



INTERNATIONAL FOOD
POLICY RESEARCH INSTITUTE
sustainable solutions for ending hunger and poverty

AGRICULTURAL AND ECONOMIC GROWTH RECOVERY IN AFRICA CURRENT TRENDS AND FUTURE PROSPECTS

OUSMANE BADIANE
Director for Africa

International Food Policy Research Institute

AGRICULTURAL AND ECONOMIC GROWTH RECOVERY IN AFRICA IN THE CONTEXT OF GLOBAL CRISES

1

OVERVIEW OF RECENT GROWTH TRENDS IN AFRICA

2

THE IMPLICATIONS OF CHANGING GLOBAL FOOD MARKETS

3

THE IMPACT OF CHANGING GLOBAL FINANCIAL MARKETS

4

EMERGING AGRICULTURAL POLICY DEVELOPMENTS

5

SUSTAINING AND ACCELERATING THE RECOVERY PROCESS

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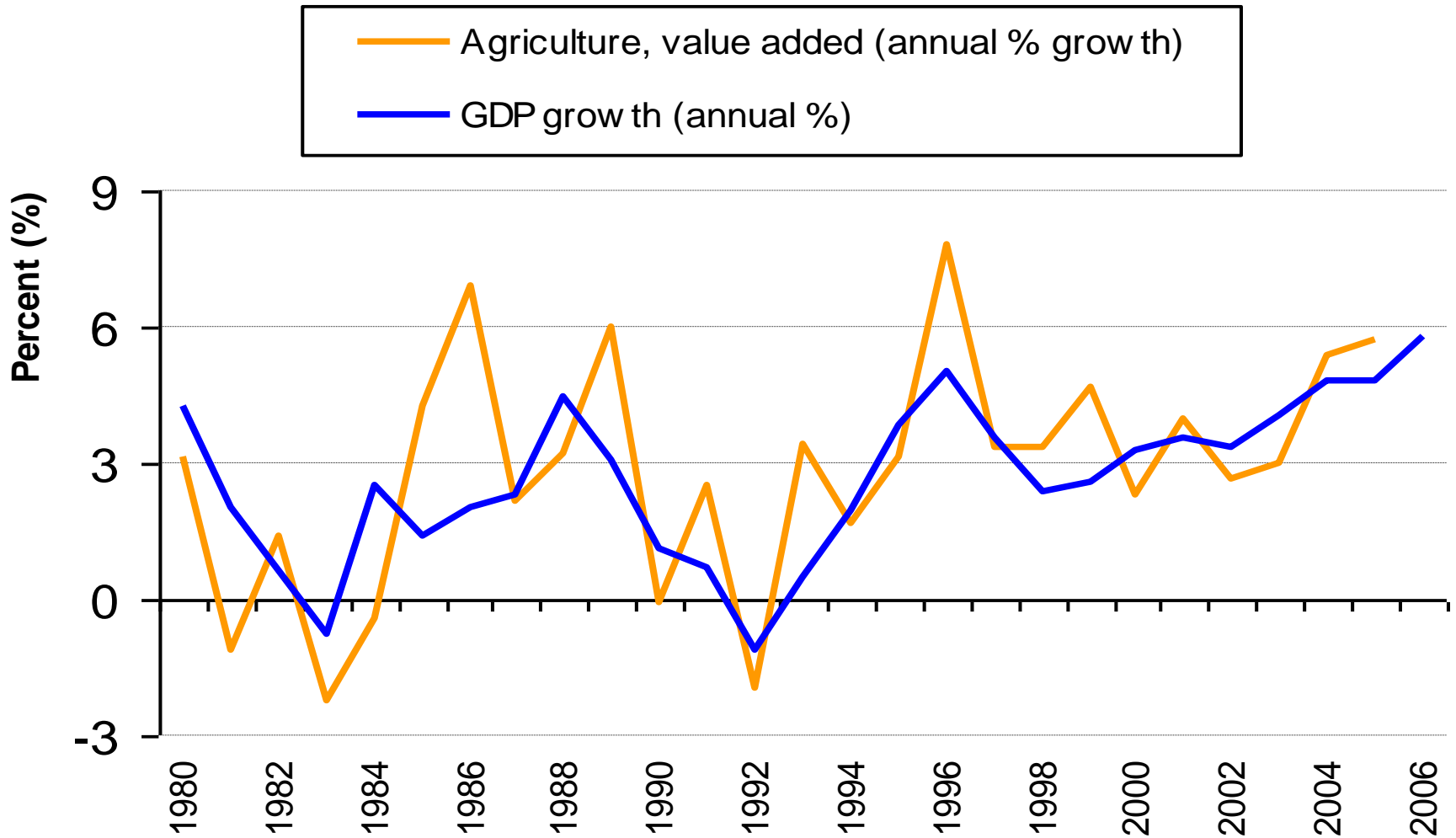
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EMERGING AGRICULTURAL POLICY DEVELOPMENTS

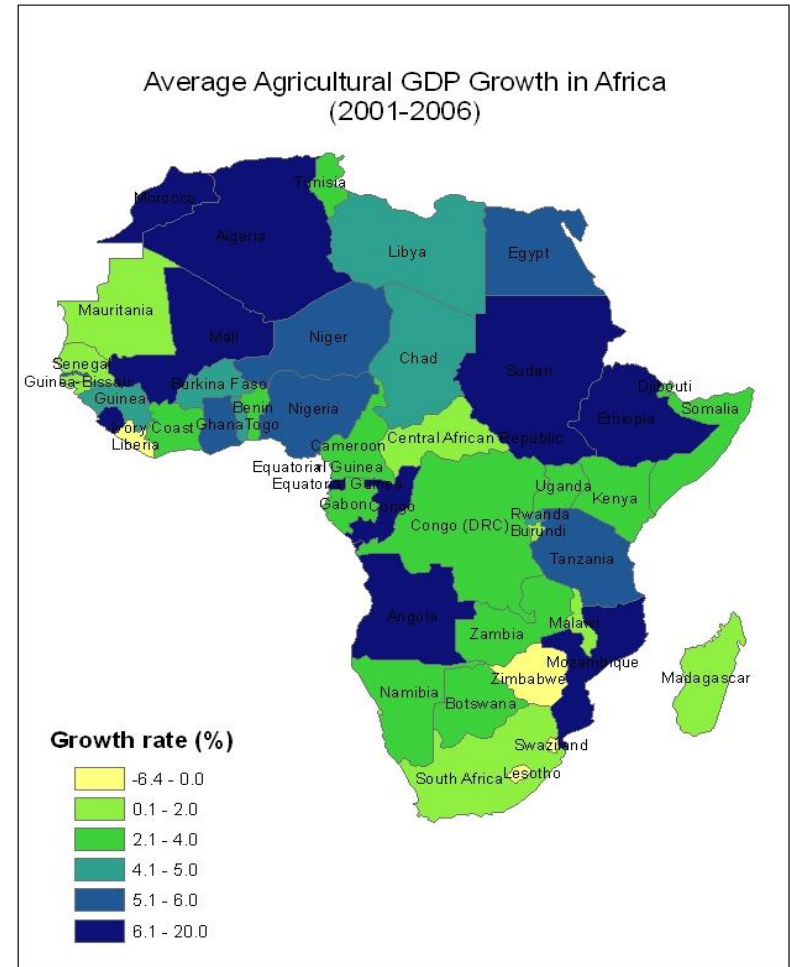
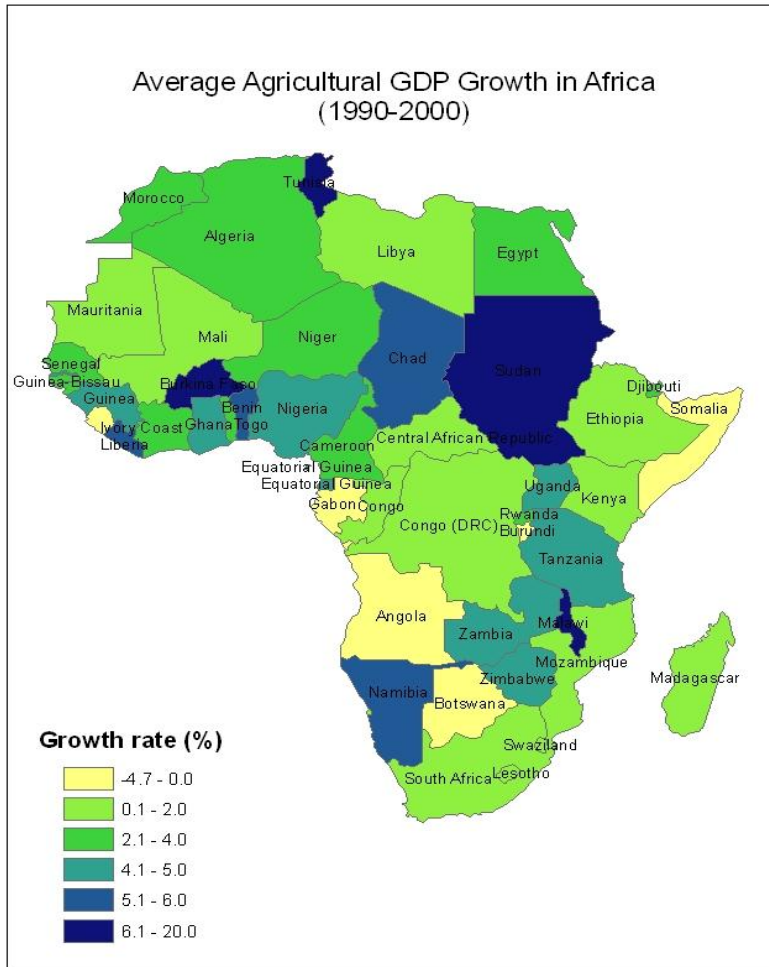
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SUSTAINING AND ACCELERATING THE RECOVERY PROCESS

