

COMESA Regional CAADP Compact

Draft Version 19
19 April 2010

Circulated for Stakeholders' Inputs and Comments

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Preamble

Since 2000, agriculture has been recognized as the mainstay and key driver of economic growth, food and nutritional security and poverty alleviation in Africa. In ratifying the Maputo Declaration of 2003, African Heads of State and Government committed to effecting policy changes that will improve agricultural and rural development in Africa in the bid to meet Millennium Development Goal 1 which seeks to halve poverty by 2015, increase food security and eradicate hunger. These included African Governments' commitment in the allocation of at least 10 percent of national budgetary resources for agriculture and rural development.

The main objective of the Comprehensive Africa Agricultural Development Programme (CAADP) is to assist African countries reach a higher path of economic growth through agriculture-led development and attainment of at least 6% annual sectoral growth. Although continental in scope, CAADP is an integral part of regional and national efforts to promote growth in the agriculture sector which ultimately contributes to overall economic development within the common framework and process reflected in a set of key targets that have been defined by the Heads of State and Government to:

1. Guide country strategies and investment programmes
2. Allow regional peer learning and review; and
3. Facilitate greater alignment and harmonization of development efforts

In aggressively pursuing the CAADP agenda as a holistic framework for agricultural-led growth, to date, seven countries within the COMESA region have successfully signed their national compacts. These include Rwanda, Burundi, Ethiopia, Swaziland, Uganda and Malawi. It is expected that Kenya, Zambia, Djibouti, Zimbabwe and Sudan will follow soon.

Cognizant of the global trend towards regional trade and economic integration and the threats of the environmental degradation, climate change, rising food prices and escalating levels of poverty food insecurity and hunger, and consistent with the policy guidelines, the COMESA Ministers of Agriculture have consistently called for a regional approach to expanding opportunities for agricultural production, enhancing regional food security, increased regional Trade and market access through research, value addition and trade facilitation. The key priorities for COMESA in consolidating its strategic objectives include implementing major programs in infrastructure, trade and agriculture. It is against this backdrop that the COMESA Secretariat has developed a regional compact that seeks to harmonise, align and standardize agricultural investment programmes in the region within the context of three strategic priorities:

1. Increasing food output and productivity throughout the regional value chain: on farms, in processing industries, and in marketing;
2. Developing priority regional trade and development corridors; and,
3. Developing human and institutional capacities towards enhancing a conducive policy environment.

Central to addressing these two strategic priorities is the role of human and institutional capacity in re-aligning the COMESA region's agricultural development strategy to the CAADP regional Compact's investment programme and implementation strategy.

In line with the overall African vision for an enhanced agricultural-led growth agenda, the regional compact will provide the guiding framework for attaining the region's objectives of sustainable regional food security and enhanced regional integration.

COMESA has therefore endorsed the principle of moving from a national to a regional approach in dealing with regional food security issues through the implementation of a regional compact whose purpose is to support and enhance CAADP implementation programmes in COMESA member states through regional policies, strategies, investments, advocacy and institutional capacity building that will contribute to the achievement of the following key objectives:

- a) Achieve agricultural sector growth of 6% per year (Maputo Declaration 2003)
- b) Attain regional food self-sufficiency (Article 129, COMESA Treaty)
- c) Increase agricultural productivity in crops, livestock, fisheries and forestry for domestic consumption, exports within and outside the Common Market and as inputs into agro-based industries, and replacement of imports on a regional basis (Article 129, COMESA Treaty).

It is expected that the COMESA Regional CAADP Compact will reinforce the development of long-term coordinated strategies for agricultural development in the region; strengthen and establish viable regional partnerships for sustainable agricultural growth, and enforce guidelines for ensuring commitment by regional stakeholders to the implementation of the Compact for increased agricultural productivity and production.

The Common Market for Eastern and Southern Africa (COMESA) and the undersigned partners therefore agree, under the terms and conditions of the Regional Comprehensive Africa Agriculture Development Programme (CAADP) Compact, to coordinate their support towards the achievement of the COMESA's Treaty through the implementation of identified regional investment programmes that will create and strengthen harmonised efforts at regional level as identified in the COMESA Treaty and draft agricultural strategy. Partners and alliances of this compact also expect that through the identified regional investment programmes, complementary support will be given to national level efforts and investment priorities that will enable member state governments to achieve a minimum 6% sectoral annual growth rate.

The undersigned partners to this COMESA Regional CAADP Compact include the following stakeholders:

- The COMESA Secretariat
- COMESA Ministers of Agriculture
- The Private sector in the region
- Farmer organisations such as EAFF and SACAU
- The development partners community
- Regional research institutions such as ASARECA
- Regional policy institutions such as FANRPAN

- Regional investment institutions such as ACTESA

Section 1: Why a Regional CAADP Compact for COMESA

1.1 Background

The period since the year 2000 has provided a sound foundation for more meaningful cooperation in the areas of food, agriculture, fisheries and forestry in the COMESA region. In ratifying the Millennium Declaration in the year 2000, some 189 nation states, including member states of COMESA, committed to the eight (8) development goals including the eradication of poverty and hunger by 2015. Cognizant of the global trend towards regional trade and economic integration and the threats of the environmental degradation, climate change, rising food prices and escalating levels of poverty, food insecurity and hunger, and consistent with the policy guidelines, the COMESA Ministers of Agriculture have consistently called for a regional approach to expanding opportunities for agricultural production, enhancing regional food security, increased regional trade and market access through research, value addition and trade facilitation. The key priorities for COMESA in consolidating its strategic objectives include implementing major programs in infrastructure, trade and agriculture. In the agricultural sector, the focus is on implementing the Comprehensive Africa Agricultural Development Programme (CAADP), a programme of the African Union whose implementation mandate in the region rests with COMESA. CAADP was established by the African Union's New Partnership for Africa's Development (AU/NEPAD) in July 2003 as the highest policy level framework for the coordinated development of agriculture in Africa. The overall goal of CAADP is to "Help African countries reach a higher path of economic growth through agriculture-led development, which eliminates hunger, reduces poverty and food insecurity, and enables expansion of exports."

CAADP is a growth-oriented agriculture development agenda, aimed at increasing agriculture growth rates to six percent per year to create the wealth needed for rural communities and households in Africa to prosper. To achieve this goal, CAADP focuses its interventions in four key pillars to achieve measurable outcomes:

- Expansion of the irrigation sub-sector and promoting sustainable land management (Pillar 1 of CAADP)
- Strengthening trade capacity, improving physical market infrastructure and market support areas such as market information, sanitary and phytosanitary (SPS) capacity, strengthening regional and cross-border farmer and business organizations, establishing value addition enterprises and promoting contract farming (Pillar 2 of CAADP)
- Promoting food and nutrition security and dealing with the challenges of the vulnerable and food insecure populations (Pillar 3 of CAADP), and,
- Strengthening research institutions and supporting dissemination and farmer adoption of productivity and enhancing technologies (Pillar 4 of CAADP)

COMESA is working to ensure that all its nineteen member States purposefully move towards the attainment of Millennium Development Goal (MDG) 1 to cut hunger and poverty in half by 2015 and contribute to MDG 6, to attain environmental sustainability. To ensure COMESA's regional agricultural development programmes are CAADP compliant and to assist member States target the agreed objectives of reaching MDG 1, delivery of 10 per cent of national budgets to agriculture and rural development, and to attain a sustained 6% sector growth rate, COMESA has developed a regional compact (agreement) which highlights the key policies, strategies and programs, existing gaps, required alternative investments, appropriate investment levels and necessary dialogue mechanisms for consistent broad based implementation of CAADP within the regional context.

1.2 Goal of the Regional Compact

In line with the overall African vision for an enhanced agricultural-led growth agenda, the regional compact will provide the guiding framework for attaining the region's objectives of sustainable regional food security and enhanced regional integration.

COMESA has therefore endorsed the principle of moving from a national to a regional approach in dealing with regional food security issues through the implementation of a regional compact whose purpose is to support and enhance CAADP implementation programmes in COMESA member states through regional policies, strategies, investments, advocacy and institutional capacity building that will contribute to the achievement of the following key objectives:

- d) Achieve agricultural sector growth of 6% per year (Maputo Declaration 2003)
- e) Attain regional food self-sufficiency (Article 129, COMESA Treaty)
- f) Increase agricultural productivity in crops, livestock, fisheries and forestry for domestic consumption, exports within and outside the Common Market and as inputs into agro-based industries, and replacement of imports on a regional basis (Article 129, COMESA Treaty).

Section 2: Guiding Principles and Rationale for a Regional Compact

COMESA Member States are cognizant of the critical role that agriculture plays in their national economies. Agriculture is considered to be the engine for economic development in the COMESA region. The sector accounts for more than 32 per cent of COMESA's gross domestic product (GDP), provides a livelihood to about 80 per cent of the region's labour force, accounts for about 65 per cent of foreign exchange earnings and contributes more than 50 per cent of raw materials to the industrial sector.

The progress of moving the CAADP agenda from a strategic document to real actions and decisions on the ground has been most active at national levels with Rwanda, a COMESA member state being the first country to conclude its national CAADP compact in March 2007. To date close to ---COMESA member states have signed CAADP compacts with many more expected to be concluded during the year 2010. The National Compacts of the Comprehensive Africa Agricultural Development Programme (CAADP) are high-level agreements between governments, regional representatives and development partners for a focused implementation of CAADP within the respective country. They are meant to detail programmes and projects that the various partners can buy into and that address national priorities. They are also meant to define actions, commitments, partnerships and alliances and guide:

- country policy and investment responses;
- planning of development assistance; and
- public-private partnerships and business to business alliances to raise and sustain the necessary investments.

