with more established subsidy programs identified the need to situate subsidies within a long-term agriculture development strategy, ensuring they are targeted and time-bound to foster entrepreneurial activity and promote more ecologically sustainable farming practices.

- *National governments should make available input subsidies in the short-term to achieve much-needed productivity gains for small producers.*
- *National governments should include input subsidies as part of a long-term agenda of farmer education, investment in long-term agricultural infrastructure like irrigation, transport, storage, and rural financial services.*
- *National governments must avoid politicising subsidies which only increase inefficiencies in the programmes.*
- *National governments must ensure that adequate attention is given to sustainable crop production and preventing the image that subsidies are a magic bullet that will address all crop productivity challenges facing farmers.*

These findings and policy recommendations are relevant not only to African governments, but to donor countries, trading partners, and international organizations that are increasingly turning their attention to the global food crisis and to agricultural development. Transforming development policy alone is insufficient. Rather, the full spectrum of economic policies and structures – trade, finance, investment, aid – must be reoriented to the interests of the small producers who form the majority of Africa's population living in poverty.

By acting together and prioritizing the interests of small producers and the development of strong rural economies and sustainable agriculture systems, we have a real chance at improving the position of small producers and at eliminating the twin scourges of poverty and hunger. Now is the time to act.

Introduction

Agriculture provides 70 percent of all employment and constitutes the backbone of most African economies. In most countries, it is the largest contributor to GDP, the biggest source of foreign exchange - still accounting for about 40 percent of the continent's hard currency earnings - and the main generator of savings and tax revenues. The agricultural sector is also the dominant provider of industrial raw materials with about two-thirds of manufacturing value-added in most African countries based on agricultural raw materials.

More than 218 million people in Sub-Saharan Africa are living below the poverty line and survive in difficult conditions, with more than 70 per cent of the continent's poor people living in rural areas and dependent on agriculture for their survival. The majority of Africans are small producers who rely on farms of less than 2 hectares for their food and income. These small producers are quite diverse. Many are trying to earn a living by a diversity of strategies: growing grains and vegetables, keeping livestock, off-farm activities such as setting up a small shop or a micro-business.

These small producers face numerous challenges hampering their ability to improve their circumstances, such as: declining and fragmented landholdings; low input use; declining soil fertility; changing climate; poor access to both financial services and inputs and output markets; HIV and AIDS crisis which is causing significant demographic changes among the farming population; macroeconomic challenges such as market liberalisation, removal of agricultural input subsidies and high interest rates. All these factors have led to declining productivity within the small producer sub-sector.

Investment in small producer agriculture therefore could drive broadly-shared economic development and poverty reduction in Sub-Saharan Africa, increasing rural incomes and purchasing power. With greater prosperity, the consequent higher effective demand for African industrial and other goods would induce dynamics that would be a significant source of economic growth. However, national and multilateral agricultural policies and international aid have failed to develop agricultural opportunities for small producers, too often favouring large-scale, capital-intensive industrial export production. The development of national and regional food production systems which support broad participation of small producers must become a political and programmatic focus in African countries and the global community.

While individual and local initiatives are necessary, the magnitude of power imbalances and scope of the constraints demand collective action and sound public policies. Policies that effectively and efficiently address the needs and interests of small producers are critical in improving their position in agricultural value chains. To this end, the Global and Regional Advocacy on Small Producers (GRASP)[2] coalition commissioned studies in Cameroon, Ghana, Malawi, Tanzania, Uganda, and Zambia to ascertain the level and type of public agricultural investment and whether agricultural policies are beneficial to small producers. This paper is a synthesis of the individual country reports.[3]

The Maputo Declaration and CAADP

The Comprehensive Africa Agriculture Development Programme (CAADP) is a programme of the African Union's New Partnership for Africa's Development (NEPAD) and provides a common framework for accelerating long term agricultural development and growth among African countries. Overall, CAADP's goal is to eliminate hunger and reduce poverty through agriculture. To do this, African governments have agreed through the Maputo Declaration to increase public investment in

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[3] Individual country reports are available online at www.cordaidparners.com.

agriculture to a minimum of 10 per cent of their national budgets and to raise agricultural productivity by at least 6 per cent by 2008. Key strategies for attaining these goals are outlined in the four CAADP Pillars:

- Extending the area under sustainable land management
- Improving rural infrastructure and trade-related capacities for market access.
- Increasing food supply and reducing hunger
- Agricultural research, technology dissemination and adoption

Although CAADP is continental in scope, it is realised through national efforts to promote growth in the agriculture sector and economic development. The CAADP framework is based on the principles of partnerships, capacity building, coherence, organisational development, peer review, accountability, participation, inclusiveness and representation. As part of the Declaration on Agriculture and Food Security of the Maputo Declaration governments aimed to align policies with funding and implementation, vowing to:

> Implement, as a matter of urgency, the Comprehensive Africa Agriculture Development Programme (CAADP) and flagship projects and evolving Action Plans for agricultural development, at the national, regional and continental levels. To this end, we agree to adopt sound policies for agricultural and rural development, and commit ourselves to allocating at least 10 percent of national budgetary resources for their implementation within five years.

Methodology

GRASP commissioned studies on agricultural investment and policies in Cameroon, Ghana, Malawi, Tanzania, Uganda, and Zambia had the following objectives:

- To assess and analyse countries' compliance to the Maputo Declaration commitments;
- To assess if agricultural policies reflect the needs and interests of small producers.

The studies were expected to answer the following key questions:

- What is the national governments' interpretation of the Maputo Declaration?
- Has a local policy/strategy been developed to facilitate implementation of the Maputo Declaration?
- What are the current and recent levels of agricultural spending in relation to the total national budget? Please assess since the year 2000.
- How much of the agriculture budgets have been devoted to Recurrent and Investment expenditure?
- How much of the agricultural investment expenditure has been allocated to small producer agricultural development?
- Using the criteria developed by GRASP, assess key agricultural policies to ascertain whether the needs and interests of small producers have been reflected.

To answer these questions, consultants were expected to conduct:

- Research on national governments interpretation of their commitment to the Maputo Declaration;
- Research on current and recent levels of agriculture spending, including reviewing the NEPAD African Agriculture Expenditure System, and the trend since 2000;
- Research on how much of the agriculture budgets has been spent on the development of small producer production vis-à-vis large scale farmers;
- An assessment using the criteria developed by GRASP on whether key agricultural policies in the country reflect the needs and interests of small producers, as well as the involvement of small producers in the development of these policies;
- A stakeholder meeting, or stakeholder interviews as to ascertain their involvement in policy development and formulation;
- Interviews with 5 key organizations, including relevant line ministries; key nongovernmental organizations; farmer organizations.

Given the unique national contexts for each study, it is worth noting that challenges arose in the following areas: definition of agricultural spending; availability of financial data; availability of disaggregated data; and publication of either budget or expenditure amounts. These challenges are further addressed below.

Definition of agricultural spending

The definition of agricultural spending has expanded beyond the narrow confines of crops, livestock, fisheries and forestry to include agriculture-related spending to improve the agriculture economy: irrigation, agricultural research, and in some cases rural roads. The broader definition commonly employed and the reality that often multiple ministries, departments and agencies enact agriculture programs means it can be challenging to precisely identify all spending on agriculture. To the extent possible, the studies relied on internationally accepted standards based on the Classification of Functions of Government (COFOG) (revised by the United Nations in 1989) for budget tracking. For example, the Ghana study noted:

> In this study, attempt was made to count expenditures in conformity with the COFOG standard. Therefore, in addition to expenditures on Ministry of Food and Agriculture (MoFA) (crops and livestock), fisheries, forestry and logging, cocoa; expenditures covering debt-servicing, Presidential Initiative of Cassava and palm oil, as well as agricultural related research were counted.[4]

Each country report has attempted to honour the COFOG standards and work within a broader definition of agriculture spending. The experience of Tanzania illustrates the challenge that remains even when COFOG standards are used since these components of agriculture are served under different ministries and government agencies. The lack of a uniform methodology for tracking agriculture expenditures in Africa has resulted in widely disparate calculations of country spending. The African Union and NEPAD, in collaboration with the International Food Policy Research Institute (IFPRI), are currently developing a standard system which will improve tracking and comparative analysis.

Accessing financial data

Each country within the study employs its own financial management system. Oftentimes, country-level researchers encountered diverse systems for classification, accounting, and reporting among the various ministries, departments and agencies. The necessary data was rarely accessible in a centralized location. The Ugandan process for generating the actual public expenditures of government exemplifies this challenge where as far as possible, government accounting records and reports were sought to generate actual expenditures (through approved releases) for policy analysis, which were also often quoted in various official documents.

Budgets versus Expenditures

While budget figures were readily available in most countries, national expenditure figures were more difficult to access. In fact, only the Ghana and Malawi reports were able to use actual expenditures in assessing government fulfilment of the 10 percent commitment. Tanzania was able to use actual expenditures for one component of the full spectrum. The Uganda report uses budget disbursements. Cameroon and Zambia rely on budget estimates. The emphasis on budget allocation rather than actual expenditure may mask the actual investment in agriculture. The Tanzania study found that budgeted figures were higher than actual expenditures for the MAFSC budget performance

[4] The inclusion of debt-servicing is explained by the fact that Ghana relies heavily on external loans to finance development. The agricultural sector, as defined in this study, is one of the major recipients of the loans. Since allocations are made for debt servicing in the national budget it was thought prudent to capture the quantum of debt servicing that settles agricultural related loans. Methodologically, this is in line with the COFOG approach used in the study.

for 2005/2006 indicated a mismatch between estimates and actual disbursement of funds from Treasury with 100 percent of the recurrent budget disbursed compared to only 46.2 percent of the development budget.

For Tanzania, the difficulties encountered by the researcher in tracking the actual expenditures of agricultural budget in Tanzania affirm observations by other civic society organisations that the county's budget is not transparent enough. The Open Budget Transparency Survey 2008 by Agenda Participation 2000 and the Policy Forum Budget Working Group rated transparency at 35%, the 52nd position out of 85 countries in the world and lowest among the three East African sates of Tanzania, Uganda and Kenya. The Tanzania report mined data from the accounts books of the Ministry of Agriculture, Food Security and Cooperatives (MAFSC) between 2000/01 and 2007/08 in order to give a partial picture about the relationship between approved expenditures and actual expenditures for both recurrent and development expenditures since multiple ministries have expenditures relevant to the agricultural sector.