PRE-CRISIS ERA COINCIDED WITH LONGEST PERIOD OF SUSTAINED GROWTH SINCE 60S



THE GROWTH IS ACCELERATING AS WELL AS SPREADING GEOGRAPHICALLY

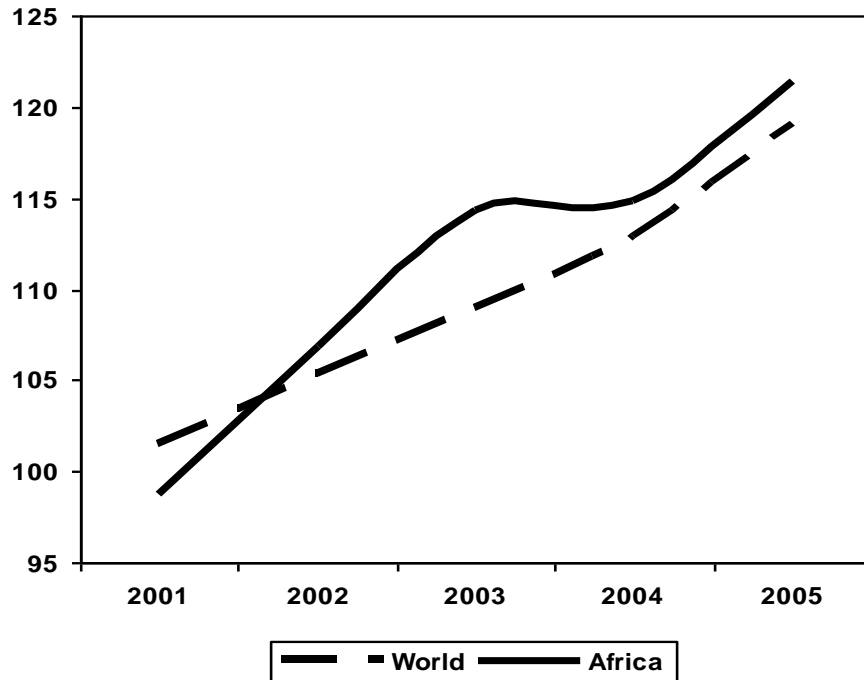


SOURCE: IFPRI / Badiane and Ulimwengu

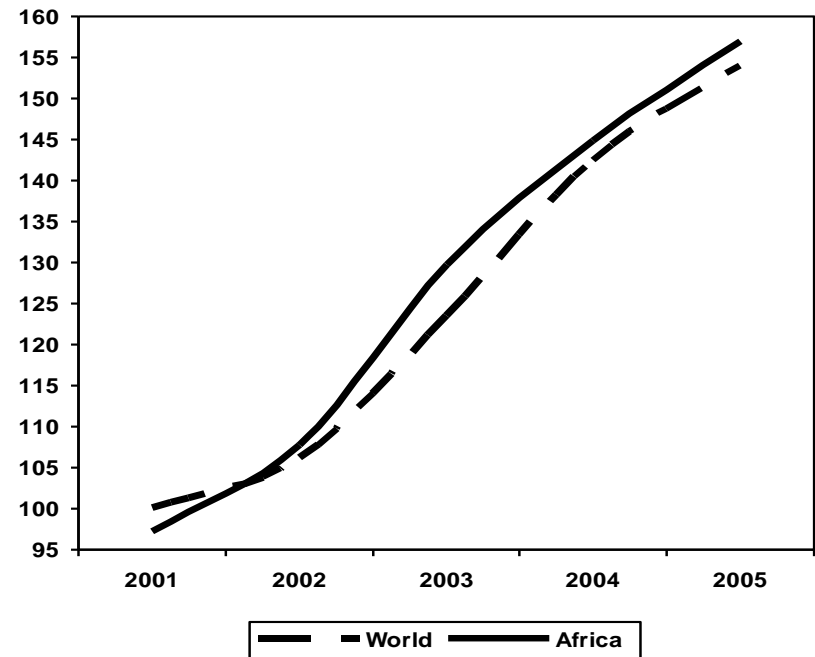
Data from national accounts / UN database: <http://data.un.org/Explorer.aspx?d=SNAAMA>