In addition, key concepts exist which guide the design of CAADP Compacts. These include:

- A clear articulation of the role of agriculture in poverty reduction and wealth creation,
- A clear identification of constraints to agricultural development,
- A clear identification of the key growth areas requiring investment,
- A recognition of ongoing activities and the need to build on them,
- Fit into national/regional agricultural strategies,
- Involvement of key actors like the private sector, agricultural NGOs and academia, and
- Consultations with member States and cooperating partners.

Therefore, in order to raise the competitiveness of the COMESA region's agricultural sector and accelerated agricultural growth, a regional approach is required for a number of reasons:

First, a regional perspective is necessary for improving food production and food security. Across the COMESA region, inherited political borders frequently separate surplus food production zones from the deficit markets they would normally serve. These political boundaries separate food surplus northern Mozambique from deficit markets in Malawi and eastern Zambia, they divide the maize surplus highlands of southern Tanzania from deficit markets in DRC and Malawi, and they separate food surplus zones in Uganda from deficit markets in Kenya and Sudan. Political borders, in turn, translate into a welter of tariff and non-tariff barriers, which lower incentives for farmers and traders while

simultaneously raising consumer food prices in cross-border deficit zones. Fluid cross-border flows, therefore, become critical for maintaining incentives for farmer investment in the surplus zones and for avoiding the extreme price volatility and consequent boom-and-bust production cycles that result when production shocks reverberate within the confines of small individual country boundaries. Regional cross-border trade can clearly contribute to improved regional food security, though this will require infrastructural investment and policy harmonization along key regional trade corridors.

Second, because the region's many small countries often straddle common agro-ecological zones, regional research collaboration can generate significant technology spillovers as well as efficiency gains from economies of scale. Likewise, major scope exists for achieving scale economies through regionally coordinated research on problems of common interest — including plant breeding in shared crops, soil fertility management systems, biotechnology research and bio-safety regulation. Regional collaboration in controlling plant and animal diseases remains imperative, as experience with the cassava mealie bug and major livestock diseases have shown.

To capture these gains, the CAADP regional compact will concentrate on strategic regional investments that individual countries, acting alone, cannot achieve but which serve to accelerate individual country agricultural growth by enabling them to benefit from regional spillovers and economies of scale in technology development, trade and investment. The regional CAADP compact will provide the glue linking countries together in ways that accelerate agricultural growth and improve food and nutrition security.

Section 3: The Agricultural Sector in COMESA

3.1 Profile of agriculture in the COMESA region

Compared to other regions on the continent where oil, minerals and other resources are abundant, the COMESA region relies heavily on agriculture as the engine for economic development. Agriculture is also of high priority in the integration agenda and achievement of other regional aspirations. It is a critical pathway in attaining economic growth in the region, creating employments and reducing poverty and hunger. This section appraises the importance and potential contribution of agriculture in the COMESA integration agenda.

Contribution to GDP – overall, the agriculture sector accounts for more than 32 percent of GDP for COMESA¹. The sector's contribution to GDP ranges from 6 percent in Mauritius to 49 percent in Burundi and is characterised by a general decline in its contribution to the GDP over the years. Trends analysis of recent data on public spending in agriculture in COMESA paints a grim picture (Chilonda et.al, 2009). One implication from these trends is that it seems only Malawi's has responded to the Maputo Declaration spending average annual 12.3% between 2004-05 and 2006-07. Another implication is that while the countries may not all need to reach the 10% for ultimate reaching the target of halving poverty and hunger by 2015, the fact that the trends in proportion of agriculture expenditure to total expenditure are not improving especially after the Maputo Declaration is alarming as one expects consistent commitment to the rural and agricultural populations. The importance of increasing government spending for agriculture has been recognized by African leaders as a fundamental pre-requisite for achieving a 6 percent annual growth rate in agricultural GDP and in the COMESA region and is expected to turn around agriculture's contribution to GDP in the region.

Employments – on average, agriculture employs 70 percent of the region's labour force and provides a livelihood to over 80% of the region's population. It, therefore, plays a pivotal role in the attainment of increased incomes and improved standards of living for the majority of the people in the region.

Trade - Agricultural commodities are major drivers for growth in intra-COMESA trade. COMESA trade statistics indicate that total intra-COMESA trade during 2008 amounted to some US\$6.3 billion. Of this, food and agricultural raw materials constituted US\$2.1 billion (or 30 percent). Though this indicated a reduction in the share of agriculture in intra-regional trade from 43% levels recorded in 2005, agriculture remains the biggest export commodity after manufacturing (Table 1 below).

¹ GDP for COMESA is estimated to be over USD270million in 2009.

Table1. The composition of intra COMESA exports by sector in 2005

SECTOR	% SHARE
Manufacturing	50%
Food	40%
Agric Raw Materials	4%
Fuels	3%
Ores and Metals	3%
Total	100%

Source: COMESA

Linkage with other sectors – agricultural sector offers a number of forward and backward linkages with other sectors of the economy. Within the COMESA region, these linkages are most witnessed between agriculture and industry where the former supplies 65 percent of raw materials for industry. It is also supporting urban population in terms of food and there are few services that have developed specifically to support agriculture development.

3.2 Problem Analysis

While the majority of the citizens of COMESA region derive their livelihood from agriculture, the sector is still under developed. It is characterised by, among others by low investment in the sector; low output and productivity; food insecurity; a skewed distribution of food deficit and food surplus zones and persistent poverty.

Investments in the agriculture sector - Even though agriculture forms the backbone of COMESA economies, it ranks among the least funded sectors. To date, very few countries have managed to meet the requirement of the Maputo Declaration of allocating at least 10% of their national budgets to agriculture. With exception at least five countries in the COMESA region have increased their allocation of the national budget to a minimum of 10%, albeit with varying results. These include Malawi, Rwanda, Zimbabwe, Ethiopia and Tanzania. Even then, it is still to be ascertained whether the increased budgetary allocation translates into effective increased agricultural productivity and production, rather than into increased food imports. The majority of COMESA member states are still devoting less than 5% of their budget to agriculture. Private sector investment in the sector is also low due to a number of risks in the sector and relative low levels of profitability.

Agricultural production and productivity – Overall, growth of agricultural output has been a sluggish two percent per year over the last three decades. With the exception of Malawi, Rwanda, Sudan, and recently Ethiopia (which was growing at 8.5 percent in 2008), COMESA countries posted very low average annual growth in agricultural output. In some countries output even shrunk. In terms of productivity, crop yields in the COMESA region, especially food staples, remain well below the levels achieved in the rest of the developing world. For example, maize and rice yields in the region are less than 30 percent of average yields elsewhere. The low productivity in agriculture is also partly reflected in low labour productivity. Labour productivity is low due to a number of factors including low ratio of inputs to labour and ill-health resulting from Malaria and HIV/AIDS. According to aid agency Oxfam,

when a family member becomes infected by HIV/AIDS food production can fall by up to 60%. This state of affairs has led to increasing food imports, declining contribution to GDP and consequently worsening poverty levels. Thus the ability of the region to rely on agriculture to raise incomes and reduce poverty is being eroded.

Food security – While the per capita food production trends in the rest of the world have been upward, sub-Saharan Africa in general and COMESA region in particular is experiencing downward trends. In less than 40 years the sub-continent went from being a net exporter of basic food staples to relying on imports and food aid. In 1966-1970, net exports averaged 1.3 million tons of food a year (The African Food Crisis). It is estimated that by the late 1970s Africa imported 4.4 million tones of staple foods a year, a figure that rose to 10 million tones by the mid 1980s. For COMESA, agriculture and food imports are increasing at about 13 percent per annum. The import level almost tripled from US\$6.3 billion in 2000 to US\$17.2 billion in 2008. This increasingly heavy and chronic dependence on food imports is particularly unsustainable and poses a serious food security challenge for COMESA. The problem is exacerbated by high population growth in region of 2-3% per annum.

The problem of hunger in Africa is not only widespread but also getting worse. It is estimated that one in three people in Africa are currently undernourished and that a third of the entire world's undernourished people reside in sub-Saharan Africa. By 2010 Africa may account for nearly two-thirds of the undernourished people in the world (USAID, Sub-Saharan Africa).

Poverty - more than half the population lives on less than one dollar a day. Of these, over 60% are engaged in agriculture. This is attributed to fluctuations in agricultural prices (deteriorating terms of trade) and dominance of subsistence farming. Unless there is a deliberate effort to stabilise agricultural earnings, improve agricultural productivity and increase output, it will be nearly impossible for the COMESA region to use agriculture in its efforts to reduce hunger and poverty by 50 percent by the year 2015.

3.3 Constraints to agricultural production and productivity in the region

Agricultural production in the COMESA region is constrained by a number of factors. The most binding ones include:

- (i) **Low agricultural financing and investment** – this arises from both public and private domains. From the public sector viewpoint, government investment in the sector is still low - many countries in the region devote less than 5% of their budget to agriculture despite signing to the Maputo Declaration requiring them to raise budgetary allocation to agriculture to at least 10%. There is also poor targeting of public expenditure to agriculture to areas that tend to compete with or crowd out private sector investment instead of developing public goods. On the other hand, private sector investment in the sector is low due to a number of risks in the sector, perceived low returns to investment and general of agricultural-friendly long term schemes.
- (ii) **Over reliance on rain-fed systems** - the region continues to depend on rainfall with irrigation coverage at only 9% on average. This has however, been very unreliable due

to effects of climate changes in particular increasing temperatures and shifting rain patterns.