In contrast, the Zambian budget-making process is inclined to result in lower budget figures and higher expenditures. For example, in 2000, almost K 203 billion was announced for the agriculture sector compared to K211 billion which was the actual expenditure.

Within Malawi's agricultural budget, more resources are allocated to recurrent budget compared to development budget and the recurrent expenditures have generally registered over-expenditure over the years while figures for the development budget reflect under-expenditure over the same period of time – largely because of delays in procurement and deferred expenditures. In reality it was noted that there are no under-expenditure for the development budget but that bureaucracies in procurement of capital assets tend to leave deferred payments in most of the fiscal years. The delays in procurement implies slow rate of development/investment in the sector which seriously affect productivity particularly within the smallholder sub-sector.

In the case of Uganda, not all monies budgeted and approved are released for expenditure. Even after a budget has been approved, the performance of the development and recurrent budget in terms of the releases sometimes varies. Usually the over performance of the development budget is off-set by the under performance of the recurrent budget, which mainly affects non-wage releases. Sometimes, however, it affects the wage budget, which, for example led to less budgeted releases to District Agricultural Extension, hence affecting the small producers who benefit most from the services of extension staff.

Thus, budget and expenditure figures may be quite different based on the budgeting and spending process. If higher budgeted figures are reported, they could give a false impression of greater achievement toward the Maputo commitments than in actuality. This issue is addressed further in the section on policy concerns.

Availability of Disaggregated Data

In some cases, disaggregated data for recurrent and investment expenses were unavailable. Without such data it is incredibly difficult to determine the amount of agricultural spending that most directly benefits farmers. In the case of Ghana, determination of investment expenditure on small producer agricultural development proved a major challenge in the study. The study found that this is partly due to the fact that at the level of agricultural-related ministries, disaggregated data which could provide a pointer on how much of the investment expenditure goes to support small producer agricultural development did not exist. In situations where the relevant information existed, it was in a fragmented state and reliance on it for any analysis has feared to underestimate the portions of investment expenditure that goes into small producer agricultural development.

In effect, poor information management systems in relation to the peculiar financial management systems at the various ministries which lumps all expenditures together, makes it impossible for a clear distinction to be made between expenditures on small and large producers. The fact that it has not been possible to determine actual expenditures on small and large scale agriculture respectively accentuates the belief, expressed by Producer Organizations (POs) interviewed, that policy makers have refused to recognise the special needs of small producers. Therefore, lumping interventions together has resulted in 'ignoring' the special requirements for small agricultural development.

Collecting, analyzing and reporting disaggregated data is a challenge reported in many countries and a key issue to address if public spending is to improve food security and enhance livelihoods in Africa.

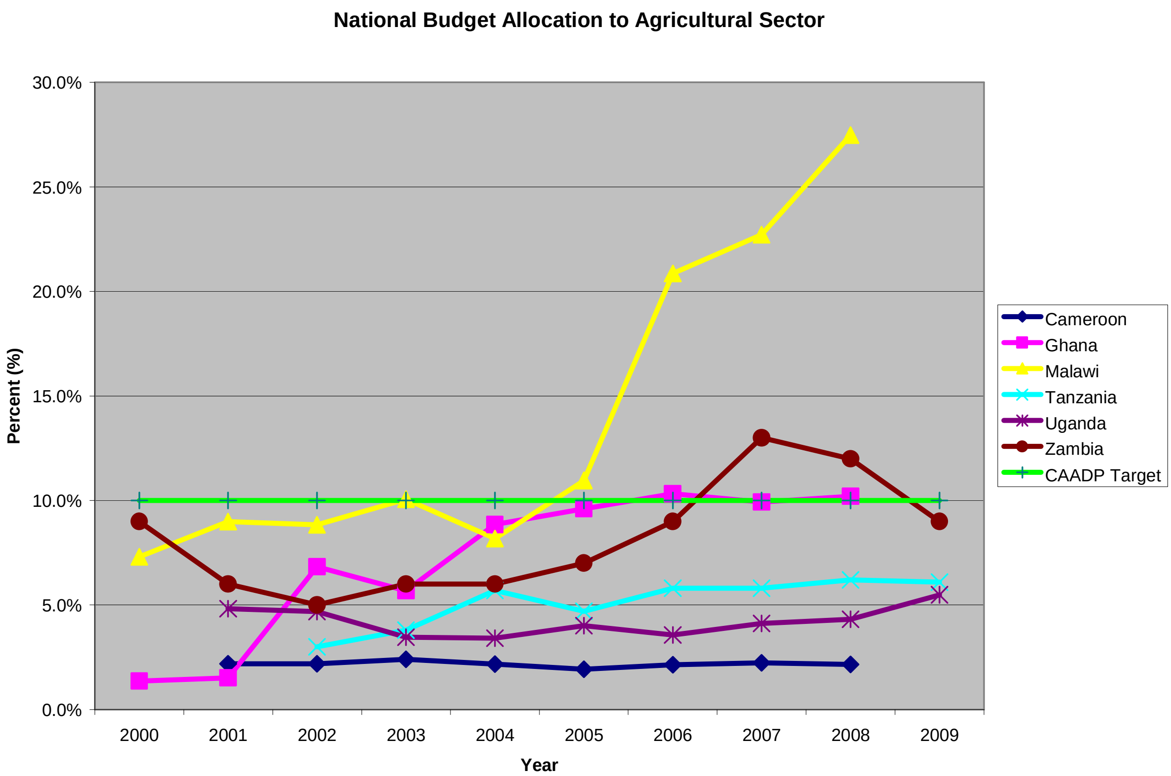
Comparative Financial Analysis

By adopting the Maputo Declaration, African governments in committed to allocate at least 10 percent of national budgetary resources to agriculture by 2008 and maintain a growth rate of 6 percent for the agriculture sector. In the intervening years, governments have had varying success in achieving these targets.

10 percent allocation

According to the GRASP commissioned reports, only Ghana, Malawi and Zambia have surpassed the 10 percent target. However, Uganda and Tanzania are showing a trend toward greater spending on agriculture. Cameroon's investment in the sector has remained quite low. It should be noted that Malawi's rapid increase in agricultural spending since 2006 has been driven by an ambitious input subsidy program to expand small producer use of fertilizer and improved seeds. Figure 1 below depicts the trend in budget allocations to agriculture since 2000 by the different countries.

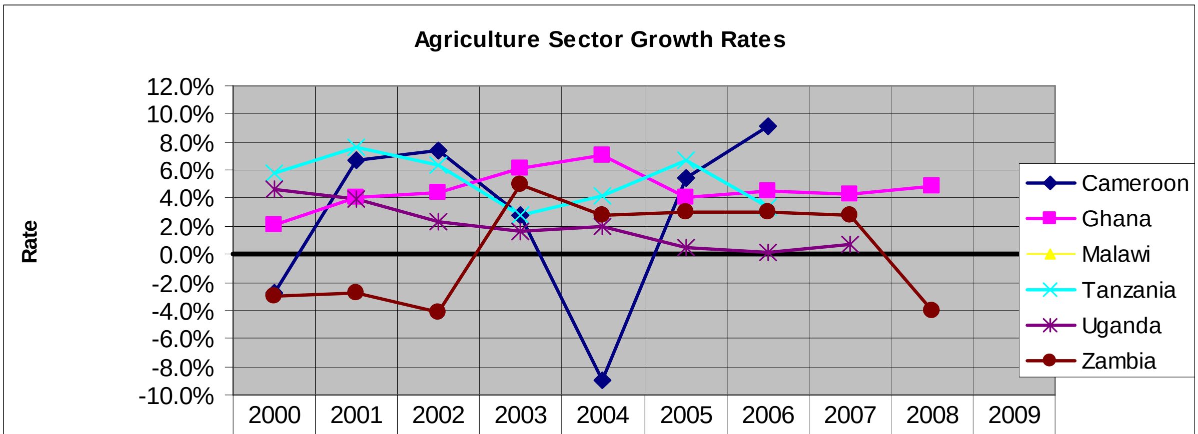
Figure 1:



Six percent growth rate

Currently all countries where the study was done are not achieving the 6% agricultural sector growth though some have attained the 10% budget allocation to the agricultural sector. This is because the nature, implementation, and targeting of agricultural policies and agricultural development programs play a key role. Regulatory frameworks and macroeconomic policies as well can influence the success or failure of given policies in improving the productivity and income-generating opportunities of small producers. External factors like weather and global prices can also impact positively or negatively. At the same time, African governments are not the only actors investing in the continent's agriculture sector, the private sector and donor community also influence the opportunities for small producers. Figure 2 depicts the six-country trends in agricultural growth rates since 2000.

Figure 2:



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Cameroon	-2.8%	6.7%	7.4%	2.8%	-9.0%	5.4%	9.1%			
Ghana	2.1%	4.0%	4.4%	6.1%	7.0%	4.1%	4.5%	4.3%	4.9%	
Malawi										
Tanzania	5.8%	7.6%	6.4%	2.8%	4.2%	6.7%	3.4%			
Uganda	4.6%	3.9%	2.3%	1.6%	2.0%	0.5%	0.1%	0.7%		
Zambia	-3.0%	-2.8%	-4.1%	5.0%	2.8%	3.0%	3.0%	2.8%	-4.0%	

Most of the national agriculture policies under review are in line with the CAADP framework and have prioritized agricultural growth, but varied in their commitment to growth through increased productivity and commercialization of small producer farming.

Ghana's GPRS II (from 2006 to 2009) reflects a policy shift-from that which was directed at attaining the anti-poverty objectives of the Millennium Development Goals (MDGs)- to accelerating the growth of the economy for the attainment of Ghana's overarching goal of middle-income status by 2015 and doubling the size of the economy within 10 years. Modernization of agriculture by promoting export agriculture is a key strategy. The pursuit of export oriented policies has required Ghana to reciprocally open its domestic market to foreign agricultural imports. With weak export and competition capacity, small producers of poultry, tomato, cotton and rice for instance, are being edged out of both domestic and international markets. For example, rice is one of the selected crops, however, the removal of tariffs from its importation and others such as yellow corn, edible oil and poultry meat in 2008 means that small producers' existing problem of marketing has been aggravated due to the influx of cheap and subsidised rice and poultry (meat) imports.