AGRICULTURAL TRADE PERFORMANCE HAS ALSO TURNED AROUND WITH THE NEW MILLENNIUM

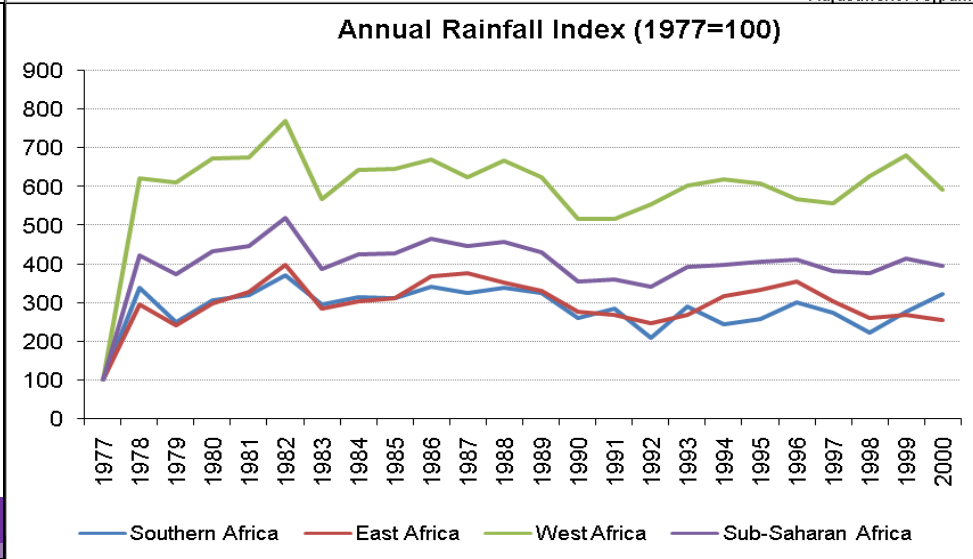
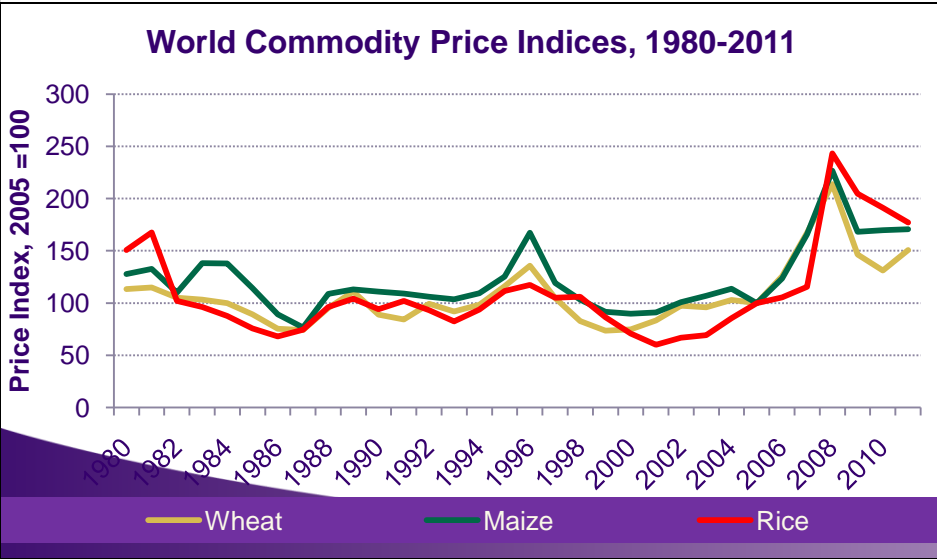
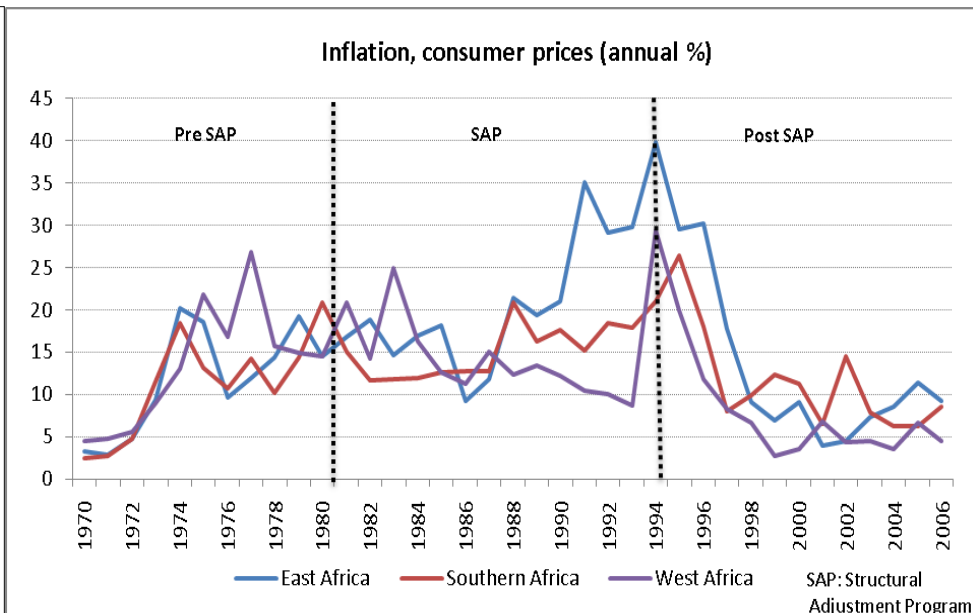
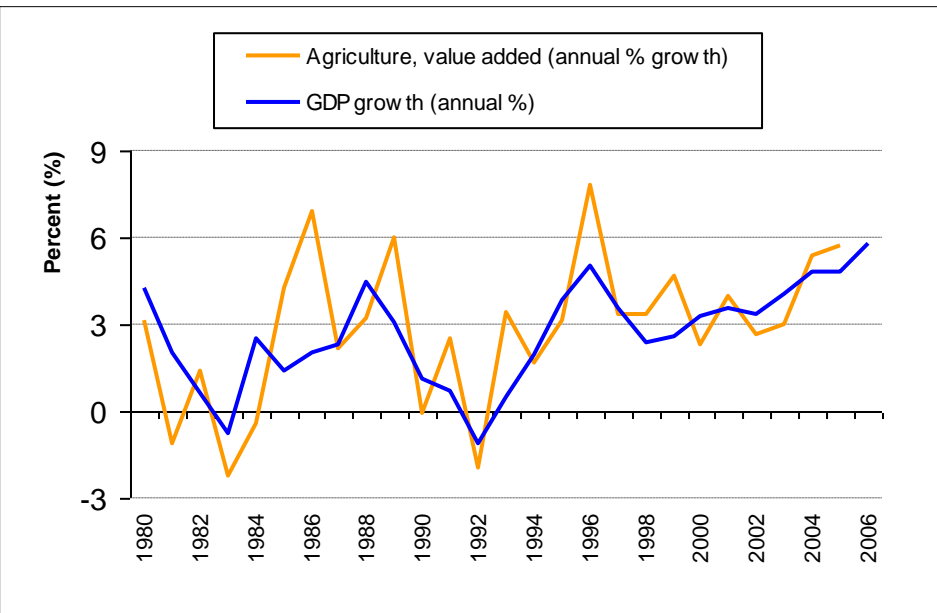
AFRICAN vs WORLD EXPORTS (VOLUME)



AFRICAN vs WORLD EXPORTS (VALUE)



WHAT ARE THE FACTORS BEHIND THE GROWTH RECOVERY?