- (iii) **Inadequate institutional capacity** – some critical institutions are non-existent and others are inefficient. They include markets, credit institutions, farmer organisations, research and extension services, among others. A number of institutions lack adequate facilitations in terms of equipment and human resources. The human resources challenge is also manifested in lack of adequate skills, failure to attract and retain relevant skills in some areas (hard to reach and hard to stay areas) and general low morale of agriculture workers compared to labour force in other sectors (this is related to low pay).
- (iv) **Low investment in agricultural research and application** - On average Research & Development (R&D) as a share of GDP is below 1% compared to 1.93% for the European Union. Of the total budgets allocated to the agricultural sector in developed countries, close to 8% is devoted to agricultural research with less than half of the same expenditure made in most African countries. This has slowed down the rate of scientific technological innovations and adoption. Even for available technologies, sub-Saharan Africa and the COMESA region in particular, experience low uptake of modern production technologies such as the adoption of improved seed varieties in COMESA which is only 30 percent; and fertilizer applications averaging only 10 kg/ha compared to a global average of 50 kg/ha.
- (v) **Declining soil fertility** – this is largely due to overuse due in part to high population pressure, poor soil and water conservation practices, and low application of fertilisers. High population density in sub-Saharan Africa has forced farming communities to subdivide their land time and again, leading to tiny and fragmented plots. The average acreage in the region is about 5 acres per farming household. For the past 30 years, sub-Saharan Africa's population has grown faster than any region despite the millions of deaths from the Aids pandemic. Between 1975 and 2005, the population more than doubled, rising from 335 to 751 million, and is currently growing at a rate of 2.2% a year (the UN Population Fund). The COMESA population stood at 410 million people in 2009 in area of approximately 12million Square kilometers translating in a population density of 34 persons per square kilometer.
- (vi) **Poor infrastructure** – the key requisite infrastructure that are deficient or in poor state include (i) Transport infrastructure making it difficult to accessing production areas and markets; (ii) energy infrastructure, which is inadequate to facilitate value-addition; (iii) Storage infrastructure, which is critical for minimising post-harvest losses.
- (vii) **Ineffective policy, legal and regulatory framework** - agricultural trade and marketing policies are weak. There are also some inconsistencies in agricultural policies limiting private sector investment decisions and activities. Despite the signing of the Free Trade Area (FTA) agreement by eleven of the nineteen members states of COMESA, countries have continued to impose barriers to regional trade in staple and other foods, including periodic import and export bans, superfluous sanitary and phytosanitary (SPS) requirements, duties and other charges on cross border trade. In addition, there is lack

of clarity on public engagement with private sector leading to poor delineation of public and private roles and functions.

- (viii) **Poor agricultural extension support services** – COMESA countries apply both supply-led and demand driven- agricultural advisory services with mixed successes. In general, extension services are inadequate or unreliable.

3.4 Opportunities for agricultural development in the COMESA region

Sub-Saharan Africa and the COMESA region in particular, exhibit enormous potential for agricultural development. This potential lies in the following: unexploited natural resources, social capital, basic but growing institutional arrangements, regional economic centres (RECs) and the positive impact of globalisation.

Natural resources – the COMESA region has a total arable land area of over 65,510 square kilometres. Of which less than 9% is currently under irrigation. This leaves the region is a huge potential for agricultural extension, commercialisation and development.

Social capital – the COMESA region boasts of a high population of 410 million people, making it the largest REC in Africa. This population provides a potential workforce for agriculture as well as potential market for agricultural produce. Yet the rising prevalence rates of HIV stand as a looming threat to the sustainability of agricultural development and economic growth in the region

Globalisation – the impact of globalisation will include inter-alia enhanced inter-connectivity of COMESA with other RECs and the rest of the world. This state of affairs offers a lot of potential for the agricultural sector especially in terms of technological transfer, trade development and market penetration. Other effects will include improved mobility of goods and services, as well as humans. The major beneficiaries of global trade will be non-traditional exports commodities such as flowers and horticulture. These commodities have potential to spur Africa's Green Revolution because of Africa's comparative advantages in these products such as tropical and semi-tropical climate and proximity to Western Europe, which is the major market segment for floriculture and horticulture and other commodities such as in apiculture.

Emerging institutions and regional initiatives – new agricultural initiatives and programmes are being promoted under the aegis of regional cooperation and integration framework. The initiatives take place at AU/NEPAD and COMESA REC level and are to be implemented at national level. They include programmes such as the Africa Agricultural Market Programme (AAMP), ACTESA and other organized farmer groupings such as SACAU, EAFF; regional research institutions including ASARECA and multi-stakeholder policy platforms such as FANRPAN.

Resurgent security – the restoration of peace and security in formerly conflict prone countries and regions in countries such as Burundi, DRC Congo and Sudan is to further facilitate intra-regional trade especially in agricultural products where partner states have varying comparative advantages.

3.5 Strategies for promoting agriculture growth in COMESA

In order to resolve the binding constraints and realise agricultural potentials within the COMESA region, a number of regional level strategies will be pursued under the CAADP framework. The broad policy guidelines/strategies will include the following:

1. Advocating for increased agricultural financing – this will entail increasing government budgetary allocation to agriculture targeting non-rivalry and non-exclusion goods such as public infrastructure, market regulation, science and technology and extension; as well as increased private sector financing. New and long term financing mechanisms that are friendly to agriculture will be promoted.
2. Promoting commodity-based value-chains. A cluster system will be emphasized to ensure production oriented support and concentrated marketing. The focus will be on elimination of supply side constraints to production including provision of critical inputs; processing and value-addition; commodity distribution; marketing and trade.
3. Strengthening institutional capacity at COMESA secretariat, within partner institutions and across the networks. The priority will be paid to improving human resource capacities, re-tooling human capacity with requisite skills for a modernised agricultural economy and putting in place requisite service delivery systems for agricultural development.
4. Promoting Science, Technology and Innovation (STI). The priority will be focused to increasing funding of R&D in priority areas such as biosafety and disease control; commercialisation of research findings and promoting uptake of modern technologies.
5. Promoting sustainable agricultural practices through technologies such as soil conservation measures and the optimum use of fertilizers. This is necessary to address the challenge of declining soil fertility and reversing the low levels of productivity. In addition, use of High Yielding Varieties (HYVs) that are drought resistant and able to survive in harsh conditions will be prioritised.
6. Advocating for provision of requisite infrastructure to enhance regional inter-connectivity, reduce barriers to doing business in the region and accelerate value addition. The focus will be on transport, energy, water for production and storage infrastructure.
7. Harmonising the policy, legal and regulatory framework with COMESA region. In addition, a framework for streamlining the public and private sector engagement will be developed and harmonised across the region.
8. Reviewing and harmonise agriculture extension services to ensure effective delivery. This will address both the supply and demand sides. The demand side interventions will primarily aim at empowering farming communities to demand (and/or pay) for agricultural advisory services while the supply side will primarily aim at increasing availability of relevant services.

Section 4: CAADP as an Africa Owned Agenda and a Shared Development Framework for COMESA

The Comprehensive Africa Agriculture Development Programme (CAADP) is a shared framework for the development of the agriculture sector in COMESA and all African countries. CAADP's main objective is to help African countries achieve higher economic growth through agriculture-led development, thereby eliminating hunger, reducing poverty and food insecurity, enabling the expansion of exports, and supporting environmental resilience. CAADP is a common framework reflected in a set of key principles and targets collectively defined and set by African Heads of State in order to (i) guide country strategies and investment programmes; (ii) allow regional peer learning and review; and (iii) facilitate greater alignment and harmonization of development efforts.

Under CAADP, Africa's governments have further identified four continent-wide entry points, or pillars, for investment and action in pursuing increased and sustainable productivity in agriculture, forestry, fisheries, and livestock management. The four pillars of the CAADP agenda are: (i) Sustainable land and water management; (ii) Trade and marketing infrastructure; (iii) Food and nutrition security; (iv) Agricultural research, extension and training for technology dissemination and adoption.

Under CAADP, COMESA is working to ensure that its member States purposefully move towards the attainment of Millennium Development Goal (MDG) 1 to cut hunger and poverty in half by 2015. The region is undertaking detailed consultations and analytical work to best provide alternative strategies that will allow member States to reach the agriculture sector's minimum growth rate of 6 per cent required in the CAADP framework. COMESA member States are cognizant of the critical role that agriculture plays in their national economies and while the majority of the citizens of COMESA derive livelihood from agriculture, the sector's overall productivity is low. The main challenges to enhanced agricultural development and competitiveness in COMESA are market-related challenges, technological obstacles and policy constraints that lead to low agricultural productivity resulting in food insecurity. In order to raise productivity and competitiveness of the COMESA region's agricultural sector, the organization has in place a number of initiatives at different stages of implementation.

To ensure COMESA's regional agricultural development programmes are CAADP compliant and to assist member States target the agreed objectives of reaching MDG 1, delivery of 10 per cent of national budgets to agriculture to attain a sustained 6% sector growth rate, COMESA has prescribed the routes that will be taken at the national and regional levels for CAADP implementation. At both levels, compacts (agreements) must be produced highlighting the key policies, strategies and programs, existing gaps, required alternative investments, appropriate investment levels and necessary dialogue mechanisms for consistent broad based implementation of CAADP to efforts to accelerate agriculture and rural development advancement at regional and national levels.

The value addition of the CAADP regional compact in COMESA is envisaged therefore to address the following:

1. Assist in the harmonization, streamlining and prioritization of the agricultural sector developmental initiatives;
2. Facilitate compliance of commitments to CAADP requirements. This includes meeting the 10% financial resources allocation to agriculture at country level through a complementing regional approach that provides conducive policy, infrastructural and investment climates to support country efforts beyond national borders;
3. Support the drive for the commercialization and diversification of agriculture in the short to long-term through linking farmers at country level to markets across the region;
4. Better position the region to minimize the effects of global warming and associated climate change;
5. Reduce food insecurity which is progressively escalating as agricultural productivity and the overall performance of the economy continue to decline through the creation of investment programmes that balance out the region's food surplus and deficit areas.