Moreover the policy framework of addressing marketing constraints that is tailored to improving upon international, regional and domestic market accessibility is being implemented to the disadvantage of small producers. The financial resources meant to address the issue of marketing have gone into supporting interventions that benefit largely medium and large scale producers. For instance, credit facilities from financial intermediaries support largely the export sector dominated by large producers.

Agricultural growth is also prioritized in Cameroon, but with a high level of emphasis on mechanisation and attention to large plantations. The Cameroon study notes that regional delegations pay little attention to small farmers since big results are easier achieved through the larger farm operations. Since the early 1990s, Cameroon's agricultural policy has pursued a market liberalization approach which has exposed the Cameroonian farmer to global competition. The government therefore applies minimal controls on issues such as quality control and provides a regulatory framework. The result of this has been a reduction in production and acreage planted, fall in farm family income, and abandonment of farms especially for poor coffee farmers.

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In contrast, the Malawi Growth and Development Strategy (MGDS) aims at increasing agricultural productivity and food varieties by; (i) increasing value addition to agricultural products by small producers and orienting small producers to greater commercialisation; (ii) strengthening the linkages of farmers to markets through infrastructure development; and (iii) enhancing irrigation and water development. Most agriculture policies emphasize improving productivity among small producers. For example, Malawi recognizes that attainment of a 6 percent annual growth rate in the agricultural sector depends upon broad-based agricultural growth supported by an allocation of at least 10 percent of the national budgetary resources to the agricultural sector. Prior to the Maputo Declaration, agriculture growth had been declining at a worrisome rate. In early 2000's years, agriculture growth grew at an average rate of 2.16% which was much lower than the average rate of 5.35% registered in the 1970's. It can be noted that after a downturn in early 2000's, both the national GDP and Agricultural GDP seem to pick up substantially and this is widely attributed to good macroeconomic and agricultural policies.

Uganda too places small producer agriculture in the centre of its growth agenda. Agriculture will remain central to Uganda's long-term economic development goal of reducing the number of people living below the official poverty line to 10 percent by 2017, as well as industrialization, through an agriculture-led industrial and growth strategy. The government is supporting the expansion of small producer agriculture in which the poor are enabled to participate, initially to create employment but also to increase rural incomes (for the producers) and wages (from the employment that will be created). The central strategy in agriculture is to modernize and commercialize agricultural production which is expected to enhance production and productivity that will lead to a rise in household incomes. However implementation of the good intentioned policies is the biggest challenge. Even where the funds are budgeted the allocation and utilisation leaves a lot to be desired. Uganda also liberalised fully and crops like cotton, coffee among others have been affected. Farmers have abandoned such crops and hence the decrease in agriculture growth.

Zambia's agricultural sector growth is far from reaching the six percent set targeted under CAADP and MD as shown in the graphs. Despite massive increase in agriculture budget, the growth of the sector has been decreasing which leaves a lot of questions as to whether the current agriculture strategies and interventions are achieving their goals or that the resources within the agriculture sector are misplaced. Zambia targeted four crops under CAADIP to reduce poverty namely maize, cotton, cassava, groundnuts. Government decided to focus on maize due to its social and political nature in terms of high budgetary allocation for fertilizer support programme and food reserve agency at the expense of the rest. This focus has not led to agricultural growth since all the other sectors were ignored.

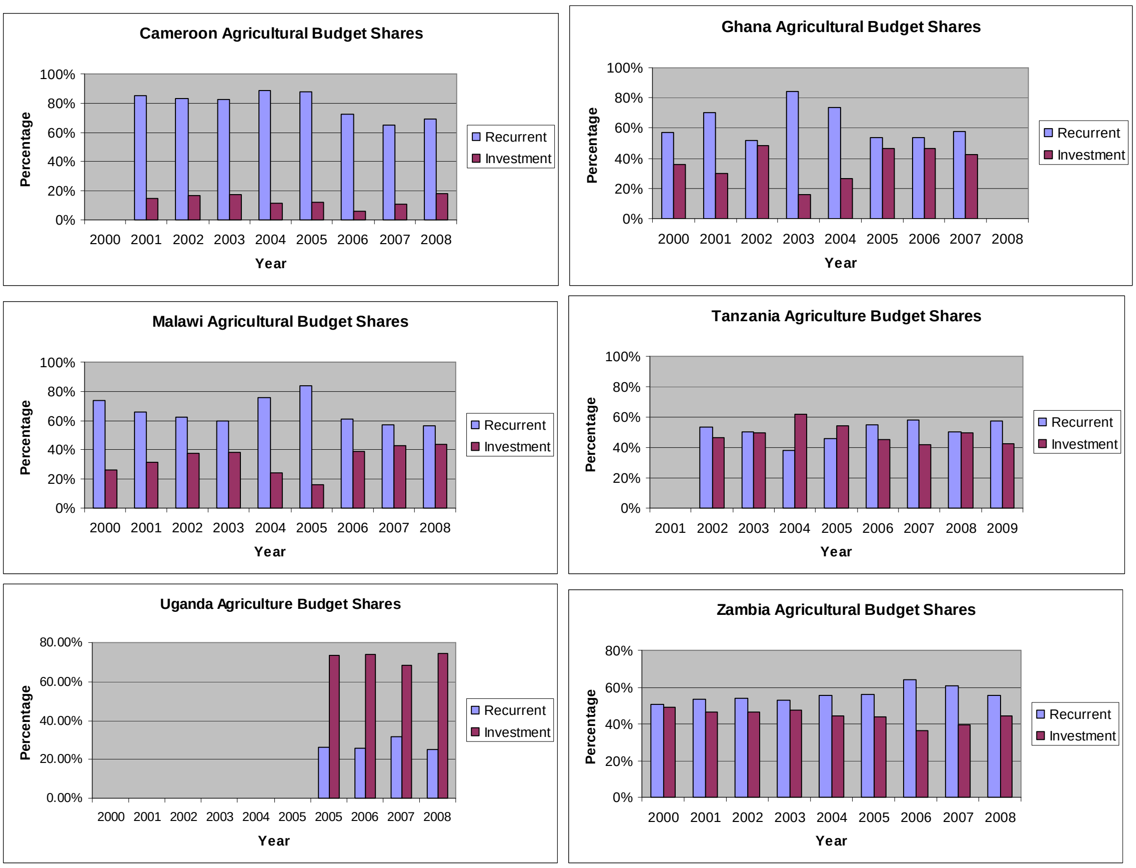
Tanzania's agricultural sector growth rate is not steady. It fluctuates and there is no specific pattern with CAADP endorsement. The economic growth rate of Tanzania however, follows the agriculture sector and hence need for policies to increase and stabilize agriculture growth to achieve economic growth in Tanzania.

Recurrent vs. Investment

In addition to the 10 percent budget allocation and 6 percent growth rates, the GRASP country studies also sought to identify the recurrent and investment shares of agricultural expenditures as a first means of determining the share of resources benefiting small producers. Recurrent expenditure of the agricultural-related government agencies comprises spending on personnel compensation and administration; while investment expenditure is made up of service/development and non-development spending. Development expenditures apply to spending on projects such as dams and irrigation schemes, supply of fertilizers etc. that directly benefit farmers. On the other hand, non-development expenditures consist of spending on the purchase of computers, vehicles etc. that support agricultural development.

Figure 3 depicts the relative allocations made to recurrent and investment budgets since 2000 for the six GRASP countries. In all but one year, in one country recurrent expenditures exceeded investment expenditures. However, since 2004 most countries have closed the gap between recurrent and investment, bringing recurrent expenses to below 60 percent of the agricultural budget.

Figure 3: Agricultural Budget Shares



It is important to note that there can be recurrent expenses within investment figures, which may further detract from the impact on agricultural producers and this is the case for Uganda. This also explains why the agriculture growth has not happened due to limited expenses in investment areas.

It was very difficult in all countries to capture such data as this deeper level of analysis is often impeded by inability of the financial management systems in place to capture or report the necessary data. Only the Ghana and Malawi reports were able to use actual expenditures in assessing government fulfilment of the 10 percent commitment. The Uganda report used budget disbursements. Cameroon and Zambia relied on budget estimates. The Tanzania report managed to mine data from the accounts books of the Ministry of Agriculture, Food Security and Cooperatives between 2000/01 and 2007/08 in order to give a partial picture about the relationship between approved expenditures and actual expenditures for both recurrent and development expenditures since multiple ministries have expenditures relevant to the agricultural sector. The emphasis on budget allocation rather than actual expenditure masks the actual investment in agriculture.

Based on the country experiences, it is clear that a greater share of financial resources was put under recurrent expenses and this resulted in the low agricultural growth in all the countries. Therefore the greatest share of financial resources should be directed towards investment, with direct services and inputs to farmers being primary expenditures if countries are to achieve the 6 percent growth in agricultural productivity.

Policy Analysis in light of GRASP criteria

GRASP members developed a set of criteria for assessing policies to determine the extent to which the needs and interests of small producers are addressed. In using this framework, focus was placed on the extent to which the respective policy contributed to the following:

- Enabling small producers to engage in sustainable agriculture to produce food and boost their income and livelihoods;
- Ensuring markets function properly so that small producers are not exploited and excluded;
- Increasing the availability and reducing the cost of inputs for small producers;
- Commitment to ecological sustainability;
- Recognition and addressing of gender issues;
- Securing of small producers' access to arable land;
- Securing of small producers' access to water for production purposes;
- Promotion of small producers' access to reliable markets for their produce;
- Promotion of small producers' access to affordable financial services;
- Provision of useful, efficient, and expanded extension services for small producers;
- Support to farmer organizations' capacity-building in advocacy, and their engagement in policy debates;
- Promotion of research that builds on the rich heritage of indigenous knowledge;

The policies to be reviewed in each country were determined in consultation with GRASP members and are listed in Annex 1.