AGRICULTURAL AND ECONOMIC GROWTH RECOVERY IN AFRICA CURRENT TRENDS AND FUTURE PROSPECTS



OVERVIEW OF RECENT GROWTH TRENDS IN AFRICA



THE IMPLICATIONS OF CHANGING GLOBAL FOOD MARKETS



THE IMPACT OF CHANGING GLOBAL FINANCIAL MARKETS

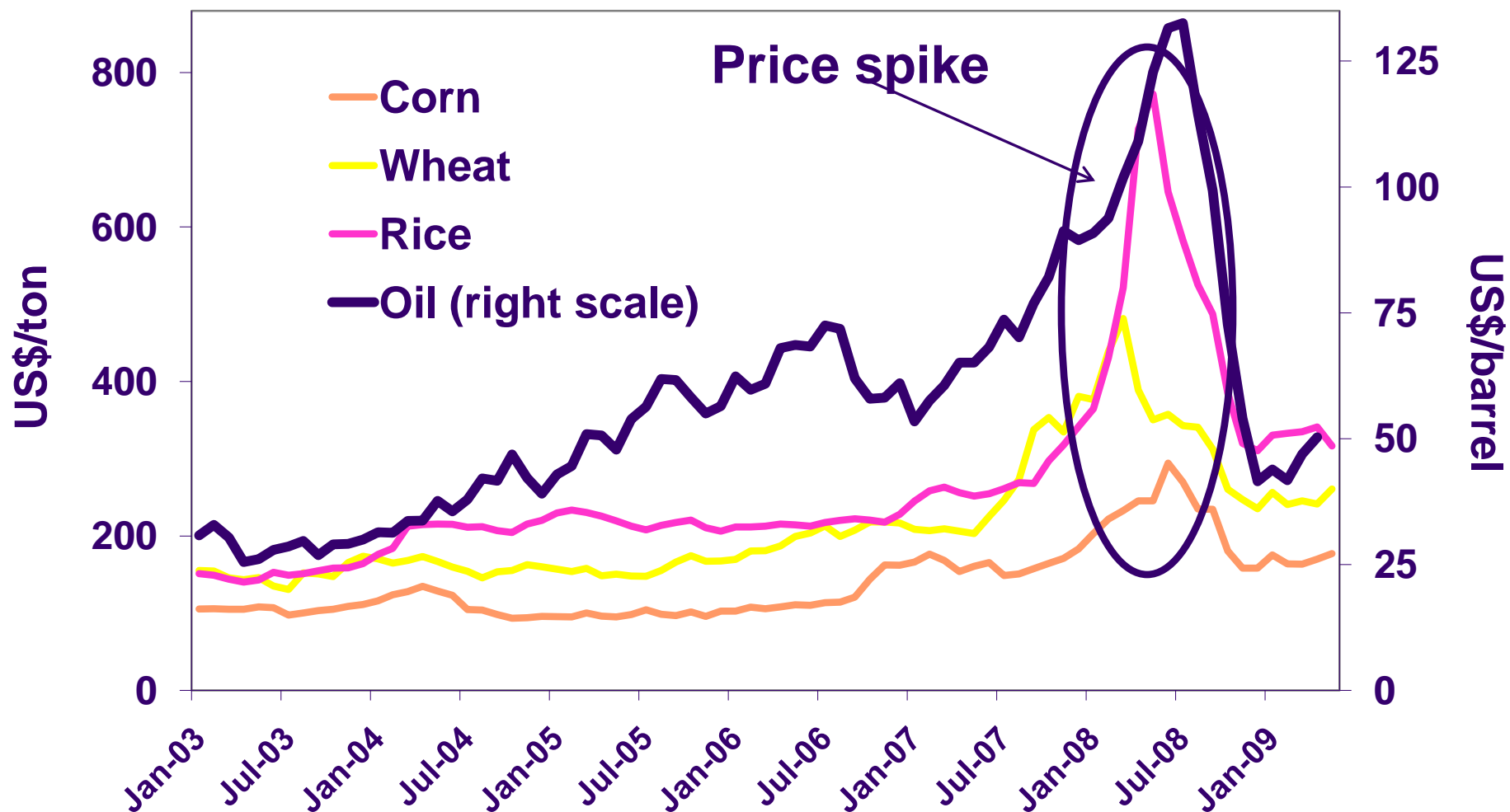


EMERGING AGRICULTURAL POLICY DEVELOPMENTS



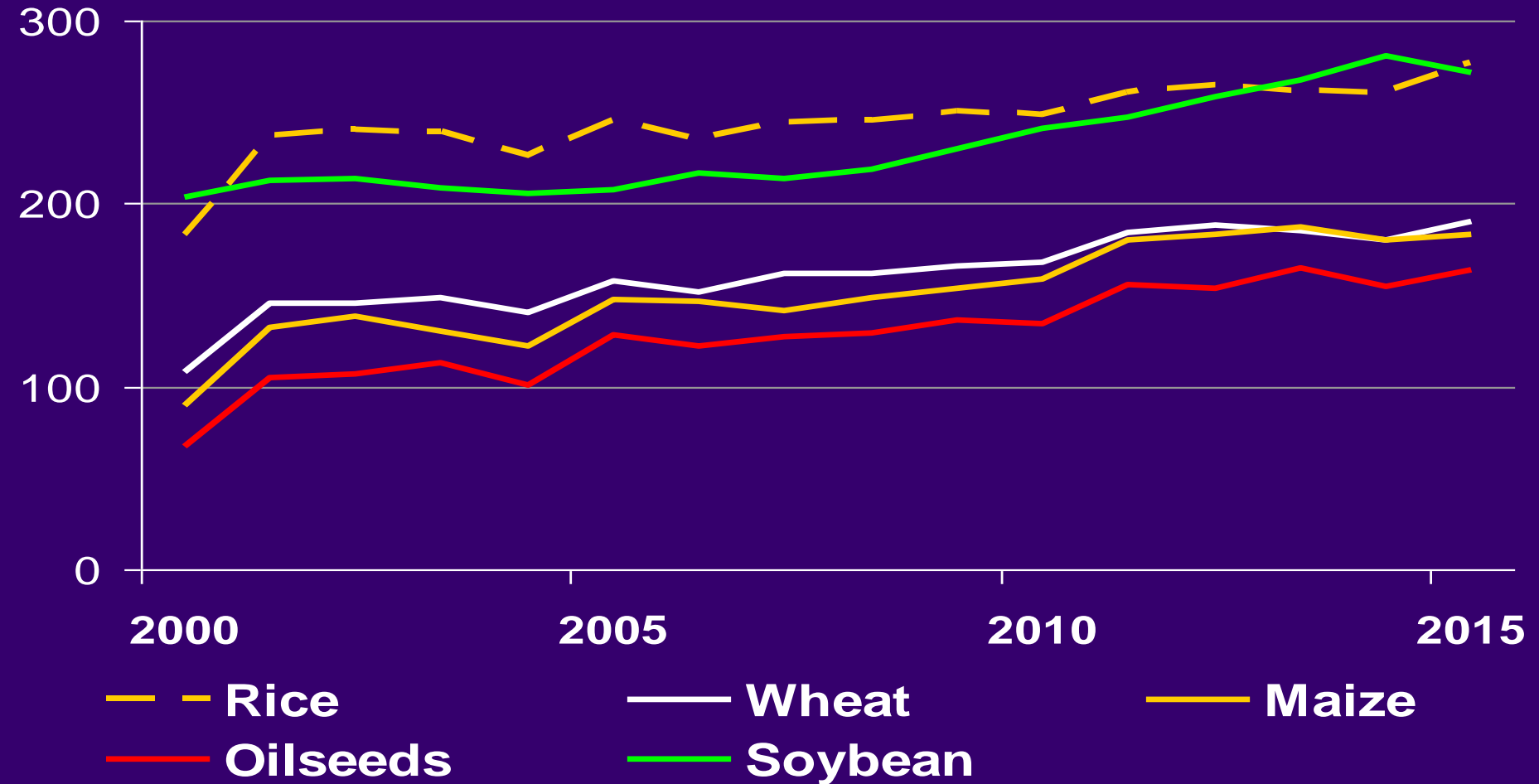
SUSTAINING AND ACCELERATING THE RECOVERY PROCESS

THE GLOBAL FOOD PRICE CRISIS OF 2007-08



LONG TERM WORLD FOOD PRICE TRENDS AND GROWTH RECOVERY IN AFRICA

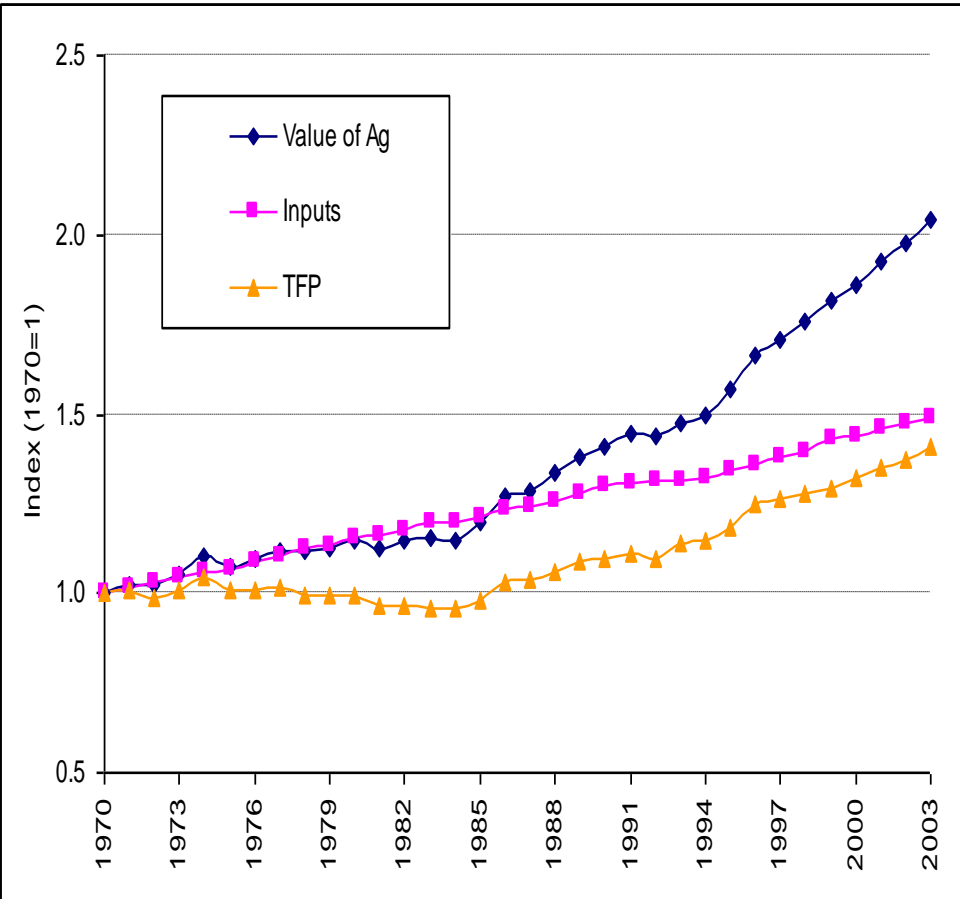
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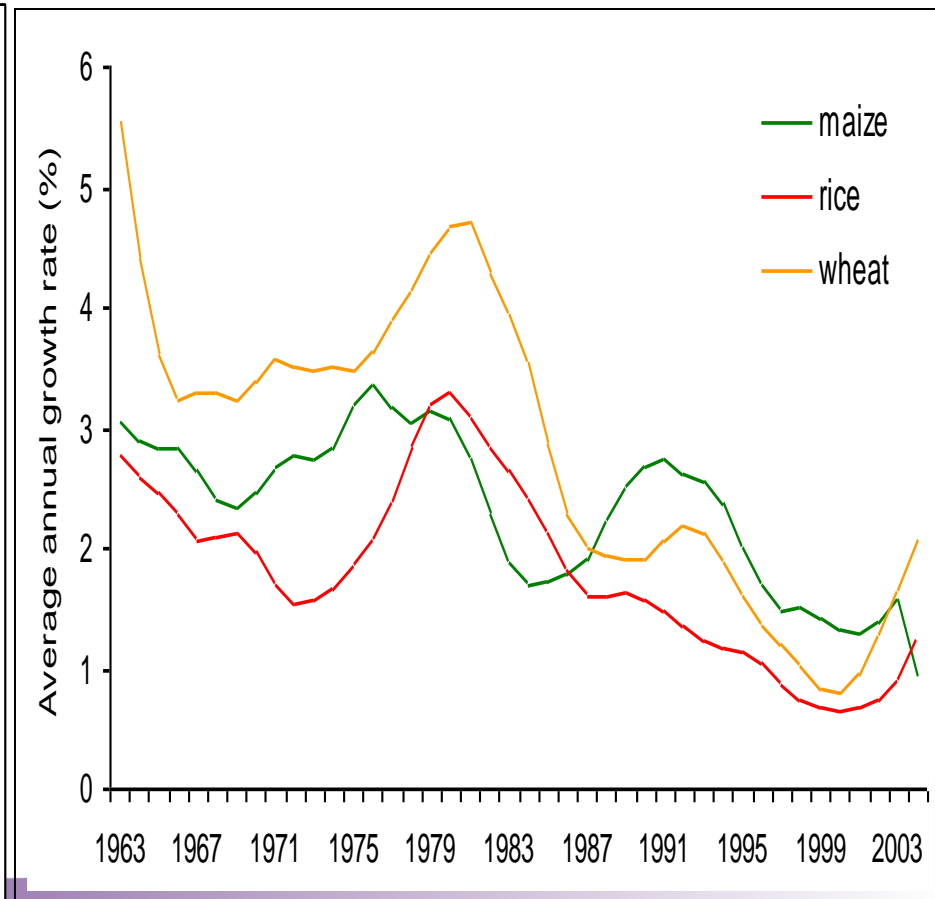
Source: IFPRI / M. Rosegrant (prelim. results with IMPACT-WATER).