The CAADP process at a regional level will play a pivotal role in the consolidation, strengthening and value addition of member state's efforts in improving agriculture development. Specifically, the COMESA regional compact will enhance and support the implementation of the Poverty Reduction Strategy and Action Programme (PRSAP) and other relevant and related programmes supportive to agriculture, food security and rural development at country level, through identified regional investment programmes that will create a conducive environment and coherent long-term development and investment framework that will guide the planning and implementation of current and future interventions for agricultural development, and identify strategic options to directly address poverty reduction at national level in support of national compacts.

Section 5: The COMESA Policy Environment for Agriculture

The Common Market for Eastern and Southern Africa (COMESA), by both population (410 million people) and geographical size (12 million square km), is the largest Regional Economic Community in Africa. The Treaty establishing COMESA was signed on 5th November 1993 and ratified on 8th December 1994. COMESA has 19 member States of which three are in North Africa, four are Island States in the Indian Ocean and the remainder are in Sub-Saharan Africa. Agriculture is the main economic activity in COMESA and 80 per cent of the population derives their livelihoods from agriculture.

Fifteen COMESA member states are currently members of the WTO. COMESA established a Free Trade Area in 2000, requiring all member States to eliminate all duties on imports originating from other member States. Nine states, Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe signed up. In June 2009, COMESA established a Customs Union which provides a framework to coordinate and harmonize policies and strengthen COMESA's engagement with the rest of the world. The COMESA customs territory includes land, water and air space of 19 member States. The COMESA customs union will be harmonized with that of the East African Community (EAC) and SADC under the tripartite arrangement.

COMESA is well-positioned to play this coordinating role for its member states. Many key problems require regional solutions; the importance of a regional approach is embodied in the "Nairobi Declaration" and confirmed in the "Cairo Declaration" during the COMESA Agricultural Ministers' Meeting of November 2005. COMESA has long adopted such a regional approach to food security by promoting infrastructure development and harmonized policies that will enable a free flow of food staples from surplus to deficit areas driven primarily by price incentives and market forces. Successful containment of livestock and plant diseases demand careful coordination across borders, as past experience combating rinderpest and cassava mosaic virus in the region attest. The sharing of improved plant and livestock breeding material across countries, likewise, offers significant prospects for reducing costs and accelerating productivity gains across countries that straddle common agro-ecological zones. Early warning and forecasting systems work most efficiently when conducted on a regional framework. Even purely national programs such as emergency and school feeding programs, clearly benefit from the sharing of information and experience across countries.

5.1 COMESA aims and objectives

Article 3 of the Treaty specifies COMESA's aims and objectives as:

- a) Attaining sustainable growth and development of the member States by promoting a more balanced and harmonious development of its production and marketing structures;
- b) Promoting joint development in all fields of economic activity and the joint adoption of macro-economic policies and programmes, to raise the standard of living of its peoples and to foster closer relations among its member States;

- c) Cooperating in the creation of an enabling environment for foreign, cross-border and domestic investment including the joint promotion of research and adaptation of science and technology for development;
- d) Cooperating in the promotion of peace, security and stability among member States in order to enhance economic development in the region;
- e) Co-operating in strengthening the relations between the Common Market and the rest of the world and the adoption of common positions in international fora; and
- f) Contributing towards the establishment, progress and the realization of the objectives of the African Economic Community.

The ultimate mission of COMESA is to achieve sustainable economic and social progress in member States through increased cooperation and integration in all fields of development, particularly in trade, customs and monetary affairs, transport, communication and information, technology, industry and energy, gender, agriculture, environment and natural resources.

COMESA's 2025 vision is to create a fully integrated internationally competitive regional economic community; a community within which there is economic prosperity demonstrated by high living standards of its people with political and social stability; a community within which goods, services, capital and labour move freely across the geographical borders. Having established the COMESA Customs Union in 2009, the next steps to achieve this vision are to establish a common market, and an economic community. COMESA's target is to double per capita income and halve the number of poor people through a steady expansion of its regional economy at an average growth rate of 6-8 percent per year.

5.2 The COMESA Agricultural Strategy

The COMESA Treaty stipulates that the overall objectives of co-operation in the agricultural sector are the achievement of regional food security and rational agricultural production within the Common Market. To this end, Member States have undertaken to:

- a) harmonize agricultural policies;
- b) work towards regional food sufficiency and replace food imports on a regional basis; and
- c) increase agricultural productivity.

In order to achieve the overall goal of improved regional food security and the specific targets listed above, the COMESA Agricultural Strategy comprises three strategic areas of intervention:

1. Facilitation of efficient agricultural markets

COMESA has placed strong emphasis on facilitating enhanced trade of agricultural products, specifically food staples including livestock and fisheries, at local, regional and international levels help contribute to the overall goal of improved food security. Of high priority are improving market infrastructure, market information systems and the institutional capacity and structure of market institutions. Commercialization of smallholder farmers and improved market services within staple crops and livestock are high priorities.

2. Accelerating adoption of productivity-enhancing technologies

COMESA Member States have placed a high priority on accelerating food production and food system productivity through adoption of existing and newly generated technologies in order to reverse the declining trends in food production and productivity in the region. Important underlying factors which will need to be addressed as part of this focus include limited access to inputs (mainly seed and fertilizer), drought/floods (climate change), poor extension systems, low irrigation development, poor crop and livestock diversification, poor infrastructure and market access, unsustainable farming systems and poor land tenure systems if in place. There is also a close linkage to the first strategic area and its focus on improving markets, which will help catalyze food and agricultural production, and productivity.

3. Promoting an enabling agricultural policy environment

COMESA Member States will facilitate establishment of harmonized set of enabling policies and regulatory systems for increased agricultural production and productivity and marketing of agricultural products. The region is characterized by haphazard policies that do not stimulate production and marketing of food staples resulting in food insecurity. Of high priority for Member States are policies that respond to rising food prices, removing tariff and non-tariff barriers such as SPS measures and food trade bans imposed arbitrarily in the region.

The culmination of a series of policy dialogues within the region has identified two major priorities that form the core foundation of the regional compact:

First, to open up the region to freer flow of agricultural trade by removing all barriers to trade to ensure that as needed, commodities move from surplus to deficit areas in the region driven primarily by demand and market forces. This policy shift is enshrined in the Declaration of the Second Meeting of the Ministers of Agriculture, made in Nairobi, Kenya on 15-16 October on, "Expanding Opportunities for Agricultural Production, Enhanced Regional Food Security, Increased Regional Trade and Expanded Agro-exports through Research, Value Addition and Trade Facilitation".

Second, is to put in place policies, systems, regulations and procedures which are harmonized across the region so as to create a conducive, transparent and facilitative environment for conducting regional agricultural trade with forward and backward linkages across the region from the farmer to the market. Further, the COMESA agricultural approach aims to position the region as a reliable supplier of primary and processed agricultural goods to global markets and whose producers effectively and competitively respond to opportunities that arise in all external markets.

Section 6: COMESA Strategic Regional Priorities for the CAADP Compact

Drawing on the COMESA treaty, the COMESA Agricultural Strategy, analytical studies across the region and stakeholder consultations, the following regional priorities have been identified for the Regional Compact:

1. Increasing food output and productivity throughout the regional value chain: on farms, in processing industries, and in marketing;
2. Developing priority regional trade and development corridors; and,
3. Developing human and institutional capacity in support of an enhanced policy environment

The COMESA treaty itself highlights the importance of meeting these three interlinked priorities in order to attain the treaty objectives of regional food sufficiency and the replacement of external food imports through expanded regional production, exchange and harmonised policies (Article 129). Recent deliberations in response to the world food crisis of 2007/08 have renewed stakeholder commitment to increasing staple food production and trade in order to reduce regional vulnerability to world price shocks and potential export shortages. Likewise, ongoing analytical work in a series of COMESA member countries and sub-regional groupings suggests that agricultural productivity growth focused on food outputs and productivity through the regional value chain, staples offers the single most powerful lever available for raising incomes and reducing poverty in the region and that open cross-border trade amplifies these gains.

There is also wide scope for the COMESA region to strengthen its competitiveness in trade and agriculture through enhanced food productivity systems and trade corridors that are adaptive to the agricultural sector as a key economic driver. To enable investment programme implementation in the region in the two priority areas, policy reform and development is critical to enhancing conditions for investment and providing predictable and favourable markets for COMESA's agricultural sector. Recognition must also be made of the need to improve the capacity of institutions and to respond to the need to address the region's supply-side needs and facilitate the diversification and expansion of export structures so as to better respond to market access opportunities presented by the framework of the regional CAADP compact.

6.1 Food system productivity

Over the next generation, growing trade in food products appears poised to dwarf that in other agricultural markets in the COMESA region. Currently, food products – including starchy staples, pulses, fresh fruits and vegetables, meat, fish and dairy products – account for nearly three-quarters of the value of all regional agricultural production. Given growing urbanization, high rates of poverty and high expenditure on staple foods, these food markets are projected to double, from roughly \$30 billion per year in 2000 to \$60 billion in 2020 (Diao and Hazell, 2004). As a result, production of a growing array of food products -- for growing urban markets and food-deficit rural areas -- represents the largest growth opportunity available to farmers in the COMESA region (Diao and Hazell, 2004; Diao, Dorosh and Rahman, 2007). Facilitating expansion of these food markets offers a broad platform for stimulating agricultural production, broad-based income growth and poverty reduction.

Increased productivity in food staples offers a powerful tool for stimulating agricultural growth and reducing poverty in the region, for three principal reasons. Because large numbers of smallholder farmers produce food staples, the direct income benefits from productivity gains accrue to a broad segment of the rural economy. Because increased productivity lowers food prices and because poor households in rural and urban areas typically spend the majority of their income on staple foods, lower food prices translate directly into increased real incomes for the rural and urban poor. Finally, productivity growth among food producers generates strong economic growth linkages with the rest of the economy, further compounding the economic gains from productivity gains in food staples (Diao, Heady and Johnson, 2008; Haggblade, Hazell and Dorosh, 2007).