In most instances, national agricultural policies as written, addressed the main challenges of small producers: improving productivity, accessing credit, enhancing value-addition, improving access to markets, increased participation in cooperatives/producer organizations. However, consultants own knowledge of national agricultural sectors, GRASP member organizations, and interviews with key stakeholders in the policy formation and implementation process revealed key challenges to effective implementation. This report offers a synthesis of these findings in relation to each criterion, highlighting key successes and challenges in the various countries that can inform future policy and advocacy directions.

Enabling small producers to engage in sustainable agriculture to produce food and boost their income and livelihoods

A key dimension of any agriculture policy is the recognition that for millions of people living in poverty, agriculture is a source for both food security and income. However, to be effective, policies must be specifically targeted at small producers.

Uganda's guiding agricultural policy is the Poverty Eradication Action Plan (PEAP). Interventions intended to expand agricultural production and incomes in rural areas are undertaken via the Plan for the Modernisation of Agriculture (PMA). The PMA has engineered a clear shift from viewing small producers as subsistence farmers to regarding them as entrepreneurs who seek profits. Therefore, if enabled, access to credit and productivity enhancing technologies can transform their households out of poverty. As a result of PMA and National Agricultural Advisory Services (NAADS), a positive impact was generated on crop yields and farm incomes.

In the case of Tanzania, the Agricultural and Livestock Development Policy has been less successful in achieving the twin aims of improved food production and livelihoods for small producers. The policy contains objectives such as increasing production growth rates of food crops and livestock products to at least 4 percent and 5 percent per annum respectively; and improving standards of living in rural areas. While the policy has been successful in attaining an average of 4.7 percent growth rate for crop production between 1998 and 2006; it has failed in other objectives. Averaged growth rate for livestock is 2.7 percent and the population living below the poverty line has only declined by 3.4 percent between 1991 and 2007.

In November 2000, the government of Zambia introduced the targeted Food Security Pack (FSP). The overall objective of the FSP is to improve crop productivity and household food security thereby contributing to the reduction of poverty among the targeted beneficiaries. The beneficiaries include female headed households, orphanages, child-headed households and other farmers cultivating less than one acre. Although this programme has improved food security at the household levels for beneficiary communities, budget allocation still remains low leaving out many needy households.

Malawi's Growth and Development Strategy (MGDS) aims at increasing agricultural productivity and food varieties by: increasing value addition to agricultural products by small producers and orienting small producers to greater commercialisation; strengthening the linkages of farmers to markets through infrastructure development; and enhancing irrigation and water development. Most policies on agriculture tend to put emphasis on improving productivity amongst the small producers and there are several strategies spelt out in various policy documents aimed at addressing challenges impinging on improved productivity and commercialisation of small producers. Following the Agricultural Policy Framework, the Malawi Government agreed with development partners to formulate the Agricultural Development Program (ADP) as a means of operationalising the MGDS in the areas of agriculture, food security, irrigation and disaster risk reduction to achieve the agricultural growth and poverty reduction goals of the MGDS and transform subsistence farmers into commercial producers.

With Ghana's Food Security and Emergency Preparedness Policy (FASDEP II), food security takes centre stage in the policy framework due to low productivity in staple crop production; seasonal variability in food supply as well as price volatility. Many policies recognize the diverse farming constituencies and seem to emphasize targeted interventions toward small producers. For example, specific policies include: Develop appropriate irrigation schemes for different categories of farmers to ensure production throughout the year; Develop effective post-harvest management strategies, particularly storage facilities, at individual and community levels; Target the vulnerable in agriculture, with special programmes that will enhance their diversification opportunities, reduce risk and enhance their access to productive resources; Promote linkage of small producer output (including indigenous and industrial crops, livestock, and fisheries) to industry; Support diversification by farmers into tree crops, vegetables, small ruminants and poultry, based on their comparative advantage and needs; and Encourage the development of commodity brokerage services to support marketing of agricultural produce. However, food importation by Ghana is on the ascendancy, signalling that the first objective is not being met, and contribution of the agriculture sector to GDP (which hovers around 36-37 percent) is dominated by the cocoa sub-sector- a sign that other sectors are producing under potential.

Cameroon's agricultural policies aim to ensure food security for the nation; contribute to economic growth through export earnings and employment; improve upon the revenue of agricultural producers and living conditions of the rural masses. However, problems in implementation and policy targeting have resulted in favouring medium and large-scale producers who have the means to influence frontline implementation and thus benefiting from available supports.

Ensuring markets function properly so that small producers are not exploited and excluded

Poverty remains widespread among small agricultural producers as they face numerous challenges hampering their ability to earn a decent living. This is largely due to unequal power balances in agricultural markets.

Few national policies under review addressed the legal and regulatory environment. However, Ghana's FASDEP II advocates a legal environment that supports agricultural production and trade contracts. Contracts can provide long-term stability to farmers and stabilize market relations, assuming they are fairly written.

On the other hand, Malawi's intervention in the market goes a step further with the government deliberately setting minimum prices on some strategic crops (maize, tobacco and cotton) in an effort to cushion small producers against prices below breakeven points. Given small producer's weak position as price takers, minimum prices on strategic crops can be useful for ensuring livelihoods and encouraging continued personal investment in commercial agriculture. The major challenge, however, is non-compliance to the minimum prices by some buyers. At the same time, caution should be taken to ensure that minimum prices are not too high to scare away formal traders from buying from small producers.

Increasing the availability and reducing the cost of inputs for small producers

Policies should aim to reduce the cost of inputs for small producers so that they are able to access the resources necessary for sustainable agricultural production. These inputs include low cost technology as well as inputs that are bio-intensive and organic and thereby more sustainable.

Uganda's PEAP, PMA and NAADS all articulate the issue of enabling farmers access inputs needed for modern agriculture, through the private sector. The medium term funding priorities in the agricultural sector for 2008/09 earmarked the expansion of NAADS to ensure it reaches all sub-counties and enhance provision of necessary inputs to NAADS-participating farmers. Under NAADS, the supply of improved varieties and inputs to farmers is linked to Savings and Credit Co-operative Societies (SACCOs) and marketing co-operatives. A lot still needs to be done, considering the problems that were being encountered with procurement of inputs under NAADS in the sub-counties.

The Input Subsidy programme in Malawi has had a remarkable impact in improving on the food security status of the poor and the nation as a whole. The programme is a deliberate effort by the Government to smooth out production of major food and cash crops which will in turn boost the agricultural industry and the economy in general. Prior to distribution of inputs, beneficiaries are identified via the Village Development Committee which comprises traditional leaders and field staff of NGOs and Ministry of Agriculture. The recorded names are sent to the Ministry's Subsidy programme secretariat. After procurement, dates are announced in advance for beneficiaries to gather at open fora to receive coupons for the relevant fertilizer.

Since its inception in 2005, there has been a remarkable increase on food production. The country has become a net exporter of food and small producers are the target of the programme. It can therefore be deduced that the increased agricultural spending in Malawi has gone more to the benefit of small producers. However, the Input Subsidy programme has taken precedence over other agriculture development initiatives. It must also be noted that the subsidy programme has been successful because of good rainfall in recent years. As such, it is necessary that the input subsidy programme be supported by irrigation and water management investment at a minimum, and ideally investment in marketing infrastructure as well.

Cameroon's Ministry of Agriculture and Rural Development which is the implementing ministry of the agricultural policy is charged with making modern inputs available and accessible to farmers. These include chemicals and fertilizers, planting materials and phyto-sanitary inputs. Efforts to improve access to planting material also include training and follow-up of seed multipliers. Specific measures include support to the production of oil palm and plantain plants; revival of the cocoa and coffee sub-sectors which involves the supply of pesticides and spraying equipment

In Zambia, the Fertilizer Support Programme (FSP) is a form of government subsidy aimed at making fertilizer cheaper and readily available to small scale poor farmers. The FSP seeks to promote the use of low input and conservation farming technologies among the selected small producers. The programme envisages reaching at least 200,000 small producers per year with a gradual decrease as farmers graduate to emergent and commercial farmers. More than 50 percent of the agriculture budget goes towards fertilizer subsidies. However the increase in budgetary allocation to FSP is not positively correlated with growth of the agriculture sector or poverty reduction.

In contrast, fertilizer prices have risen in Tanzania in recent years. For example, while in 2007 a farmer in Mbeya used to sell 175 Kg of maize to get a 50-Kg bag of Diammonium Phosphate (DAP), in 2008 he or she had to sell 257 Kg of maize to get the same amount of fertiliser; an increase of about 50 percent. The Agricultural and Livestock Development Policy includes a fertiliser subsidy program. However, it is targeted to only farmers who have shown demonstrable ability to produce more crops. Poor farmers are thus left out while the distribution system is characterised by a number of constraints; subsidised fertilisers are sold to input suppliers who in turn sell them at higher prices; and smuggling to neighbouring countries is common among other challenges.

Ghana's FASDEP II commits government to provide comprehensive support for improved access to market information and intelligence, technology, relevant market infrastructure, and financing to enable operators to respond to the changing needs of markets, while encouraging operators to identify market niches for new products. However, details on implementation are not available, nor does it specifically target small producers.

Commitment to ecological sustainability

Policies should be environmentally friendly and aim to preserve and conserve land for future use in agricultural production. Policies and programs should be assessed to take into consideration their impacts on the environment and on bio-diversity.

Many countries within the study observed that past economic and agricultural growth came at the expense of the environment.

The Ghana report notes that the country's quest for accelerated growth propelled by the agricultural sector is hampered by the fact that issues of sustainable land and water management are not adequately integrated as part of agricultural extension services. In addition, there is the problem of high environmental degradation and abuse due to inadequate understanding of environmental issues related to agriculture. Moreover, there is lack of national agricultural land-use policy. FASDEP II seeks to remedy these failings through strategies such as mainstreaming sustainable land and environmental management practices in agricultural sector planning and implementation; creating awareness about environmental issues among all stakeholders and developing an effective and efficient framework for collaboration with appropriate agencies to ensure environmental compliance.

In Uganda, policies which were successful in raising crop yields and incomes had the unintended effect of degrading the environment. Soil and water conservation issues had become apparent in almost all areas where NAADS was active. In response, NAADS and the National Environment Management Authority (NEMA) agreed on an action plan to develop the capacity of service providers in integrating environment management into service provision.