PRODUCTIVITY TRENDS AND FUTURE COMPETITIVENESS OF AFRICAN AGRICULTURE

RISING AFRICAN AG PRODUCTIVITY



DECLINING WORLD AG PRODUCTIVITY



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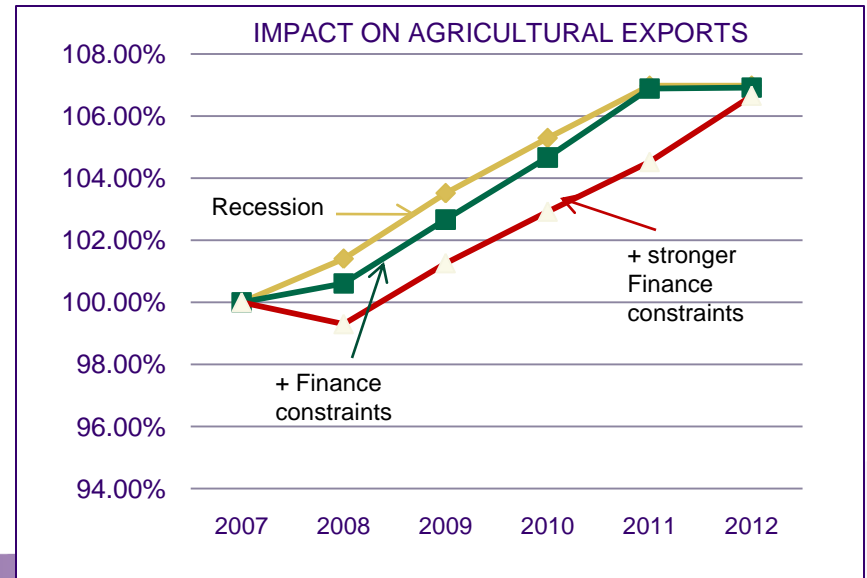
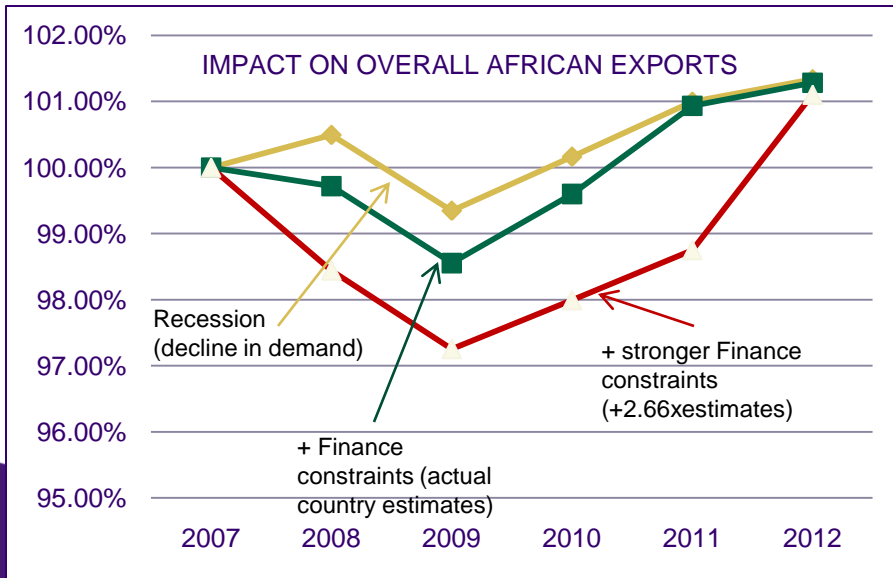
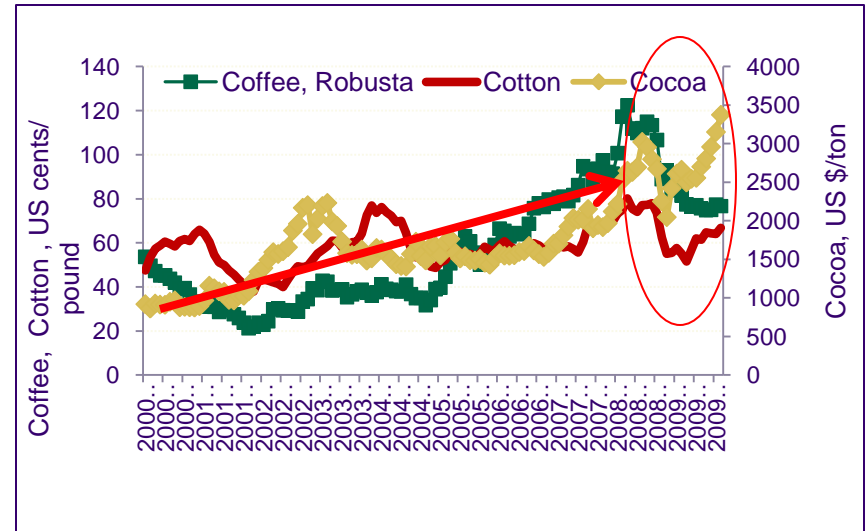
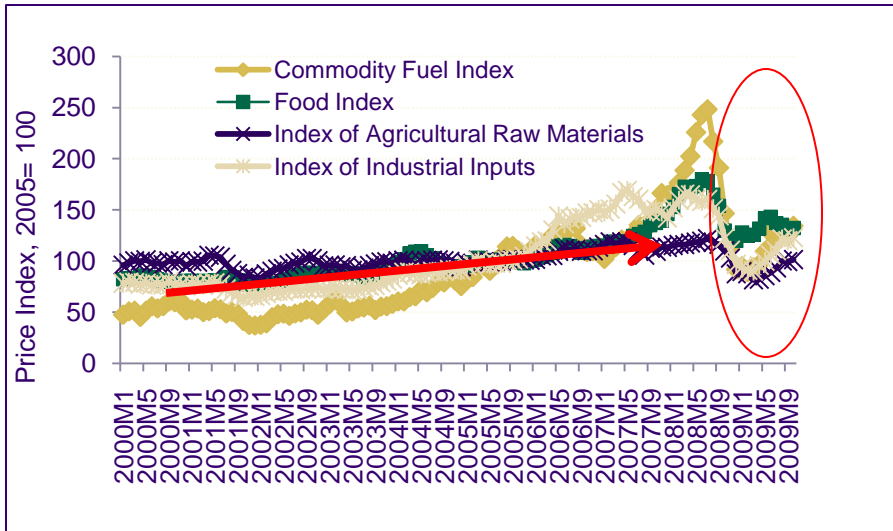
SUSTAINING AND ACCELERATING THE RECOVERY PROCESS