Because of the scale and breadth of these potential income gains, economic projections across a range of COMESA countries and sub-regional groupings suggest that agricultural productivity growth focused in food staples will generate broader economic growth and larger poverty reductions than comparable investments in export crops or non-agricultural sectors². Regional simulations suggest that yield growth rates in food staples of 3-6% per year over the seven years between 2009 and 2015 will reduce poverty by 26 million in Eastern and 11 million in Southern Africa (Diao, Heady and Johnson, 2008). As a result, increased productivity in food staples offers the single most powerful lever available for stimulating agricultural growth and poverty reduction in the region.

6.2 Trade and development corridors

Regional cross-border trade in food staples is likewise essential for maintaining farmer and trader incentives to invest in high-potential food production zones. The COMESA region's largely inherited political borders frequently separate surplus food production zones from the deficit markets they would normally serve. They separate food surplus Northern Mozambique from deficit markets in Zimbabwe, and intermittently in southern Malawi and Eastern Zambia; food surplus zones in Eastern Uganda and Northern Tanzania from deficit markets in Kenya, and surplus cassava and maize producing areas of Northern Zambia from the deficit mining towns of Katanga and Kasai provinces in the DRC .

In order to maintain producer incentives in the region's many surplus food production zones, farmers in these zones need access to growing cross-border markets. Without access to regional export markets, recent studies suggest that production surges in thinly traded national markets lead easily to price collapses, which in turn risk stalling production growth and private investment in agriculture (Diao, Heady and Johnson, 2008). As a result, more fluid cross-border flows of food staples will play a critical role in maintaining production incentives for producers in high-potential areas while at the same time ensuring low-cost food supplies in deficit zones. Open borders likewise moderate price volatility. Studies commissioned in the wake of the world food price spikes of 2007 and 2008 conclude that COMESA countries with open trade policies experience reduced price volatility and higher agricultural growth rates than countries that impose trade bans (Chapoto and Jayne, 2010).

² See Diao et al. (2007), Diao, Headey and Johnson (2008), Diao and Nin-Pratt (2005), Lofgren, Thurlow and Robinson (2004), Omamo et al. (2006) and Thurlow et al. (2008) for simulation results from COMESA members Ethiopia, Rwanda, Uganda and Zambia as well as from the 10 ASARECA member countries and from Eastern and Southern Africa collectively.

A series of major infrastructure studies commissioned by COMESA has identified sixteen potential regional trade development corridors with the potential to accelerate regional trade and investment by concentrating public and private investments, as well as policy reforms, in unblocking potential in series of key regional economic arteries. The regional CAADP review proposes to consider each of these potential growth corridors through a food security lens aimed at identifying those with the largest potential to incentivize private investment in potential breadbasket areas by ensuring farm operators and agribusiness investors' access to key regional food deficit markets. In this way, the regional CAADP programme will support trade and development corridors that have real potential to serve local and regional markets, and thus to become breadbaskets of the region.

While individual Member States implement their national agricultural development programmes, including national CAADP Compacts, the COMESA Compact requires a focus that complements these national efforts. Because the region's many small countries often straddle common agro-ecological zones, regional research collaboration can generate significant technology spillovers as well as economies of scale in raising agricultural productivity. Estimates from the ASARECA members of the COMESA region suggest that these spillovers potentially account for 70% to 80% of total regional benefits from agricultural research. To capture these important spillover benefits, the regional CAADP compact will promote effective regional agricultural research networks focused on key regional food crops. Likewise, the development of transboundary programmes and public infrastructure and investments will aim to support national efforts in increasing food production and productivity. Out of the sixteen development corridors that have been identified by COMESA, the regional CAADP programme will identify priority trade and development corridors with significant potential to accelerate regional productivity spillovers, regional trade in food staples and thereby achieve regional food self-sufficiency.

6.3 Developing human and institutional capacity in support of a conducive policy environment

The COMESA region acknowledges the need for the establishment of a harmonized set of enabling policies and regulatory systems for increased agricultural production and productivity and marketing of agricultural products. The region is characterized by haphazard policies that do not stimulate production and marketing of food staples resulting in food insecurity. Of high priority for Member States are policies that respond to rising food prices, removing tariff and non-tariff barriers such as SPS measures and food trade bans imposed arbitrarily in the region.

For a food secure region, there is a need to open up the region to freer flow of agricultural trade by removing all barriers to trade to ensure that as needed, commodities move from surplus to deficit areas in the region driven primarily by demand and market forces. This policy shift is enshrined in the Declaration of the Second Meeting of the Ministers of Agriculture, made in Nairobi, Kenya on 15-16 October on, "Expanding Opportunities for Agricultural Production, Enhanced Regional Food Security, Increased Regional Trade and Expanded Agro-exports through Research, Value Addition and Trade Facilitation".

Policies, systems, regulations and procedures need to be put in place, which are harmonized across the region so as to create a conducive, transparent and facilitative environment for conducting regional agricultural trade with forward and backward linkages across the region from the farmer to the market. Further, the COMESA agricultural approach aims to position the region as a reliable supplier of primary

and processed agricultural goods to global markets and whose producers effectively and competitively respond to opportunities that arise in all external markets. Central to achieving the goal of a harmonized policy environment will be an aggressive human and institutional capacity building thrust that will re-create how business is done in the agricultural sector, how institutions function and how markets function in order to optimize the region's functionality in its totality towards ensuring food security and enhanced economic growth.

Section 7: Regional Investment Programme Areas

Throughout the COMESA region, significant reductions in poverty and hunger will require sustained growth in agricultural productivity and output. To reduce dependence on imported food aid, the region will need to boost domestic food production and enable the free flow of food staples across borders, from its many surplus producing areas to its hunger hot spots. Over 60% of COMESA's poor work primarily in agriculture. For them, increased agricultural productivity offers the surest means of raising income, ensuring adequate food consumption, and accumulating the assets necessary to survive periodic shocks. COMESA's urban poor, who spend over half of their income on food staples, depend on growing productivity of farmers to moderate the food prices on which their consumption and welfare primarily depend. Rapid urbanization makes this productivity challenge especially great: with urban population growth of 3%-4% per year and rural growth at 1% or less, production per farmer in the region will have to rise by 60% to 80% over the next 20 years to keep pace with domestic demand. Because of the central role agriculture must play in Africa's battle to eradicate poverty and hunger, the African Union's New Partnership for Africa's Development (AU/NEPAD) has placed top priority on agricultural development, challenging African governments to boost budgetary allocations for agriculture to 10% of total spending, up from their current level of 6%.

Through the Regional CAADP Compact, COMESA identifies two strategic priorities to streamline current regional programmes to strengthen the production and productivity of food staples and to develop agricultural trade and development corridors as a means of achieving the desired food security and poverty alleviation.

7.1 Current Regional Programmes in COMESA

The stocktaking exercise undertaken during the course of the regional compact design process revealed a number of regional agricultural development programmes. Annex 3 provides a summary of these existing and upcoming regional agricultural programmes.

Through several rounds of consultations, stakeholders have helped to identify existing programmes with special relevance to the Regional Compact priorities. They have likewise helped to identify synergies and gaps among programmes, as summarized below. In addition, early actions are identified in Annex 4:

7.1.1 Food system productivity

(a) ASARECA has initiated a series of regional commodity networks to coordinate breeding and develop improved agronomic practices for the production of bananas, beans, cassava, maize, sweet potatoes, wheat, rice and milk. These regional networks aim to link together breeders from individual country programs in order to attain economies of scale in breeding, to coordinate of seed certification and inspection procedures, and to maximize regional productivity spillovers from the breeding of improved crop varieties and livestock species. These networks also serve to coordinate regional plant and animal disease control efforts.

(b) Other regional commodity research programmes include the Southern Africa Rootcrops Research Network (covering cassava and sweet potatoes) in COMESA member states, Zambia and Malawi.

(c) A regional conservation agriculture programme focuses strongly on food crops and promotes soil productivity improvements and sustainability through the cultivation of legumes, cash crops and food crops, in rotation. Annex 3 enumerates the country coverage of this NORAD-funded programme. In addition, a regional water resource management project is underway.

7.1.2 Trade and development corridors

(a) There are a number of corridor development initiatives in the COMESA region. The North-South Development Corridor was launched in 2009 and substantial investments have been pledged by development partners. DFID is taking a lead role in this initiative that appears to focus on trade and transport infrastructure.

(b) A diagnostics programme for the Northern and Central Corridors is underway, financed by DFID and JICA, paving the way for specific investment programmes.

(c) The COMESA Secretariat is currently implementing the Northern Corridor Transit Facilitation Program with the aim of eliminating the inefficiencies of transit trade. COMESA also implements cross border trade enhancement programmes, none of which focus specifically on agricultural commodities. The AfDB-funded AMPRIP programme, on the other hand, includes an important component on the harmonization of SPS standards and procedures, reducing agricultural trade barriers in the region.

(d) The COMPETE programme and the Market Linkages Program, both funded by USAID, focus on market development, trade promotion, including structured trading, and policy advocacy. COMPETE has a project component dedicated to food staples, notably maize. It collaborates with ACTESA and the COMESA Secretariat.

7.1.3 Other regional agricultural programmes

The USAID-funded Regional Enhanced Livelihoods in Pastoral Areas programme (RELPA), and its successor programme, at ACTESA has made important contributions to market development and trade in livestock and livestock products, mostly in the east Africa and Horn of Africa regions.

Two regional input market development programmes, funded by the EC and the Hewlett Foundation, at ACTESA focus on trade development and commercial finance.