Cameroon's Rural Sector Development Strategy Paper (*Stratégies de Développement du Secteur Rural* - SDSR) focuses on three major concerns in the management of natural resources. They include; proper land-use management for different users; soil fertility maintenance; and sustainable water management. On the other hand, Malawi's and Zambia's policies promote environmental and land management for sustainable agriculture development.

Tanzania's ADP follows a similar approach and seeks to promote integrated and sustainable use and management of natural resources to conserve the environment; the government also seeks to enlighten farmers on environmental issues and sustainable use of resources to spur their actions in limiting soil erosion and acidification, deforestation and pollution.

Recognition and addressing of gender issues

Women play an active role in farming and food processing, and often have primary responsibility for household food nutrition. Thus, gender concerns and associated impacts on household security must be considered in any policy decision. Furthermore, policy proposals should be evaluated to determine which segments of society (based at a minimum on gender, class, and race/ethnicity) will benefit or be harmed, directly or indirectly.

Ghana's GPRS II seeks a review of the Land Administration Project on one hand, and the enforcement of the Land Title Registration Law of 1985 on the other hand for the purpose of guaranteeing the security of tenure of small land holders with emphasis being put on the need to protect the interests of marginalised and economically vulnerable groups, including women. The policy also proposes to develop special interventions to provide affordable credits to small scale farmers with the objective to increasing the proportion of women who can obtain credit.

To address the increase in inequality in Uganda, government strategy focuses on among others taking actions to empower women and strengthen women's land rights. To reduce gender inequality, the PEAP identified the need for supporting community actions to organise women's groups through which women will be empowered. Actions to ensure female participation in all public service, especially extension services and education are considered critical. Necessary measures were also being taken to improve women's land rights, especially to secure their rights over the land on which they farm. Enabling poorer or more marginal farmers to access appropriate services is a significant challenge for NAADS. Farmers must join registered groups to access services, but the very poor are least likely to be members of such groups. In response to these challenges, NAADS has changed strategy to focusing on 30 small producers per sub-county

In Malawi, gender equity and empowerment, along with HIV/AIDS constitute cross cutting issues in the ADP. Within the ADP's implementation framework, a taskforce for gender and HIV/AIDS mainstreaming has been set up.

Within Cameroon's policy, specific targeting is made to 'vulnerable populations,' which include women and young people. Women and young people are targeted in the areas of production transformation and marketing. These groups are seen as important in the development of the country's agriculture and those who face the greatest difficulties. Youth are particularly targeted as a means of maintaining an energetic farming population given the aging nature of the population due to rural urban migration.

Gender inequalities are primarily addressed in Zambia's land policy and the Food Security Pact. The current land law does not discriminate against anyone on the basis of gender. The Government has, however, recognised that women still lack access to land in comparison to their male counterparts. Therefore, 30 percent of demarcated land is set aside for women and other vulnerable groups. In addition the current land draft policy envisages promoting equal opportunity for access to land while recognising customary and leasehold tenures. The policy seeks to provide security to all land holdings.

Gender inequalities are addressed at the foundation of Tanzania's policy. The country's Cooperatives policy states that the government will encourage women's participation in cooperatives by removing inhibiting traditional laws, customary values and other constraints. This is key since the prerequisite for small producers to benefit from the marketing system is producer organisation. Tanzania's policy is also cognisant of cross-cutting issues such as environment, women and youth, and HIV/AIDS, and seeks to mainstream them in all agricultural marketing related interventions.

Securing of small producers' access to arable land

In many African countries, the majority of the population is involved in agricultural production to some degree. Access to land is critical for survival and income earning potential for many. Policies should address the question of access to land and reform systems to ensure farmers, particularly women- and minority-farmers, are able to access and control land for agricultural production.

In Zambia, land has since time immemorial been held under customary tenure and state land. Under the current system of tenure, customary land constitutes 94 percent of the total land area with 6 percent remainder owned by the state. The country's Lands Act recognises customary laws and this to some extent perpetuates the discriminatory practices. The contradiction lies in the fact Zambia's constitution does not discriminate against anyone on the basis of gender. However, women still lack access to land in comparison to their male counterparts. Most small producers use customary land and do not have titles in contrast to commercial farmers who are mostly given land by the state and therefore have titles. Lack of title impedes small producers from accessing key resources.

Ghana's GPRS II focuses on addressing challenges relating to microeconomic environment, financial and public sectors, contract enforcement/debt recovery and land acquisition. The policy gives recognition to discrepancies in access to and control over land in Ghana. It thus seeks to promote easy access and equity to all, especially legal protections for those using land which they do not own. Furthermore, the implementation of the GPRS II seeks to achieve an improved system of land registration which protects the interests of small producers. Moreover, the policy seeks a review of the Land Administration Project on one hand, and the enforcement of the Land Title Registration Law of 1985 on the other hand. The essence of this policy intervention is to guarantee the security of tenure of small land holders with emphasis on the need to protect the interests of marginalised and economically vulnerable groups, including women.

Uganda recognises the need to secure access to arable land for poor small producers in numerous policies. The PEAP interventions identified improvement of the land registry in the short run and strengthening land rights of the poor through reform and systematic demarcation in the long-run. Within the NDP, the focus of the draft land policy was mainly on how to reform land tenure (which refers to the terms and conditions under which access to and rights in land are acquired, retained, used, disposed of or transmitted) and not reforms to improve land productivity. The policy does so by recognising the need to guarantee tenure security for minorities and marginalized communities.

Likewise, Cameroon's policy seeks to increase the coverage of agricultural land by 20 percent annually by 2015. However, the policy falls short in detailing how the land will be distributed among the various actors – small producers, women, and large farmers.

Most of the small producer farm land in Malawi is customary land and the farmers do not have title to it. However, Malawi has embarked upon various agricultural reforms which shift the structure of agricultural production by reducing differential protection of large estates. Ever since, small producers who make up 80 percent of the farming community rapidly diversified into cash crops and now produce 70 percent of burley tobacco which is a major export crop. However, land reform is challenged by incomplete land legislation formulation and integration of new land administrations into existing practices and traditional institutions. There exists a general perception that democratically elected institutions and market-led land ownership encourages transparency and efficiency in land-use and administration.

Tanzania's National Land Policy addresses issues of land tenure. They include; promotion of equitable distribution of land to all citizens; improvement of land delivery systems; promotion of sound land information management; recognition of rights in unplanned areas; establishment of cost effective mechanisms of land survey and housing for low income families; land disputes resolution, and protection of land resources from degradation for sustainable development. Both the Land Act and the Village Land Act provide the framework whereby most of the rights held by individuals and groups in both rural and urban areas are recognized under law. However, procedures for the establishment and management of group land rights in rural areas, particularly those of pastoralists and hunters and gatherers are vague or non-existent. Efforts to secure land and resource tenure for pastoralists are generally very limited and farmers and private investors continue to appropriate large parts of pastoralists land, often with direct or indirect support from government agents. The general feeling in government is that pastoralists must modernize: reduce their herds and settle in one place. It is being observed that much of pastoralists land is being earmarked for investors, and in some places transformed into game controlled areas, national parks, and game reserves. Mining sometimes deprives pastoralists of access to pasture and decentralization arrangements do not address the needs of mobile populations. The law does not provide clear options for groups to fully or partially individualise their land rights in rural areas although former group rights in urban areas (e.g. cooperative villages) have over the years been individualized.

Securing of small producers' access to water for production purposes

Policies should secure small producers' access to water for production purposes including water for irrigation. In addition to that, potable water is necessary for small producers to produce a clean and good quality product for the market as well as for processing and value addition.

Zambia's irrigation potential is estimated to be 2.75 million hectares (ha) based on water availability and soil irrigability; however, it is believed that 523,000 ha can be economically developed. Despite the irrigation potential, persistent droughts in some parts of Zambia have resulted in food shortages .To remedy this, the government embarked on an irrigation promotion project both at small producer and commercial farming levels. The aim is to promote a well-regulated and profitable irrigation sub-sector that is attractive to both public and private sectors. Strategies include developing socially desirable and economically viable irrigation schemes and constructing communal bulk water supply systems. Most imported irrigation equipment is not subject to tariff duties. However, small producers have not benefited from the irrigation initiative because they lack the resources to buy and the capacity to use the irrigation equipment owing to the nature of their farming practice.

Through the Agricultural Sector Development Programme (ASDP), Tanzania has increased spending in irrigation in recent years, allocating 1.4 billion Tsh in 2006, 10.6 billion Tsh in 2007, and nearly 8 billion Tsh in 2008. Between 2006 and 2007, 32,800 additional hectares were brought under irrigation, increasing rice production by 4.5–5.4 tones per year in 2006/07 and 5.5–6.5 tones per year in 2007/08.

Ghana's policy direction under GPRS II moves away from the old practice whereby the development of large dams was a key policy intervention. Instead, emphasis is on interventions such as the provision of dug-outs; hand-pump systems, and valley bottom schemes in addition to the rehabilitation, expansion and promotion of the utilisation of existing irrigation facilities. The advantages of this intervention are two fold; first, it has the potential to reach small producers, and second, it is suitable for more geographic areas. Effective implementation of this strategy will result in more land being brought under cultivation to benefit the poor in rural areas. However, the implementation of the strategy is yet to come into effect.

Malawi's policy promotes irrigation development and integrated water resources management, emphasising on appropriate, gender and environmentally sensitive irrigation technologies; and provision of acceptable standards of utilities such as water and electricity.

Recognizing the importance of water to small producers, Cameroon's policy aims to irrigate 60,000 hectares by 2015. However, it fails to detail how the irrigation projects will be distributed between the various actors - small producers, women, and large farmers.

Unfortunately, none of Uganda's five agricultural policies reviewed articulate the need for securing access to water for production for small holder producers through irrigation, access to water as a major constraint to agricultural development was recognised already in 2004.

Promotion of small producers' access to reliable markets for their produce

In order to move small producers up the value chain, it is necessary to invest in market development. Governments can support small-producers by investing in the country's marketing infrastructure. This includes supporting accessible telecommunications, maintaining local and regional roads that are passable year round, supporting investment in domestic processing and storage, enhancing small-producers ability to meet national and international product quality and safety standards.