IMPACT OF THE FINANCIAL CRISIS ON AGRICULTURE

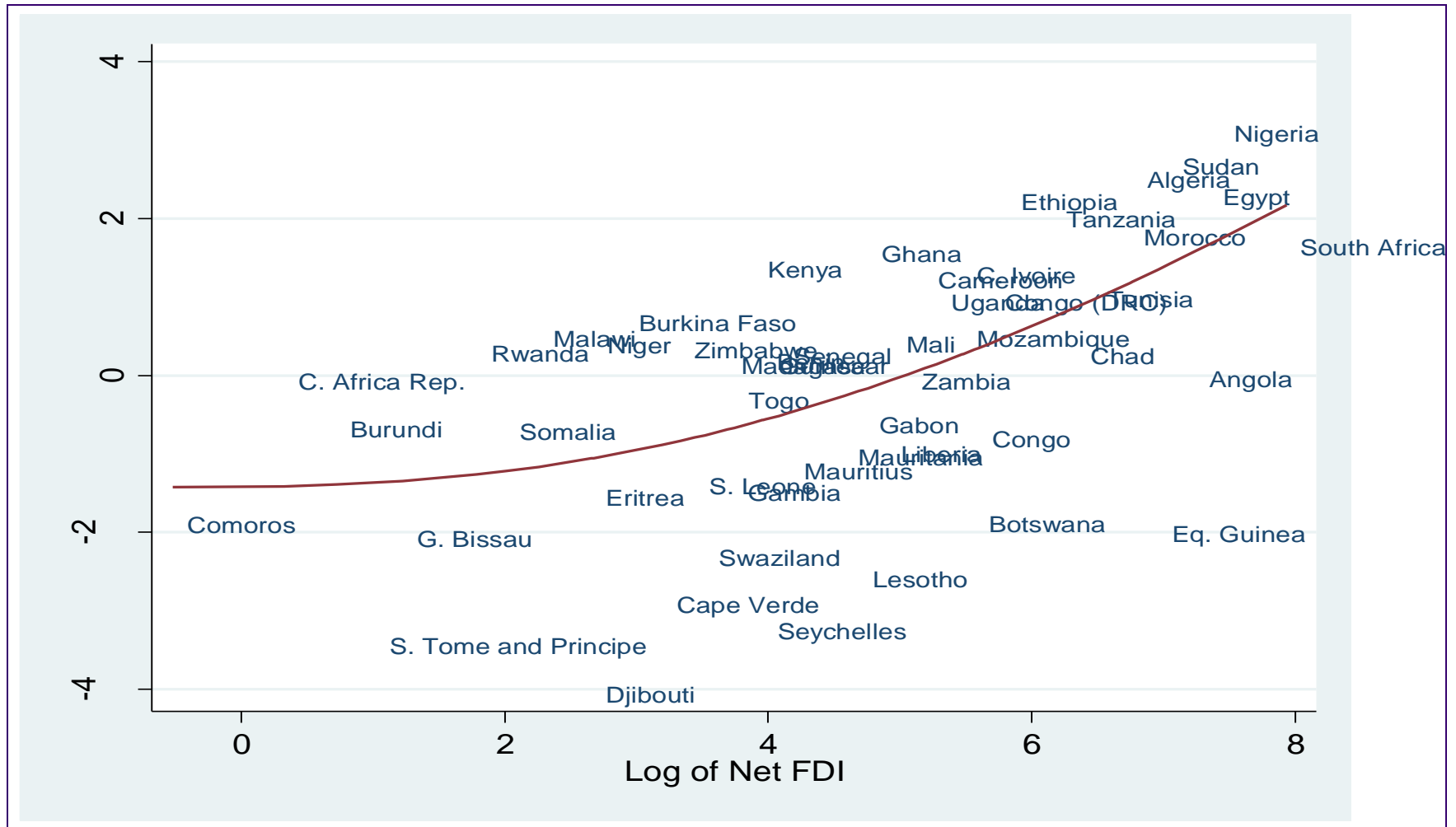
THE IMPACT CHANNELS

- 1 RESSION – EXPORT DEMAND - TERMS OF TRADE ➡ AG. REVENUES
- 2 LIQUIDITY TRAP – FDI – REMITTANCES -TRADE CREDIT ➡ AG. FINANCE
- 3 FOREX AND FISCAL DEFICITS ➡ AG EXPENDITURE / INVESTMENT
- 4 DOMESTIC AND ASSISTANCE POLICY RESPONSES ➡ SECTOR RESPONSE

IMPLICATIONS OF THE FINANCIAL CRISIS DEMAND, PRICES, AND AFRICAN EXPORTS

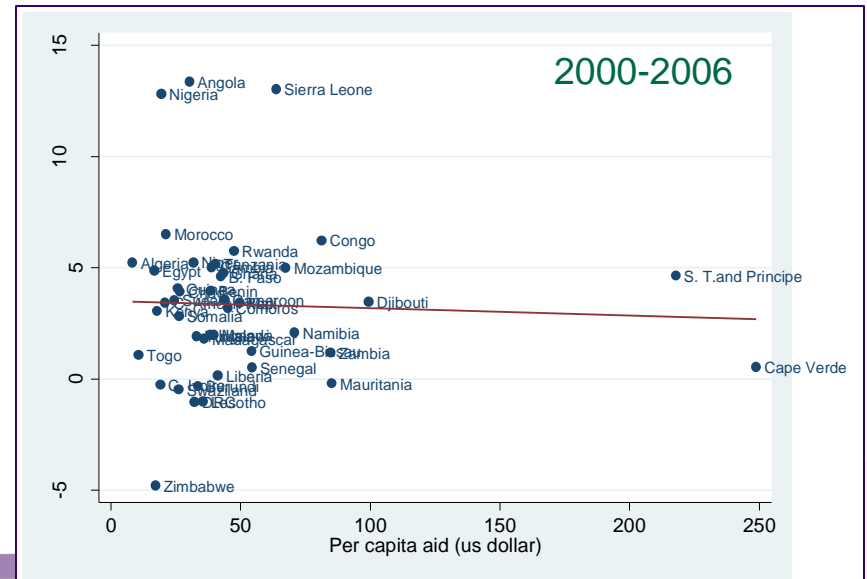
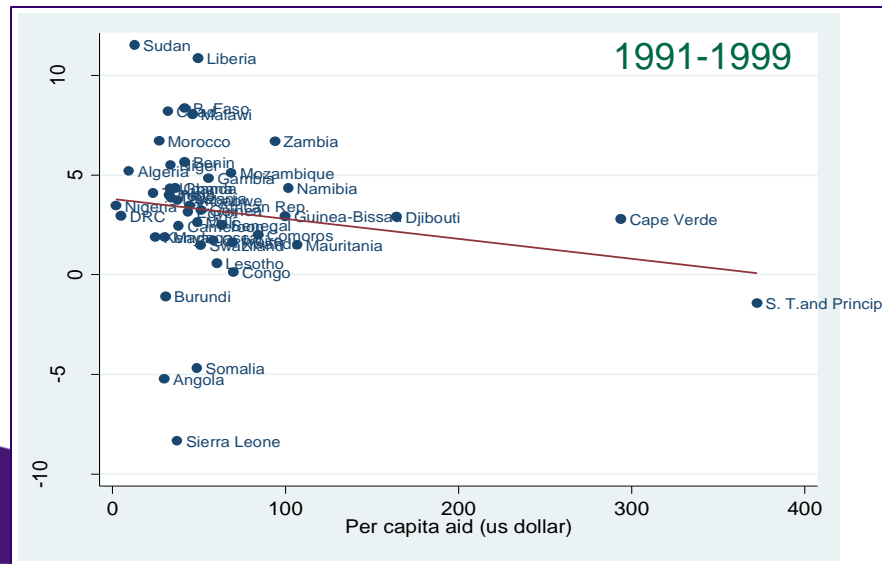
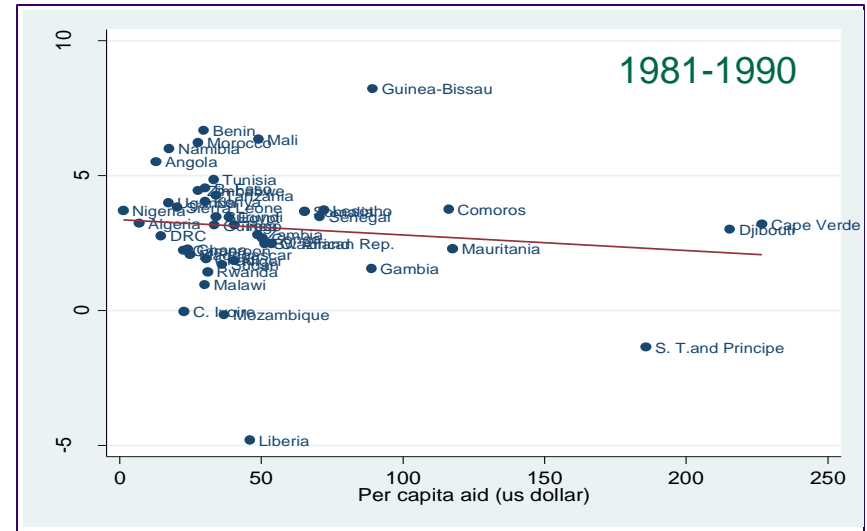
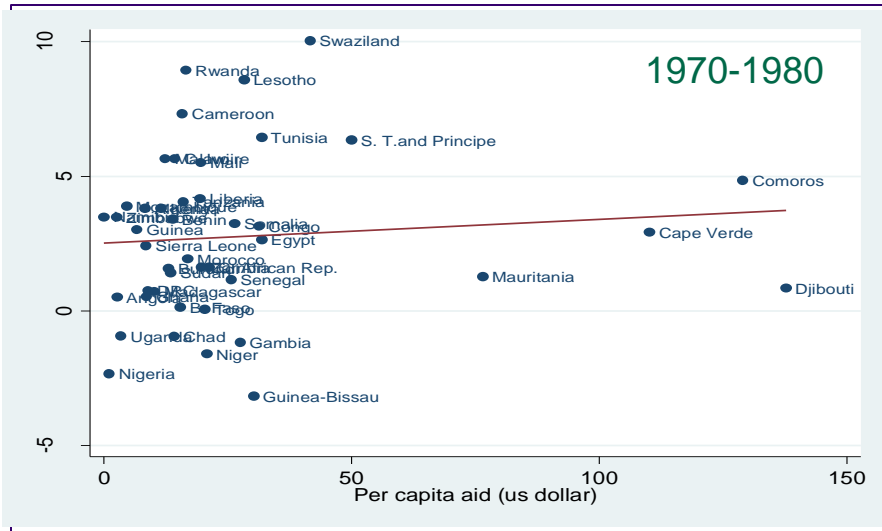