A number of programmes in the region provide analytical support to agricultural policy makers at national and regional levels. The Guiding Investments in Sustainable Agricultural Markets in Africa programme (GISAMA) at COMESA focuses on investment and policy analysis in support of the CAADP programming process and ACTESA's planning of strategic interventions. GISAMA is funded by the Gates Foundation and is implemented in collaboration with Michigan State University.

The DFID-funded African Agricultural Markets Programme (AAMP) at ACTESA supports the regional policy making processes through capacity building, both at the level of analysts and policy makers. ReSAKSS in eastern and southern Africa has been supporting the CAADP planning process with analytical work.

The Regional Approach to Biotechnology and Bio-safety for Eastern and Southern Africa programme (RABESA II) may have the potential to resolve important policy issues surrounding the use of biotechnology in food commodities that have an impact on food production and trade.

Under the NORAD-funded Climate Change Initiative, an irrigation programme is under development. USAID is in the process of designing a programme on adaptation to climate change. Under the Climate Change Initiative, a Fisheries Strategy and Forestry Strategy will be developed.

7.2 Identifying the Gaps and Synergies in COMESA's Current Regional Programmes

Having identified what regional programmes currently exist in the COMESA region, it is important to identify the gaps and synergies in place. Producers need to be connected to input and output markets, and the optimum conditions for production, markets and trade are dependent on policies that favour their development, there is a need for existing and new program components to be linked, integrated, and coordinated. For example, the promotion of conservation agriculture and the development of irrigation infrastructure cannot be done in isolation – these have to go in tandem with the development of input and output markets, providing commercial incentives to farmers, traders and other actors in the respective value chains. In addition, there is a need to integrate production and trade programme components into upcoming and ongoing development corridor initiatives, something that has been lacking thus far. Research and outreach agendas of regional policy support programmes should be driven by those policy issues that need to be resolved in order to promote smallholder production, marketing and trade, and create an investment climate conducive to the development of corridors throughout the region.

With the strategic regional priorities in mind, the gaps identified as a result of the stocktaking exercise, regional Pillar concept notes, and stakeholder consultations have been identified as follows:

7.2.1 Food system productivity

Gap 1. Funding for regional commodity research networks

Despite interest regionally, funding for regional commodity research networks has been insufficient to cover all key commodities in regional food market sheds. ASARECA and other stakeholders will require additional support in order to fully fund regional research networks priorities.

Gap 2. Food processing technology and food safety

Rapid growth in food production and trade will require expanded use of food processing and packaging. Given small individual countries and given a dearth of developed country research on food processing fermentations and technologies for most tropical crops, regional centres of excellence for food processing and food safety will be necessary to underwrite private sector investment in processing and public efforts to ensure food safety.

Gap 3. Livestock and fisheries

Most of the COMESA region's fish resources lie in rivers and water bodies that border multiple member countries. Therefore, improving productivity will require regional collaboration in managing these common resources. Similarly with livestock, many productivity gains arise through improved disease control. Given cross-border movement of both livestock and pests, these efforts, too, will require regional collaboration. In the future, COMESA member countries aim to restore priority for regional livestock and fisheries promotion in order to exploit their considerable potential for underpinning income growth and improved nutrition.

Gap 4. Cross-border input marketing

To capture the substantial economies of scale attainable in fertilizer, seed and other agricultural input marketing will require regional markets, harmonized standards and policies, and regional assessment of port and transport infrastructure investments. To date, however, most input discussions have focused on small, fractured national markets.

7.2.2 Trade and development corridors

Gap 5. Applying a Food Security Lens to Trade Corridor Infrastructure and Development Efforts

There is a need to invest in infrastructure that supports the development of agricultural production, processing and trade. Current infrastructure investments focus on regional transport routes. Yet agricultural development, as part of corridor development, will require a specific set of investments, such as rural roads, rural electrification, communications, basic services, a functioning land market, and access to water.

Gap 6. Support to regional trade policy formulation and implementation

Policy harmonization will likewise be required to enable producers in surplus zones to supply cross-border deficit markets in the region. While policy analysis and dialogue have been a priority, there is currently a gap in supporting regional and national policy making processes to implement cross-border food staple trade policies. ACTESA, among others, is expected to fill this gap.

Modern instruments for regional price risk management have emerged in recent years with the development of the South African Futures Exchange (SAFEX). But governments and private traders have yet to apply these instruments, in large part because of unpredictable and inimical trade policies.

7.3 Regional Investment Programme Development

Based on the existing portfolio of regional programmes that address the strategic priorities, the requirements by Member States, and the gaps and required synergies that have been identified, stakeholder consultations have generated a long list of potential future regional CAADP programmes (Table 2). In order to set priorities and develop specific, bankable investment proposals, the CAADP stakeholders have developed a transparent process for designing, reviewing, selecting, financing and implementing regional CAADP activities. The following section, Chapter 8, describes this process and management structure in detail.

Table 2. Potential Future Regional Programmes Identified during the Stakeholder Consultations

	Regional Programmes	Policy Requirement	Lead Institutions
Pillar 1. Land and Water	1.1 Regional irrigation, water management	Public resource allocation: public works	PPPs: technical lead, Corridor Development lead, governments, CPs
	1.2 Regional support for conservation farming research and extension	Public resource allocation: extension systems	PPPs: TerrAfrique, Corridor Development lead, CPs, local farmer groups
	1.3 Fisheries development in key transnational lake and river systems	Public resource allocation: public works	World Fish Center, CPs, governments
Pillar 2. Trade and Infrastructure	2.1. Priority Trade and Development Corridors (3-4) including infrastructure for agricultural land and trade development (land market, roads, rail, ports, storage)	a) Land policy conducive to private investment b) Public resource allocation: public works c) Regional food trade facilitated	PPPs: Corridor Development leads, agribusinesses, financial sector, governments, CPs
	2.2 Development of structured regional commodity trade mechanisms, institutions, and information systems	a) Regional food trade facilitated b) Legal framework facilitated c) Resource allocation: data collection and dissemination	PPPs: ACTESA, COMPETE, governments, CPs, agribusinesses, financial sector, commodity/stock exchanges.
	2.3 Sub-regional Working Groups on Trade Policy and Trade Development	a) Participation in Working Group b) Regional food trade facilitated	PPPs: ACTESA, private sector, governments
	2.4 Livestock trade development	a) Livestock trade regulatory harmonization b) Resource allocation: Disease control	PPPs: ACTESA, Corridor Development lead, governments, CPs
Pillar 3. Food Security	3.1 Food supply, demand, and trade information	a) Public resource allocation: info system	PPP: ACTESA, CPs, East African Grains Council

	systems	b) Disclosure of information legislation	(RATIN), FEWSNET, governments
	3.2 Market-based food stock innovations	a) Public resource allocation: food reserve fund b) Regional food trade facilitated c) Market-based instruments that encourage trade	PPPs: ACTESA, governments, agribusinesses, financial sector, CPs
	3.3. Regional centre of excellence in food processing technology and food safety	a) harmonized food safety standards	
Pillar 4. Agricultural Technology	1. Regional research networks on drought-tolerant food staples	Public resource allocation: extension systems	PPPs: Regional research networks, agribusinesses, ACTESA, governments, CPs
	2. Regional fertilizer production (e.g. at Lake Kivu using methane reserves)	a) Regional fertilizer trade facilitated	PPP: IFDC, private investors, CPs, governments

Section 8: Implementation

The COMESA Secretariat will coordinate implementation of the Regional Compact and its associated RIPA. Currently, COMESA has assigned responsibility for CAADP planning and implementation to the Agriculture Unit within the Investment Promotion and Private Sector Division (IPPSD). Given the added long-term responsibility of coordinating the Regional Compact, it is expected that COMESA will form a dedicated Agriculture Division for this purpose.

8.1 Coordination and oversight

Oversight and coordination of the implementation of the above partnerships will take place in the following structure:

Overall coordination: COMESA Secretariat, also in charge of liaising with COMESA ministers of agriculture, trade, infrastructure, and other relevant government entities.

Technical oversight: Technical Advisory Committee (stakeholder representation), in charge of RIPA design process, including call for proposals, M&E, peer review mechanism, approval of subsequent programme components. Programme components will be evaluated and approved by this TAC and presented to relevant COMESA technical committees for endorsement.

Development partner coordination mechanism: for donors and other investors that will provide a platform for engagement, resource mobilization, and general coordination.

Implementation of RIPA: The responsibility of program implementation will be with those regional institutions or other contracted parties who will implement specific RIPA program components. These responsibilities and institutions will be decided upon during the design phase. The point here is that neither COMESA nor a TAC will be responsible for the actual implementation of RIPA, but will play a key role in its overall coordination and technical oversight.

Budget Support Harmonisation Group: or any other body of similar consultative nature to be decided by COMESA.

8.2 Funding Mobilization

COMESA and development partners will mobilize immediate funding to: (i) start implementation in early actions component of the investment plan that are ready or ongoing and need scaling up; and (ii) finalize the operational investment plans for the remaining components in order to start their implementation no later than 2011. For this purpose, COMESA and development partners will immediately after the compact endorsement undertake consultations to commit funding aligned to the regional investment programme with a view to formulating a regional sector wide approach a the

earliest opportunity. The support will be based on the comparative advantage of individual partners and member states.

COMESA will endeavor to strengthen capacities in order to meet the personnel, institutional, and logistical requirements for a timely start of implementation. Development partners will endeavour to provide the necessary technical assistance where necessary, to meet the capacity requirements of the participating institutions and stakeholders.

8.3 Design of the Regional Investment Programme for Agriculture (RIPA)

8.3.1 Selection criteria

The COMESA regional CAADP compact aims to complement ongoing programmes by identifying and implementing a portfolio of regional investments that will most effectively and rapidly promote the two strategic regional CAADP priorities.