With regards to markets, the Ugandan government has not only intervened to ensure markets are reliable and function properly; it has also promoted small producers' access to markets for their produce through supporting collective marketing. In 2004, the Marketing and Agro-processing Strategy (MAPS) was approved and in April 2006, the Warehouse Receipt System (WRS) Act passed. The WRS commenced in 2008, following the successful piloting with cotton, coffee and maize. However, in many areas where it was operational, its usage was limited. The geographical coverage of the Market Information Systems (MIS) was also limited to few districts. Focus is placed on produce markets and at the expense of input markets. Yet small producers still encounter significant difficulties marketing their produce. Absence of significant public investment in rural roads, electricity and other infrastructure has undermined access to markets.

Malawi's ADP seeks to improve access to domestic, regional and international markets. It also recognises that private firms working in agriculture and agribusiness are key stakeholders, as well as potential beneficiaries. However, there have been very few linkages between farmers and private firms that provide various services to the agricultural sector. For instance, contract farming exists only in few sectors, operating without proper regulatory frameworks and guidelines.

The objectives of Cameroon's policy include providing support to cooperatives engaged in transformation and commercialization of agric products; quality control; improvement of the existing market information system; market infrastructure; and reduction of price fluctuations by supporting the development of storage infrastructure and structuring of farmers into marketing cooperatives. Again, no clear indication appears on how the specific interests and needs of small producers shall be considered and protected. The focus on access to market concerns external markets and this is mainly for crops like cocoa, coffee, banana, and fruits. Although small farmers are engaged in these areas, it is hardly a means of increasing their income since they are price takers in the commercialization process. Although there is potential in the domestic market, little is done to increase information to farmers about existing demand, prices and other relevant market information.

The Food Reserve Agency (FRA) whose main functions include; administering a national strategic reserve; marketing and market facilitation; managing storage facilities, handles the strategic food reserve programme in Zambia. This intervention is meant to provide marketing opportunities for small producers involved in maize production. Equally important crops like cassava, groundnuts and beans are ignored. This has direct impact on poverty reduction for small producers. Construction and rehabilitation of road networks, silos and storage facilities are meant to assist small-scale producers reduce supply side constraints and have easy access to market.

Tanzania's Agricultural Marketing Policy sets out to; support farmers and agricultural marketing actors to negotiate and compete effectively in regional and international markets; encourage producers to directly enter the markets instead of using middlepersons; promote adherence to quality, standards and grade in agricultural products to start with the domestic market; enhance access to agricultural marketing finance; and strengthen agricultural extension services. The targeting seems to have potential for addressing the development interests of small producers. However, the policy has been recently finalised, and only became operative in August 2008. Furthermore its implementation strategy has not yet been prepared.

Ghana's FASDEP II interventions include to: Promote primary grading, processing and storage to increase value addition and stabilise farm prices; development of institutional capacity to support commercial agro-processing and stock management; develop standards and promote good agricultural practices along the value chain (including hygiene, proper use of pesticides, grading, packaging, standardisation), to enhance quality and incomes; Improve accessibility from farm to market centres; encourage partnership between private sector and District Assemblies (DA) to develop trade in local and regional markets with improved market infrastructure and sanitary conditions, and enforce standards of good agricultural practices; and encourage the development of commodity brokerage services to support marketing of agricultural produce.

Promotion of small producers' access to affordable financial services

Even when inputs are at low costs, many small-producers are unable to access them due to financial constraints. Access to affordable financial services in order to purchase inputs is crucial for small producers. Policies should support systems (such as community-run banks, revolving funds schemes, microfinance, and financial services) that facilitate small producers' and producers' access to credit.

Uganda's PEAP recognizes the large and unmet demand for credit, and the particular advantage of financial services for women. Under the NAADS programme, the implementation of the Integrated Support to Farmer Groups (ISFG) to enhance farmers' access not only to micro-financial services, but also inputs, technologies and credit and savings services started in 2005/6. The ISFG have increased demand for farm inputs, which have overwhelmed the capacity of rural-based input dealers to meet the demand. Despite the Microfinance Outreach Plan (MOP) and ISFG, access to finance for rural small producer agriculture is limited. Despite government's desire to extend the outreach of micro-finance services beyond the peri-urban areas and into rural agriculture, micro financial services have been mainly dominated by trade and other services, with only 10 percent to the agricultural sector. Fewer credit opportunities have been extended to small producer rural farmers. The growth in the microfinance sector in recent years has not yet benefited the agricultural sector. It has been concentrated in urban and peri-urban areas.

Regarding Cameroon's financial sector, producers' capacity to self-finance is very limited. There are no specialized banks for financing agriculture, especially for resource poor farmers. The SDSR recognizes the inappropriateness of commercial banks to meet the needs of the agricultural sector. The government aims at facilitating access to credit as a means of increasing investments in agriculture by putting in place a mechanism that encourages financial services to offer credit and farmers to demand credit. This is expected to be done through strengthening the micro-finance sector. However, the goal and strategies are hardly working. Farmers continue to face difficulties in accessing credits. In Cameroon's new agriculture policy, the Ministry of Agriculture and Rural Development (MINADER) proposes to give low interest loans to micro-finance institutions so that they can in turn give low interest loans to farmers. Also, it proposes a special financial institution in favour of medium and large producers. Like the other policy issues addressed, the interests and needs of small farmers in this policy area are not clearly taken into account. One of the main problems with past credit programmes was the difficulty encountered by small farmers in meeting the conditions set for the loans. This particular issue has not been redressed, and there is evidence that the interventions envisaged in the policy will pose to small farmers similar problems identified with earlier schemes.

Tanzania's Cooperatives policy has succeeded in promoting savings and credit cooperative societies (SACCOS) in diverse aspects of agricultural activities. Malawi also aims to increase access to credit by female and male farmers, yet farmers still face significant constraints in accessing affordable credit to purchase inputs, micro insurance for harvests, savings schemes etc. Ghana's FASDEP II provides comprehensive support for improved access to market information and intelligence, technology, relevant market infrastructure, and financing to enable operators to respond to the changing needs of markets.

Provision of useful, efficient, and expanded extension services for small producers

Many rural farmers are unable to access extension programs that provide them with the knowledge to use new technology. Programs such as those that encourage farmer exchanges to view and learn about new technologies and those that help with training and capacity building should be promoted. In addition, these programs should aim to collect and disseminate information on best practices, using research that utilizes indigenous knowledge and is designed specifically for small producer use.

Within Uganda's PEAP, agricultural advisory services are funded by government but delivered by private contractors engaged by farmer groups (Republic of Uganda, 2004: xviii). Through the NAADS approach to agricultural extension, uptake of new and improved technologies has expanded. The research and extension system is driven by the needs of farmers. New technologies are developed to respond to specific constraints identified by farmers. This has led to the development of relevant technology, making its uptake less problematic. Agricultural extension service delivery is however still constrained by the lack of adequate service providers in most of the districts.

Malawi's policy also emphasizes strengthening demand-driven research and research based extension system using participatory approaches for various aspects of the policy. The extension policy realizes the need to reorient extension services in order to transform and modernize agricultural production in the small producer sub-sector from subsistence to commercially oriented profitable agribusinesses. The national extension policy aims at accommodating these challenges and improving the delivery system through development of pluralistic and demand driven extension services whereby all farmers will be able to demand and have access to high quality extension services from those best placed to deliver them. The policy advocates changes in resource management by involving stakeholders and promoting participatory planning and implementation of agricultural programs. The policy also promotes equality in the provision of agricultural extension service.

Tanzania recognizes the need for extension services beyond production practices, and intends to strengthen agricultural marketing extension services. Accordingly the government of Tanzania seeks to strengthen field extension services to enhance their effectiveness and improve linkages while ensuring effective monitoring and evaluation of service delivery. The national extension programme is expected to deploy cost-effective, field tested approaches and methods of extension service delivery. The government seeks collaboration with the private sector to deliver demand driven extension. The policy further promotes strong linkages between extension and research in order to ensure that technological packages address high priority needs of the beneficiaries.

Cameroon's extension service model aims to reach farmers with zonal extension workers who are specialists in different domains.

Ghana's policy is moving away from government provision of extension services to advocating improved rural infrastructure (transport and communication), and an appropriate regulatory environment to enhance private sector investments and participation in delivery of services, including extension.

Support to farmer organizations' capacity-building in advocacy, and their engagement in policy debates

In order for farmers' voices to be heard, their knowledge to be known, and their concerns, perspectives and needs to be taken into consideration, farmers' collective voices are important and policies should not restrict them. Rather, they should promote collective action, bargaining and policy engagement by farmers through farmers' organizations. These organizations can be a means for farmers to access cheap inputs, to connect to buyers and to engage political leaders and policy makers on their interests and needs.

Malawi's extension policy calls for strong and dynamic farmer organizations which include farmer groups, clubs, cooperatives and associations. The policy emphasizes the need to promote farmer organizations in order for them to adequately represent the interests of farmers and provide services to their members. The policy considers farmer organizations an important avenue for farmers to gain greater control over their own development and improve rural livelihoods. One of the strategies towards achieving farmer involvement is the "*lead farmer*" approach whereby some farmers are identified within the communities and oriented to extension methods. The lead farmers assist other farmers on some technologies and husbandry practices in the absence of government and other private sector extension providers.

Malawi's policies and policy-making process also encourage participation by small producers and their representatives. The ADP was formulated through contributions from multidisciplinary teams of local and international consultants, state and non-state actors in the agricultural sector amongst which were small producers' representatives such as the FUM[5] and NASFAM. This is a unique incidence since one of the main problems of small producers is that they are highly unorganised with very few effective cooperatives and associations in existence. As a result, small producers tend to have no or very little influence on policy development and project activities that influence their environment. In addition, most of the farmers are illiterate or semi-literate, which makes it difficult to adopt new technologies and improve their understanding of farming as a business activity.