FDI AND AGRICULTURAL SECTOR GROWTH IN AFRICA

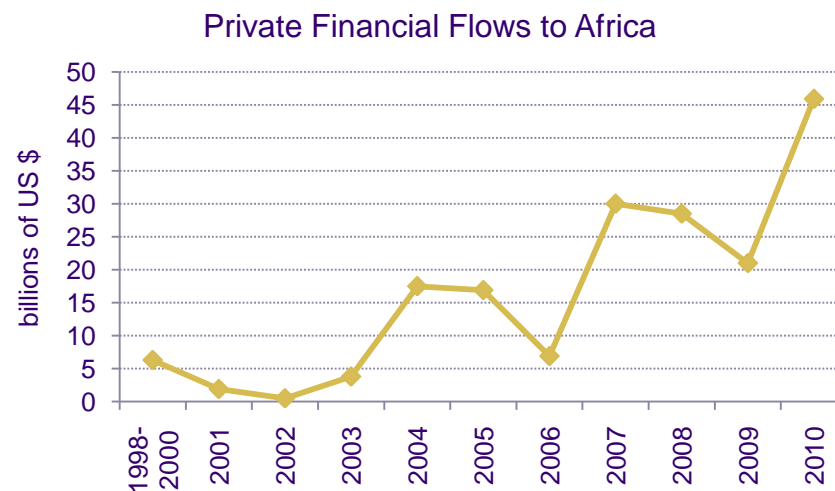
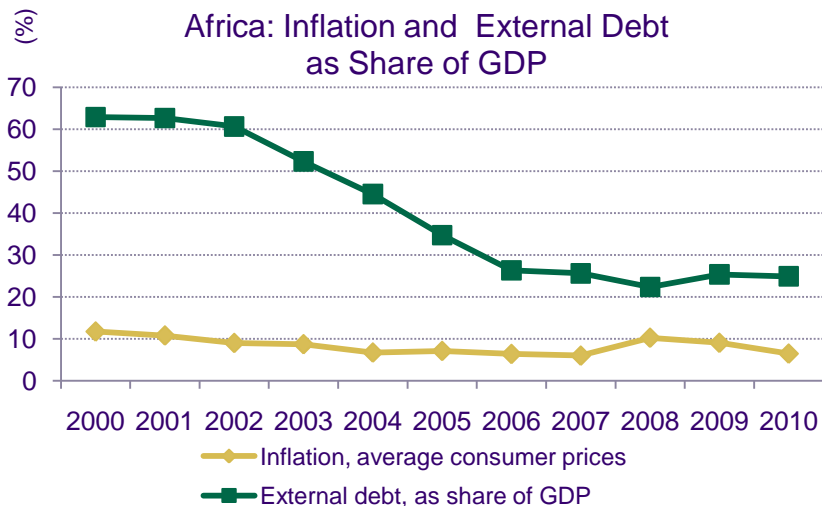
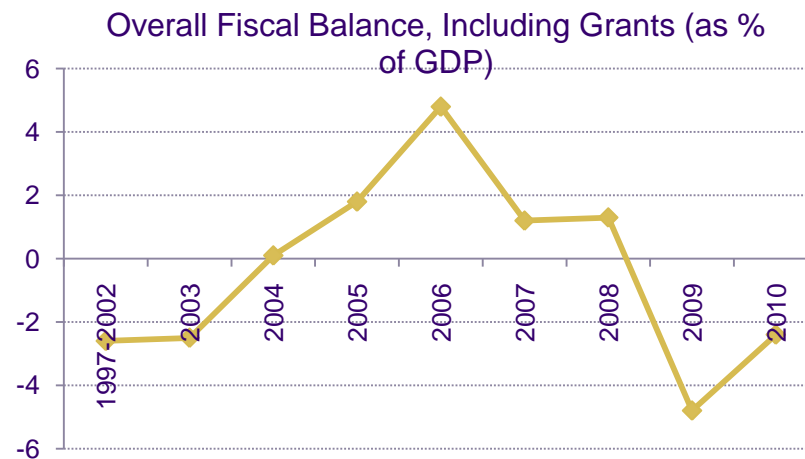
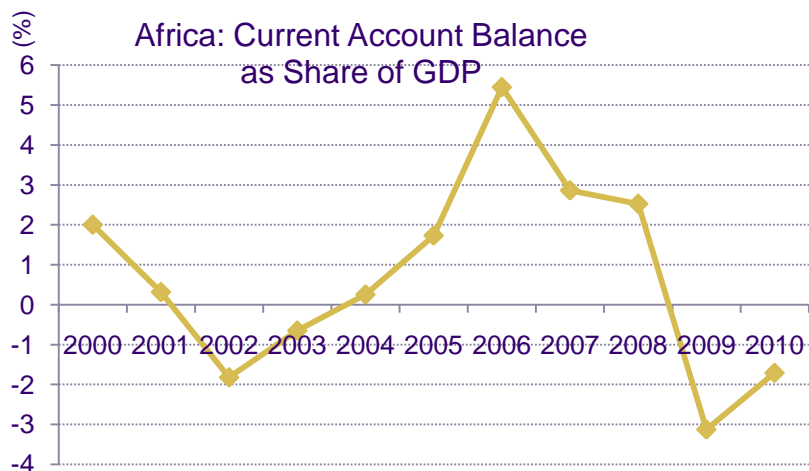