In doing so, the Compact managers will measure proposed components of the RIPA against the following three criteria: • transboundary spillovers, • scale of impact, • cost-effectiveness.

8.3.2 Investment proposals

Regional agricultural stakeholder, public or private, may prepare a regional proposal for consideration by the Compact/RIPA review committees. COMESA and the CAADP Framework encourage partnerships and active public and private sector involvement in proposal submissions.

Each programme submission will require a detailed investment proposal including the elements outlined in Table 4.

8.3.3 Technical review of proposals

The COMESA Secretariat will establish a Technical Advisory Committee (TAC) to review all proposals submitted for consideration under this regional compact. The TAC will include representatives from regional farmer groups, the private agribusiness community, government, policy makers, and researchers. The TAC will also include, as observers, representatives from key donors and from the NEPAD Secretariat.

Periodically, at intervals to be announced publicly at least three months in advance on the COMESA website, the TAC will solicit proposals for formal review. The TAC will evaluate all proposals against the three selection criteria stated above.

The TAC will then prepare an assessment memo to concluding with one of three possible recommendations; (a) Recommended for approval by the COMESA Ministers of Agriculture and Ministers of Trade (b) Rejected (c) Returned for revision.

The Ministers of Agriculture and Ministers of Trade will review all proposals recommended by the TAC and issue a ministerial communiqué summarising their decisions.

Table 3. Regional Investment Programme for Agriculture (RIPA) Proposal Guidelines

A. Objectives
B. Background <ul style="list-style-type: none">• geographic setting• profile of agriculture in the selected area• summary of related existing programmes
C. Programme Inputs <ul style="list-style-type: none">• describe the intervention• intended causal chain leading to increased food production and trade• public and private investments required• manpower requirements• private sector collaboration required• policy requirements• lead regional institution• national partners• timetable• costs
D. Expected results <ul style="list-style-type: none">• changes in productivity, production and trade• number of beneficiaries (farmers, processors, traders, consumers)• income gains anticipated• other benefits• total expected benefits• risks• key assumptions
E. Cost <ul style="list-style-type: none">• Investment cost• Recurrent cost• Resource mobilization• Benefit/cost ratio
F. Factors critical to success <ul style="list-style-type: none">• Policy requirements• Risk Analysis
G. Implementation and monitoring programme

8.4 Programme review and updating

The Regional Compact is not a static programme. Rather, its successful implementation will include an important element of programme review, adjustment, and the introduction of new programmes. The Technical Advisory Committee will play a key management role in reviewing existing programmes, using the peer review and other monitoring mechanisms that are in place. Throughout the RIPA's implementation period, there will be a focus on the identification of new programme and investment opportunities. Detailed proposals, prepared following the requirements outlined above, will be prepared and submitted to stakeholders for technical review and approval. Proposals that are ready for implementation will be presented to relevant COMESA policy organs, notably the Technical Committee on Agriculture, the Agricultural and Trade Ministers, and the Trade and Customs Technical Committee.

Annex 1: Methodology for Compact Development

The methodology mobilized to develop the present draft compact document presents a two-pronged approach. On the one hand, there has been a desktop and technical content development, while on the other hand there have been some stakeholders consultations through an awareness raising field missions.

Desktop review and development of technical content

This review involved:

- a) Finalizing the COMESA CAADP regional concept papers to ensure they are updated and aligned to regional priorities;
- b) taking an inventory of key stakeholders in the region that COMESA can work with in implementing CAADP;
- c) taking an inventory of existing regional projects and programmes which COMESA-CAADP Team should take into consideration;
- d) review and finalizing the design of COMESA Early Action Programmes under each of the 4 CAADP Pillars
- e) design core institutional arrangements for the implementation of CAADP in COMESA

Advocacy and stakeholders' consultations

The overall methodology mobilized by the team responsible for the development of this compact consists of some specific elements. In fact and following the successful FANRPAN's response to a COMESA competitive bidding in May 2008 to assist develop a Regional CAADP Compact Framework Document for discussion and adoption, there was an official signing of the service contract between the two parties. It was in this context that the contractor prepared an inception report submitted to COMESA in February 2009, comments were returned to FANRPAN a month later.

From there on, a range of key engagements that took place afterwards were meant to strategically position the Regional CAADP Compact. These engagements include the attendance by FANRPAN of key political gatherings including: (i) the COMESA Ministers of agriculture meeting in Seychelles (March 2009); (ii) the COMESA Heads of State Summit Victoria Falls, Zimbabwe (June, 2009); (iii) the AU Heads of State Summit Sirte, Libya (June/July 2009); (iv) the 2nd Joint COMESA Ministers of Agriculture and Ministers of Environment Conference Nairobi, Kenya (August 2009), as well as (v) the stakeholders consultation on regional CAADP compact framework (December 2009). Besides, attending these high level meetings, the convening of (i) the COMESA CAADP Regional Compact launch Livingstone, Zambia (May, 2009) on the one hand; and the (ii) the COMESA Stakeholders consultation and updates process took place in Maputo, Mozambique (September 2009) on the other hand offered substantial opportunities to start to raise awareness of key constituencies on the rationale and role of a regional CAADP Compact for COMESA. , just a month ahead of the most critical COMESA institutional review (October 2009).

To further engage with key constituencies, an advocacy team of consultants was hired by FANRPAN between February and May 2010, with the mission to facilitate design and implementation of a social marketing strategy for the Regional CAADP Compact Framework through field missions, as per the

mandate bestowed to FANRPAN by COMESA. The stakeholders concerned in the advocacy activities include: (i) Permanent Secretaries in the Ministries of Agriculture; (iii) Permanent Secretaries in the Ministries of Finance; (iv) Members of Parliament sitting on Committees on Agriculture and Finance; (v) Farmers' groups'; (vi) Non-Governmental Organizations (NGOs) coordinating body; (vii) Private sector representative as well as (viii) the CAADP Country Teams.

Annex 2: CAADP Principles

Measurable targets: Two key intermediate targets were set to measure the impact of CAADP: (i) Pursuit of a 6 percent average annual agricultural sector growth rate at the national level; and (ii) Allocation of 10 percent of national annual budgets to the agricultural sector.

Political endorsement: CAADP has been driven by the conviction that Africa's development problems and challenges can only be sustainably addressed by Africa's own commitment and concerted action. No initiative in the past has enjoyed the level of political endorsement and continent-wide focus achieved by CAADP. Nor has there previously been such a strong commitment of the countries' own domestic resources. Thus, CAADP provides the first comprehensive effort at harnessing Africa's own energies and commitment to address the continent's development challenges and specifically deal with barriers and/or opportunities for enhanced agricultural productivity.

Inclusiveness: At the national level, CAADP opens the process to inclusive participation in strategic planning of multi-stakeholders including private sector, government, development partners, non-government organizations, and down to local and grassroots structures.

Collective ownership: CAADP fosters value change to create mutual responsibility and accountability across sectors and actors for results that strengthen the agricultural system as a whole. This implies agreement on a common vision and agreed targets, which will be achieved through joint analysis and ownership of problems across sectors, an institutionalized peer review system, and nurturing of commitments from the Heads of State level downwards through advocacy at all levels.

Regional integration: CAADP fosters regional integration to reach economies of scale around use of common resources, systems, and infrastructures; and cultivates regional complementarities along mutual need, regional comparative advantages, and common goals.

Evidence-based planning: CAADP is a platform of institutionalizing a systemic analysis of the growth options and strategy by key players through evidence-based planning and policy making and analytical support systems that allow strategic and scenario-based planning that build on learning from the successes and failures of the past.

Consistency and harmonization: The CAADP agenda and process will enhance coordination, consistency, and continuity in regional and national development efforts, guided by shared sustainable growth and investment targets. It provides a direct and efficient entry point for harmonized donor partners to engage with the African agricultural agenda.

Annex 3: Existing Regional Programmes

	Regional Programmes	Funding Source	Timeline	Lead Institutions
Pillar 1. Land and Water	1.1 Water Resource Management (project still under design, undergoing consultation, to include irrigation)			
	1.2 Conservation Agriculture	NORAD		
	1.3 Climate Change Initiative, Irrigation Programme, Fisheries Strategy, Forestry Strategy	NORAD		
	1.4 Adaptation to climate change (pipeline)	USAID/East Africa		
Pillar 2. Trade and Infrastructure	2.1 TradeMark	DFID		
	2.2 Northern and Central Corridor Diagnostics Programme	DFID, JICA		
	2.3 North-South Development Corridor, African Development Corridor Platform (ADCP)			COMESA Secretariat
	Northern Corridor Transit Facilitation	AfDB		COMESA Secretariat
	2.4 Food and Agriculture Market Information System (FAMIS)			COMESA Secretariat
	2.5 Risk management Programme for Eastern and Southern Africa (REFORM)	EC		COMESA Secretariat
	2.6 Cross Border Trade Initiative (CBT)			COMESA Secretariat
	2.7 Competitiveness and Trade Expansion Programme (COMPETE),	USAID/East Africa		USAID/East Africa
	Market Linkages Programme	USAID/East Africa		
	Pillar 3. Food Security	3.1 Guiding Investments in Agricultural Markets in Africa (GISAMA)	BMGF	
3.2 African Agricultural Markets Programme (AAMP)		DFID/WB		ACTESA
3.3 Agricultural Markets Programme and Regional Integration (AMPRIP)				COMESA Secretariat
3.4 COMESA Regional Agro-Input		EC		ACTESA