Tanzania's Cooperative Development Policy underscores the fact that cooperatives are important instruments for socio-economic and cultural development as well as human advancement. In a similar fashion Ghana's FASDEP II seeks to promote formation of viable farmer groups and Producer Organisations within the context of gender equity, to enhance knowledge, skills, and access to resources along the value chain for stronger bargaining power in marketing. Also, Zambia's Co-operative Development Policy (CDP) seeks to provide an enabling institutional and legal environment for the development of autonomous, viable and demand driven co-operatives. Likewise Uganda's NAADS program has empowered participating farmers to demand and control agricultural advisory and information services. Through their farmers' groups NAADS beneficiaries are able to articulate their demands for the type of technologies they desire, including specialized extension services.

Promotion of research that builds on the rich heritage of indigenous knowledge

When governments decide on new policies to address the concerns of small producers and farmers, they often neglect to adequately take into account indigenous knowledge and skills. Policies should be based on community needs that are assessed through careful and adequate consultations with small producers. At the same time, policies should not pre-emptively exclude modern agricultural research and technologies that could similarly benefit African small-producers.

As outlined in the PMA, Uganda's vision for agricultural research is "a farmer responsive research system that generates and disseminates problem-solving, profitable and environmentally sound

[5] FUM is an umbrella body for over two thousand small producer organizations (associations ands cooperatives)

technologies on sustainable basis". To achieve a more farmer responsive research system, research was decentralized to Agricultural Research and Development Centres (ARDCs) in the respective agro-ecological zones. These centres have autonomy to address indigenous knowledge and technology in their local areas; and generate greater stakeholder involvement in priority setting, planning, implementation and evaluation of research. Through the National Agriculture Research System (NARS), several varieties of crops have been developed, tested at the local level with involvement of farmers, and released for multiplications and planting by farmers. However, the 4th PMA Joint Annual Review of September 2005 noted a weak link between agricultural research and advisory services. This affected effective dissemination of improved technologies to farmers.

Malawi follows a different strategy as its research Master Plan streamlines the research agenda into specific commodity teams such as maize, coffee, cotton, horticulture, grain legumes. It also includes teams on livestock; soil and soil fertility, soil microbiology; plant protection; plant genetic resource; seed services; farm machinery; irrigation, etc. While the differentiated approach is laudable, it is not clear how targeted the research is to small producers. A key challenge is that often technocrats draft the policies which are brought to other stakeholders in the name of 'consultation' leaving little time for in-depth deliberations. Furthermore, the process lacks clear definition of roles and responsibilities. While NASFAM is listed officially as a team member, the organisation reports never participating in these teams.

Key policy concerns and recommendations

Through the policy review and consultations with various stakeholders, the national studies identified five common concerns: Tension between agricultural growth, and poverty alleviation, and food security; Need for improved data collection; Need for additional resources targeted to investment expenditures; Improved implementation and targeting of policies; Inclusion of small producers in the policy development cycle and agricultural markets through producer organizations.

Tension between agricultural growth, poverty alleviation, and food security

As noted above, CAADP prioritizes agriculture-led growth as a main strategy for eliminating hunger and reducing poverty. However, the agriculture sector growth rate does not always follow growth in the agricultural share of the national budgets. The nature, implementation, and targeting of agricultural policies and agricultural development programs play a key role. Regulatory frameworks and macroeconomic policies as well can influence the success or failure of given policies in improving the productivity and income-generating opportunities of small producers. External factors like weather and global prices can also impact positively or negatively. At the same time, African governments are not the only actors investing in the continent's agriculture sector, the private sector and donor community also influence the opportunities for small producers.

It has been argued that 6% agriculture growth may not be adequate to have a meaningful impact on agriculture development in some African countries. This growth rate will have different impacts on countries depending on the population growth rate, value of the agricultural produce and current levels of poverty or food insecurity, just to mention a few. If a country has been faced with a catastrophe, it may actually need to surpass 6% growth to achieve similar results to another a country that hasn't faced a catastrophe.

As the experiences of Ghana and Cameroon illustrate, targeting interventions to large producers can achieve growth, but will not have the deeper benefits of poverty reduction and food security. Similarly, market liberalization if not accompanied with other policies and protections may achieve export opportunities for those already well-positioned while excluding small producers and enabling an influx of imported goods to crowd out small producer crops from local markets.

In contrast, Malawi and Uganda have implemented policies that target small producers, encourage production of both cash and food crops, and facilitate small producer access to markets and use of agricultural inputs. Uganda's policies resulted in farmers adopting new technologies of agricultural production including high-yielding seeds to enhance agricultural production and productivity, and subsequently their household incomes.

- *The AU needs to set complementary food security improvement and poverty reduction targets so that growth in agriculture should also translate into poverty reduction and improved livelihood for small producers.*
- *AU/NEPAD needs to implement a campaign to raise awareness among parliamentarians, policy-makers, and agency staff on national government commitments to increasing agricultural spending and growth for poverty reduction and food security.*

Need for improved data collection

A key element in improving the effectiveness of public investment in agriculture is greater transparency and specificity in financial data which will allow for greater accountability for the use of public funds and implementation of public policies.

While budget figures were readily available in most countries, national expenditure figures were more difficult to access. In fact, only the Ghana and Malawi reports were able to use actual expenditures in assessing government fulfilment of the 10 percent commitment. Tanzania was able to use actual expenditures for one component of the full spectrum. The Uganda report uses budget disbursements. Cameroon and Zambia rely on budget estimates. The emphasis on budget allocation rather than actual expenditure masks the actual investment in agriculture. The Tanzania study found that budgeted figures were higher than actual expenditures as a result of shortfall in donor contributions to the national budget. In contrast, Zambia's budget estimates often are less than actual expenditures once supplementary ministry budgets are developed and included. For Malawi, deferred payments and delays in procurement can give the impression that investment expenditures are less than the budgeted amounts.

As noted in the reports, disaggregated data for recurrent and investment expenses were often unavailable, making it difficult to determine the level of spending directly benefiting producers, particularly small producers. The Ghanaian study correctly notes that without disaggregated data based on type of farmer, it is impossible to determine the share of agricultural resources going to small producer and large-scale farmers. Furthermore, collecting and reporting only aggregate data makes it easy to ignore the unique needs of small producers and other marginalized populations and sectors – whether intentionally or not.

- *AU/NEPAD should continue to develop a common system for agriculture expenditure tracking, taking account of the need to differentiate spending between recurrent and investment costs; and among categories of producers to show what portion of the finances actually results in benefits to small producers.*
- *The AU should adopt greater transparency and specificity in the collection and reporting of financial data which will allow for analysis of disaggregated data and greater accountability for the use of public funds and implementation of public policies.*

Need for additional resources targeted to investment expenditures

Since few countries had achieved at least a 10 percent allocation to the agricultural sector and poverty and hunger remain endemic, it is clear that additional funds are necessary. While there is legitimate need for administrative structures within agricultural ministries and department, there is strong evidence of the need for greater fund for investment and improved efficiency in the use of agricultural funds. As the stewards of public funds, government agencies should utilize the least amount of resources necessary to effectively deliver goods and services to the agricultural sector.

Input subsidies for fertilizer and seeds are vital, particularly for promoting food security. However they are quite controversial among farmers, businesses, and countries. Developed country agriculture subsidies remain a divisive issue at the World Trade Organization and while supposedly benefiting farmers in the North, have often resulted in the dumping of subsidized agricultural goods into developing country markets – to the detriment of farmers in the Global South.

In the case of agricultural development in Africa, public support for agriculture is an initial requirement if agriculture is to develop. While neo-liberal institutions like the World Trade Organization and International Monetary Fund balk at this position, the reality remains that no country has developed its agriculture sector without public funds. For developing countries, the question is often not whether to implement subsidies, but rather how and when to implement them.

As noted earlier, small producers – and farmers more broadly –face many constraints to developing farming as an income-generating livelihood. Irrigation and research, processing and storage, transport and marketing are all key challenges that cannot be easily addressed with a subsidy, but must be addressed for the long-term viability of the agricultural sector. Subsidies often represent interventions that offer quick benefits, but not long-term sustainability. Hybrid seeds and fertilizers can improve crop yields in the short-term, but many countries are finding that they have negative long-term impacts on water tables and soil health.

As such, subsidies should be viewed as part of an integrated agriculture development strategy. They must be targeted in terms of their beneficiaries. They should be time-bound with a clear exit strategy to ensure they foster entrepreneurial activity and not dependence and give way for more ecologically sustainable farming practices.

At the same time, it is insufficient to just dump more money into agriculture. The Uganda reports notes that critics of increasing funding for agriculture argue that apart from macroeconomic instabilities, such as inflation and difficulties in monetary policy controls, increasing public spending for agriculture may not result in desired results due to lack of capacity in the sector to efficiently utilise and absorb the increased resources. For example, Uganda's Agriculture Ministry frequently delayed disbursement of the funds from the Ministry of Finance, Planning and Economic Development. Delays may be caused by such factors as stringent procurement procedures or inadequate human and technical capacity within the Agriculture Ministry. However, the lack of capacity in the agricultural sector should not be an excuse not to increase public funding because it is a pre-requisite for economic growth. Instead there should be a concerted effort from government to address the inadequacies apparent in the sector regarding its ability to absorb additional funding available to the sector for spending. Optimal staffing levels within agencies and a sequential, targeted approach to agricultural development could improve the situation.

As implied in the name, investment or development expenditure is more likely to have a direct impact on agriculture development than recurrent expenditure and subsidies are an important policy tool.

- *The AU should identify a minimum investment/recurrent expenditure ratio that is necessary for a country to realise agriculture growth.*
- *AU countries should devote at least 50% of agricultural budgetary resources solely to invest in supporting small-scale agricultural development.*
- *National governments should make available input subsidies in the short-term to achieve much-needed productivity gains for small producers.*
- *National governments should include input subsidies as part of a long-term agenda of farmer education, investment in long-term agricultural infrastructure like irrigation, transport, storage, and rural financial services.*
- *National governments must avoid politicising subsidies which only increase inefficiencies in the programmes.*
- *National governments must ensure that adequate attention is given to sustainable crop production and preventing the image that subsidies are a magic bullet that will address all crop productivity challenges facing farmers.*

Improved implementation and targeting of policies

The best laid policies are meaningless if they are not implemented effectively. Successful implementation is dependent on a clearly defined organizational structure, adequate financial resources, proper beneficiary targeting and political will. Evaluating the success or failure of policy implementation requires embedding procedures and standards for monitoring and evaluation into the policy framework. In addition, it requires transparent processes and adequate and timely data collection involving the input of all stakeholders, including the targeted beneficiaries.