	Programme (COMRAP)			
	3.5 Regional Enhanced Livelihoods in Pastoral Areas (RELPA)	USAID/East Africa		ACTESA
	3.6 Strengthening Trade in Agriculture Inputs (STAR)	Hewlett Foundation, EC		ACTESA
	3.7 Competitive African Cotton Initiative (COPACI)	GTZ		Private Sector
	3.8 ReSAKSS	USAID		
	3.9 ASARECA	USAID/East Africa		
	3.10 Famine Early Warning System Network (FEWSNET)	USAID		USAID
Pillar 4. Agricultural Technology	4.1 Regional Approach to Biotechnology and Bio-safety for Eastern and Southern Africa (RABESA II)			

Annex 4: Early Action Summary from COMESA Draft Regional Pillar Documents

Pillar 1. Land and Water

A. Objectives

- Objective 1: Support COMESA Member States to elaborate Sustainable Land and Water Management (SLWM) investment frameworks related project/programme developed and implemented
- Objective 2: Establish and manage interactive SLWM knowledge and Information management platform facilitating the sharing of evolving knowledge/lessons/data on practices as well as tracking of SLWM impact
- Objective 3: Stimulate and facilitate harmonization of the SLWM agenda in line with the NEPAD, EAP, other CAADP Pillars and the UNCCD thrust including and in particular regional and national Fertilizer strategies
- Objective 4: Support and facilitate increased investment and Project support to country and regional interventions to expand area and number of farmers applying SLWM practices

B. Proposed Early Actions

- *Sustainability in development corridors*

Proposed Early Action Project 1. Cotton/Tobacco in the Nacala Corridor –Malawi and Zambia. This project will engage local stakeholders to adapt and scale-up sustainable land and water management and entrepreneurship development opportunities for maximizing smallholder welfare and promoting sustainable resources management in out-grower schemes in western Malawi and eastern Zambia.

Proposed Early Action Project 2. Floriculture in East Africa Great Lakes Region – Ethiopia (to be confirmed with WWF-EARPO). This project will engage local stakeholders to examine the opportunities for maximizing smallholder welfare and promoting sustainable resources management in floriculture schemes in East Africa’s Great Lakes Region and south-west Ethiopia.

- *Watershed management*

Proposed Early Action Project 3a. Zambezi Headwaters – Zambia, D.R. Congo, Angola
This project will bring together national and local stakeholders in an effort to create a regional structure for the management of this important watershed.

Proposed Early Action Project 3b. Capitalizing on experiences and lessons learned from implementing watershed management projects. This project will synthesize WWF experiences with watershed management in different countries around the world.

Proposed Early Action Project 4. Lake Naivasha – Kenya (to be confirmed with WWF-EARPO). This project will bring together national and local stakeholders in an effort to create a structure for the management of this important lake and its surroundings.

- *Climate change*

Proposed Early Action Project 5. Regional climate change initiatives. This activity will explore relationships between agriculture, biodiversity conservation, energy use, land and water management, livelihoods and climate change.

- *Constituencies for natural resources management*

Proposed Early Action 6. Institutional and network development. This activity will seek to strengthen COMESA's capacities and networking arrangements to enable delivery on COMESA's charter commitment to natural resources management.

Pillar 2. Infrastructure, Trade and Markets

A. Four critical needs

1. Creating a basis for informed choice in setting rural infrastructure investment /intervention priorities through analytical work to identify areas of agricultural production, agro-processing and agricultural trade where the region has or can relatively easily develop comparative advantage so that the choice of rural investments has a high probability of commercial success and sustainability. Such preparatory analysis is necessary also to draw attention to cases where COMESA countries might work at cross-purposes in their rural investments and so to suggest complementary investments among them ;

2. Formulating and funding of additional concrete rural infrastructure projects that can most usefully link up with CAADP intentions as well as formulating and funding of additional interventions to include both investment and systemic capacity/institutional/policy improvement interventions for domestic funding or technical co-operation;

3. Integrating COMESA rural infrastructure programmes into NEPAD development budgets and in national development plans and plans of smaller Regional Economic Organizations in the region hence making COMESA be the leader in rural investment championing; and

4. Concerted action to promote private sector engagement and interest in rural infrastructure development. This will require that the private sector be a close partner from the earliest stages of constituency building and projects identification but also that COMESA governments should create the policy and institutional conditions to make rural infrastructure development attractive to private capital.

B. Key recommended next steps/early action areas.

1. Involve member states, national centers of excellence, NGO's, and the private sector in finalizing Regional Compact.

2. Organize a regional meeting of the Reference Group of experts and policy makers to adopt the recommendations and establish ownership.
3. Move the agenda to national platforms for implementation.
4. Prepare a structured means of implementation monitoring and evaluation including a results framework for bench marking.
5. Focus on strengthening farmer organizations such as SACAU and the EAFF
6. Prioritize value addition (agro-processing) as a way of strengthening improved markets for farmers.
7. Ensure that farmer organizations play a meaningful role in the COMESA Business Council (CBC)

Pillar 3. Food Security

A. Goal

Improve regional food supply, reduce hunger and improve emergency response

B. Objectives

1. Improve domestic production and marketing
2. Facilitate regional trade in food staples
3. Build household productivity and assets

C. Early Actions

The early actions proposed in this section reflect project and programme proposals that have been recently funded or are likely to be funded in the very near future, that are consistent with the strategic approach laid out in this document, and that are expected to be able to yield quick impact. These actions do not constitute, and are not intended to constitute, a comprehensive approach to realizing the CAADP strategy.

1. Regional Enhanced Livelihoods for Pastoral Areas (RELPA), funded by USAID (\$19.8 million). This Horn of Africa programme for enhancing livelihoods of pastoralists across three countries has been launched.

2. Regional Food Security and Risk Management Programme for Eastern and Southern Africa (REFORM), funded by the European Union (€10 million). This programme is mostly capacity building (i.e., skills transfer, technical studies, documentation of best practice, information sharing, policy dialogue, etc.).

3. Making Markets Work for the Poor: Enhancing Food Security and Productivity Growth in Eastern and Southern Africa (MMWP), funded by World Bank/DfID (\$3.8 million). This project involves a three-year programme of practical analysis, policy outreach, consensus building, and capacity strengthening to promote the goals of national and regional food security, poverty reduction, and agricultural productivity growth.

4. Improved Regional Trade in Food Staples (RTFS), total \$5 million, with startup funding by the World Bank. This programme of work aims to assemble spatial evidence on existing regional production and trade in food staples and to develop predictive analytical tools that will enable spatial mapping of the outcomes resulting from common natural and policy shocks.

5. Cassava Transformation in Southern Africa (CATISA), total \$2 million, with startup funded by SIDA. The CATISA project aims to analyze and help accelerate cassava commercialisation in Southern Africa in order to help improve food security in the region.

6. Home-Grown School Feeding (HGSF), funded by World Food Programme and DfID (\$25 million). NEPAD, WFP and the Millennium Hunger Task Force (MHTF) launched a pilot Home-Grown School Feeding and Health Programme designed to link school feeding to agricultural development through the purchase and use of locally and domestically produced food.

Pillar 4. Agricultural Research and Technology

A. Goals

Research entities in COMESA aim at increasing economic growth and improving livelihoods in the COMESA region while enhancing the quality of the environment. This will be achieved through enhanced productivity, value added and competitiveness of the regional agricultural system.

B. Results areas

ASARECA aims to achieve these goals by working in four result areas:

1. Promoting generation of demand driven technologies and /innovations
2. Facilitation of regional and national policy options for enhancing agricultural systems
3. Strengthening of regional and national capacity for implementing agricultural research in the IAR4D paradigm and
4. Enhancing the availability of information on agricultural research and development.

C. Five policy themes affecting research

1. *Trade liberalization:* 1) collaboration with COMESA and East African Community, 2) ECAPAPA projects on harmonization of biosafety, seed, dairy and fertilizer policies, 3) institutional innovations favouring sub-regional collaboration on commodities and animals crossing national borders
2. *Agricultural transformation and markets:* 1) Viewing regional agricultural planning in a multi-market framework, 2) highlighting market access as a criterion in prioritizing development domains, 3) identifying marketing as a cross-cutting theme for capacity building
3. *Poverty reduction:* 1) identification of commodities (e.g., major staples, livestock products) with the largest poverty reduction impact; 2) use poverty reduction indicators in scoring activities in commodity and thematic priority setting in the NPPs.
4. *Stakeholder participation:* full participation of NARS, IARCs, Civil Society Organizations, and Farmer Organizations in NPP priority setting, ASARECA strategic planning and calls for proposals under competitive grants.
5. *Regional collaboration in agricultural research:* ASARECA's strategy has refined the basis for regional collaboration in terms of: i) production of regional public goods, ii) services to members, iii) collective action and sub-regional solidarity, iv) achievement of economies of scope and scale and v) the increased attractiveness of the region for investment in research by governments and donors as a result of the above.

D. Priority commodities and themes

ASARECA's strategic planning has identified priorities by commodity sub-sector, development domain, and theme.

1. *Commodities*: To have a large impact on the Millennium Development Goals of reducing poverty and hunger, ASARECA's Networks, Programmes and Projects (NPPs) will continue to address basic staples and commodities with a growing domestic market (cereals, livestock, dairy products, edible oils). These offer a larger impact and broader distribution of gains than either traditional exports with mature markets or niche exports with thin markets. ASARECA will move to strengthen its coverage of commodities with the capacity to reduce poverty. The prominent role of livestock calls for strengthening support to the work of its animal agriculture network which has a broad range of priorities but narrow funding. ASARECA will study the opportunity to undertake an initiative in oilseeds, a commodity sub-sector that has demand potential but its potential for regional action may be more limited. Fruits, vegetables and horticultural crops are the third area in which increased attention is indicated.

2. *Themes*: ASARECA has identified three thematic areas that are critical areas for strengthening: i) applied social sciences in agricultural research, ii) integrated and participatory approaches associated with natural resources management, and iii) technology uptake and technology up-scaling.

The three thematic issues highlight the need for greater regional integration of agricultural research issues.

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