The country reports clearly demonstrated that poor coordination among implementing agencies, lack of political will, and the absence of clear processes for monitoring and evaluation are contributing factors to the challenges to successful implementation faced by many countries.

In Malawi there is no coherent intra and inter sectoral policy coordination framework that would ensure proper coordination and implementation of the policies with active small producer participation to ensure improved welfare of the small producers through improved access to the following: extension services; fair input and output markets with respect to prices; improved technologies; and financial markets. There are unnecessary overlaps and duplications in implementation of programmes amongst these public sector institutions which lead to poor coordination of development efforts. The situation is similar in many countries.

Malawi's FNSP recognizes the need for institutional reform across the sectors through a core functional analysis of the program as well as the development of a strong infrastructure within Government and a guaranteed coordination not only of government institutions, but also of all actors involved in the food and nutrition economy. In this regard, the policy has a provision for the establishment of a National Food and Nutrition Security Committee comprising of various government ministries, parastatal organizations and Non Governmental Organizations. However, it is unclear if the institutional arrangement has improved the implementation of the FNSP.

Uganda's NDP recognizes the need for coordination among policies and programs and will re-align sector plans as well as several emerging development strategies such as PMA, NAADS, PFA, PRDP into a single policy framework to achieve national objectives. Unlike the previous frameworks, the NDP provides an expenditure framework for government

In Ghana, the Ministry of Food and Agriculture, is given the responsibility to coordinate all the activities related to the successful implementation of FASDEP II. However, a clear structure for that coordination is not indicated.

Lack of political will was cited as cause for poor implementation in numerous studies. Despite improvement in Uganda's policy and legal framework on land, it will be some time before the changes translate into improved access to land for small producers. The report notes that, "In the meantime, in different parts of the country, small producers living as customary tenants on registered lands have been subjected to evictions from their holdings as landowners seek to lessen encumbrances on their holdings before the new legal and policy regimes on land come into effect." While the letter of the law, may be followed, the spirit of the law is clearly disregarded.

In some case, lack of political will has manifested as corruption in implementing agencies. Zambia's fertilizer programme has been a failure in the sense that small producers who are supposed to benefit from the programme have not been able to buy the subsidised input as most of it end up in the hand of government officials and commercial farmers. In Tanzania, corruption cases reported in the MAFSC and other ministries is a manifestation that the money allocated to agriculture does not necessarily serve the sector. For example, according to the reports of the Controller & Auditor General (CAG), 14.5 million Tsh was mismanaged between 2001 and 2006. The mismanagement was in the form of unauthorised expenditure, unvouchered expenditure, improperly vouchered expenditure, irregular payments, and payments not supported by proforma invoices.

Targeting was a key issue for all countries. Without interventions being targeted specifically to small producers and their needs, agricultural resources and programs tend to benefit large-scale commercial farmers. While this may contribute to agricultural growth and GDP, it is less likely to have the CAADP desired effect of poverty reduction and hunger eradication.

Categorization of farmers and crops should be reviewed to account for changing demographics and food needs. Small producers should be differentiated between resource-poor and economically active to better target services and resources. Although the term '*small producers*' is used generically, it is important to realise that across countries, the conditions and definitions are actually different. The Tanzania study suggests that crops be categorised into 4 groups namely (i) cereals, (ii) horticultural crops (iii) traditional export crops and (iv) other crops. While the grouping may vary between country and even within geographic regions, the benefit would be that different strategies could be developed for each category of crop and farmer.

Effective implementation requires clear structures, adequate resources, proper targeting and political will. Civil society has a clear role in holding governments accountable in all four areas.

- *National governments must improve inter-ministerial coordination*
- *National governments must develop proper monitoring and evaluation systems which include participation from all relevant stakeholders*
- *National governments should ensure policies are developed within a coherent national rural development framework.*
- *National governments must target policies among categories of producers, at a minimum differentiating between subsistence, small producer commercial, and large-scale farm operations; and accounting for the distinct interests of women producers.*
- *National governments should prioritize small producers and identify strategic food and cash crops for targeting based on national food security, food self sufficiency and rural development needs.*

Inclusion of small producers in the policy development cycle and agricultural markets through producer organizations

Programmes aimed at moving small producers up the value chain will need to be facilitated by a conducive and embracing policy framework. The policy formulation process includes the following phases; agenda setting, policy formulation, policy adoption, policy implementation and monitoring, policy assessment, policy adaptation, policy succession, and policy termination. Small producers have been largely marginalized in policy formulation processes. Policies must reflect the needs of all involved including marginalized groups such as small producers, women, and children. Hence, participatory development is a prerequisite.

Tanzania's policy formulation process involves commissioning a team of consultants to carry out situational analysis by involving stakeholders through meetings, focused discussions and consultative meetings. Stakeholders are asked to provide input regarding situation analysis and existing challenges and propose or advice the government on policy instruments to be formulated. Similarly, in Uganda, to ensure that the views that reflect the interests, needs and address the challenges faced by small producers the revision of the PEAP was based on Participatory Poverty Assessment (PPAs) studies through which the views of small producers were collected and analysed. It not clear on the extent to which small producers remain involved in the implementation. Malawi's policy development process also seems to concentrate the consultations with stakeholders during the policy development, rather than actively involving them throughout the policy cycle (implementation, review, monitoring and evaluation). Cameroon developed its policy through a process of review meetings and diagnostic studies by consultants and without direct consultation with farmers.

In Ghana, while producer organizations were included in the policy formulation process, small producers themselves were not present and the administrative staff effectively expressed the interests of large-scale producers. Similarly, in Zambia, the Zambia National Farmers Union (ZNFU), which is the umbrella organization representing the interest of all the farmers in Zambia, is the only organization with sufficient capacity to effectively contribute to the policy development process. The ZNFU represents the interests of all the farmers. However, many feel that interests of commercial farmers are often prioritized over those of small producers.

Despite challenges, producer organizations have the potential to increase the opportunities and market and political power of small producers. Whether engaging in the policy process or accessing farm inputs like credit or fertilizer, bargaining for prices, or further processing and marketing their crops, collective ventures can allow small producers access to resources and opportunities beyond his or her individual means.

Malawi's MGDS and ADP mention strengthening the capacity of farmer organizations. However, the policies reflect broad intention without specifying exactly how the Producer Organizations (POs) are to be strengthened to ensure their sustainability. This is not to say that vibrant POs are not present in Malawi. Rather, small producers affiliated to NASFAM have gained greater access to inputs, financial markets as well as transport system because of the confidence established under NASFAM.

Participation in producer organizations, however, can sometimes be restrictive. The NAADS program in Uganda had mandated that farmers join registered groups in order to access services, yet the very poor are least likely to be members of such groups. The NAADS strategy has changed somewhat by focusing on 30 small producers per sub-county and 6 per parish. However, these will be market-oriented farmers already. The Zambia National Farmers Union is the umbrella organization representing the interest of all the farmers in Zambia. However, many agriculture-related organizations perceive that the interests of small producers are not taken into consideration in ZNFU in relation to the interests of commercial farmers. In Tanzania, agricultural policies have succeeded in promoting savings and credit cooperative societies (SACCOS) in diverse aspects of agricultural activities. However, the policy has failed to realise its strategies and meet its objectives. Most agricultural products are still being sold without added value; livestock cooperatives have not been vibrant in the country; and farmers have not commercialised 12 years since the policy was established. Farmers are being organised into groups haphazardly under numerous agricultural interventions, especially the ASDP.

Tanzania and Uganda both noted that producer organizations had not always worked for the benefit of their members. Tanzania noted that the policy has failed to recognise that farmers have negative attitude towards cooperatives promoted in the same name as the previous cooperatives that failed them. In addition to issues of inclusion, Uganda's NAADS program found challenges in working with farmer groups note that where responsibility for procurement has been ceded to farmers' groups, there were problems with the purchase of sub-standards inputs; diversions of funds; and delayed procurement of inputs even after funds were deposited on the Bank accounts of PFOs.

Despite challenges in effectively establishing producer organizations, they remain the most efficient and effective means for improving small producers' opportunities in agricultural value chains.
As the Ghana study notes, "[Producer] organizations can be a means for farmers to access inputs at a reasonable cost, to connect to buyers and to engage political leaders and policy makers on their interests and needs…The government should be ready to build the capacity of the POs to enable them access and monitor interventions and strategies which are meant to improve upon their livelihoods."

- *National governments should provide incentives for the producer organisations to function well and provide services that meet the needs of their members.*
- *National governments must ensure that organisations of small producers have active and meaningful participation in the full policy cycle – from issue identification through policy development, implementation and monitoring and evaluation. Where the capacity of producer groups in any of these areas is limited, national governments and donor agencies must support the building of that capacity.*

Annex I: Key Agricultural Policies Reviewed

Country	Policies Reviewed
Cameroon	Stratégie de Développement du Secteur Rural (SDSR)-2006
Ghana	Growth and Poverty Reduction Strategy (GPRS II) Food and Agricultural Sector Development Policy (FASDEP II) Food Security and Emergency Preparedness Policy Increased Growth in Incomes Policy Increased Competitiveness and Enganced Integration into Domestic and International Markets Policy Sustainable Management of Land and Environment Policy Improved Institutional Coordination
Malawi	The Agriculture Development Program (ADP) Food and Nutrition Security Policy Agricultural Extension Policy Agricultural Research Policy and Livestock policy.
Tanzania	Agricultural and Livestock Development Policy Agricultural Marketing Policy Land Policy Cooperative Development Policy SME Policy.
Uganda	Poverty Eradication Action Plan (PEAP) Plan for the Modernisation of Agriculture (PMA) and the National Agricultural Advisory Services (NAADS) The National Development Plan (NDP) National Land Policy Uganda Food and Nutrition Policy.
Zambia	National Vision 2030 Fifth National Development Plan (FNDP) National Agriculture Policy (NAP)