Source: IFPRI/Badiane and Ulimwengu

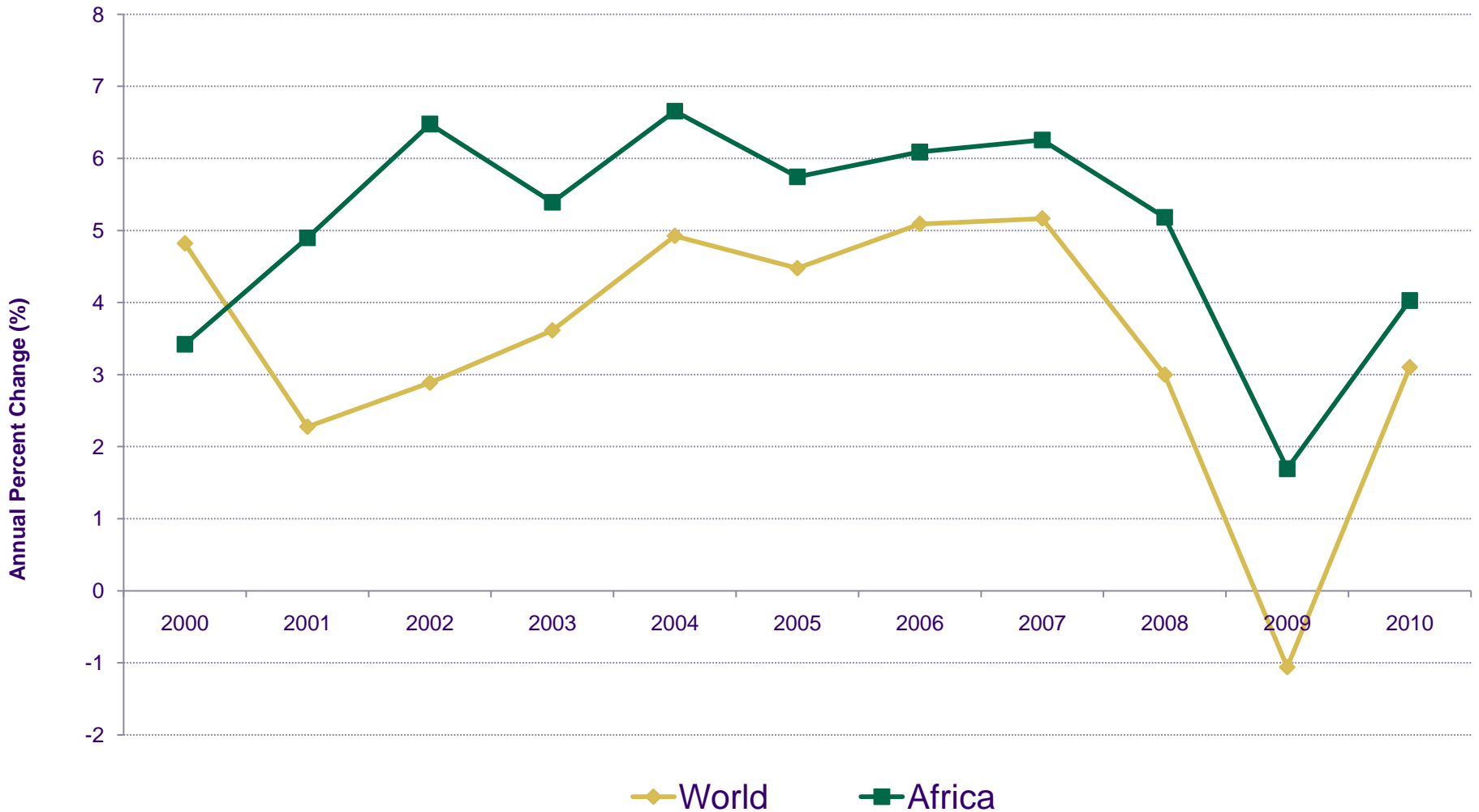
FINANCIAL CRISIS, DEVELOPMENT ASSISTANCE AND AGRICULTURAL GROWTH



MACROECONOMIC RAMIFICATIONS OF THE FINANCIAL CRISIS IN AFRICA



THE IMPACT OF THE FINANCIAL CRISIS ON GROWTH TRENDS IN AFRICA



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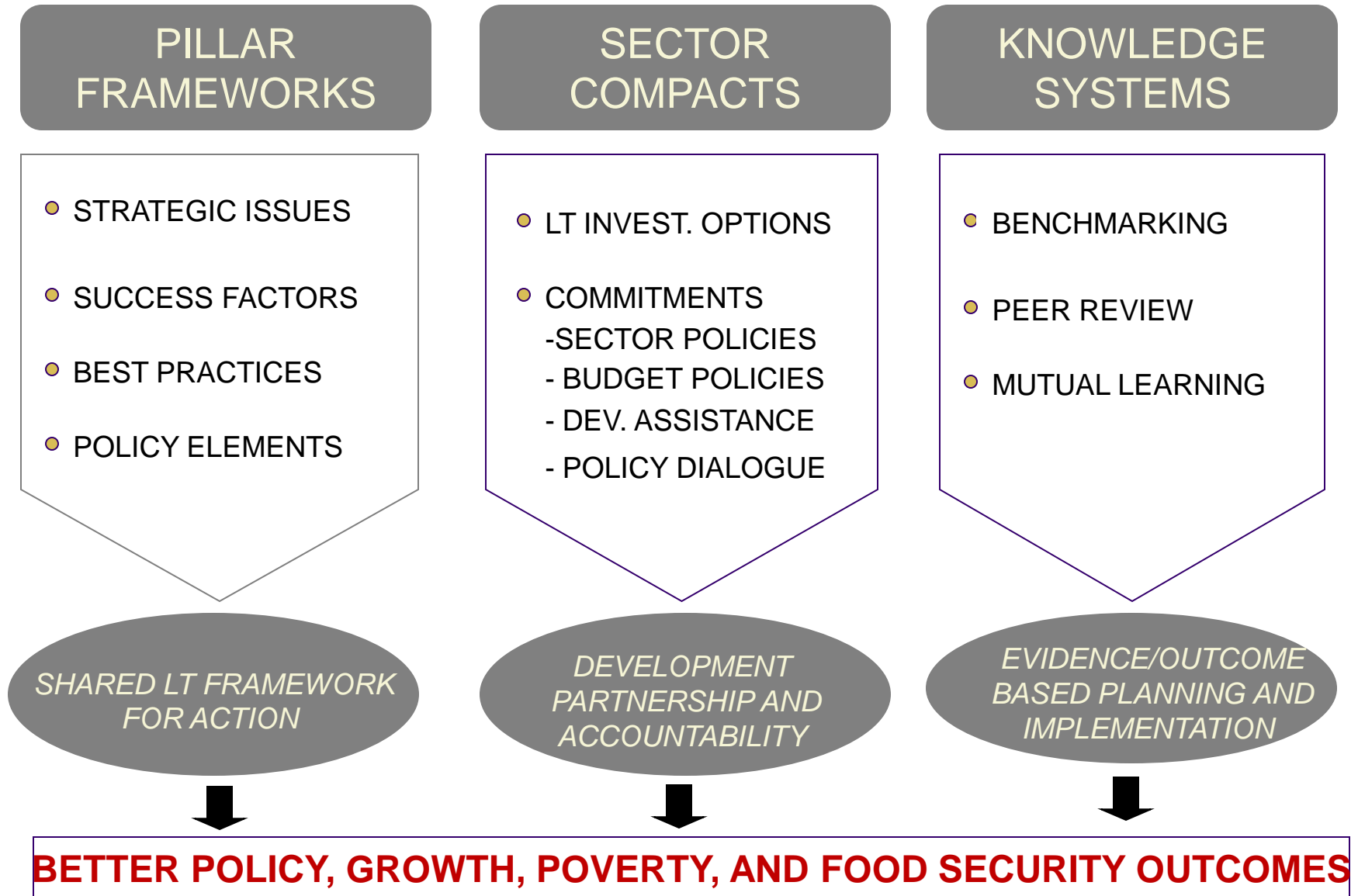
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EMERGING AGRICULTURAL POLICY DEVELOPMENTS

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SUSTAINING AND ACCELERATING THE RECOVERY PROCESS

THE COMPREHENSIVE AFRICA AGRICULTURE DEVELOPMENT PROGRAMME (CAADP)



CREATING THE CONDITIONS FOR BETTER DEVELOPMENT OUTCOMES

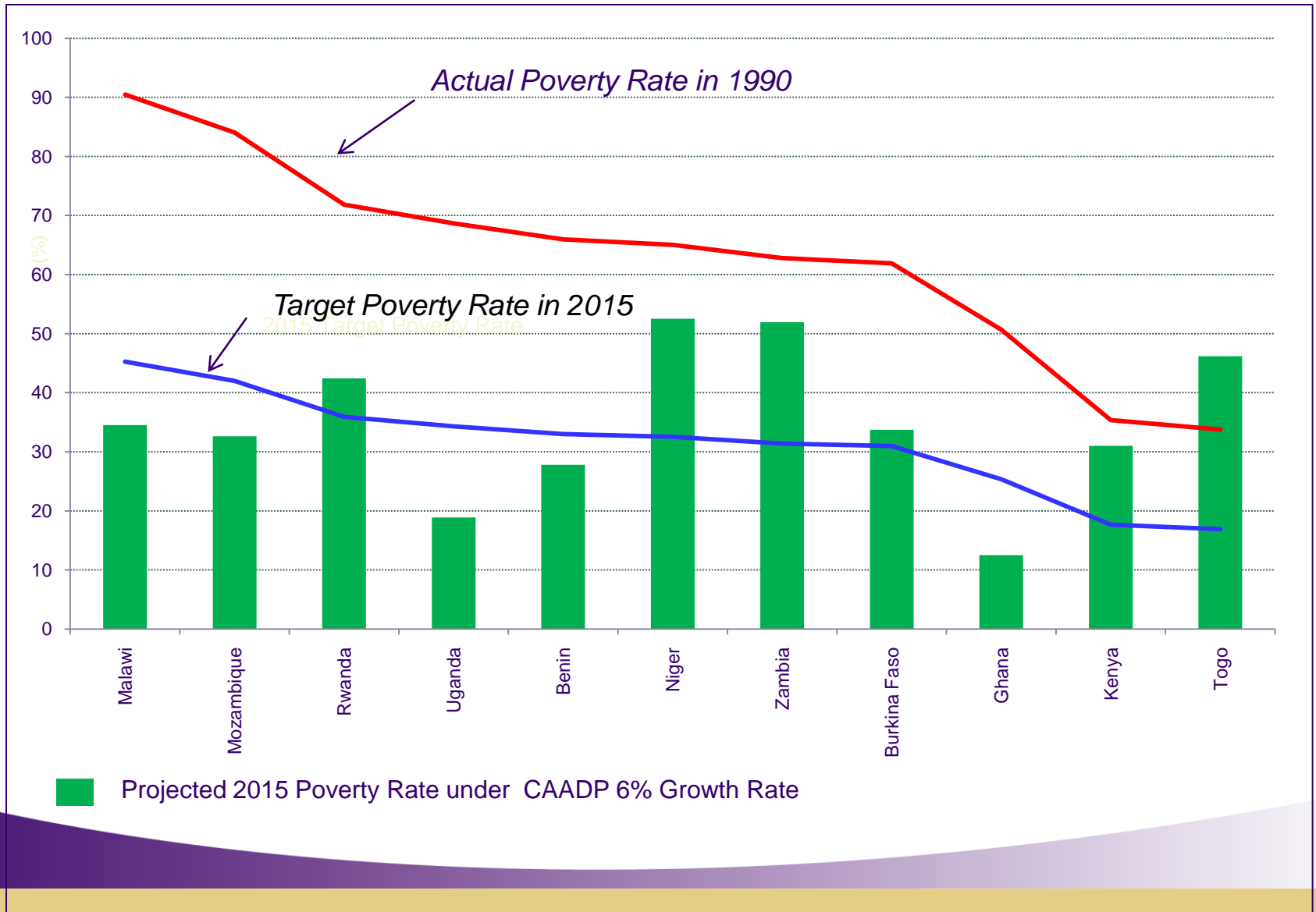
- I. DEVELOP COMPREHENSIVE AND OBJECTIVE DRIVEN STRATEGY FRAMEWORK WITH LIMITED SET OF CLEAR TARGETS
- II. EVALUATE COUNTRY EFFORTS AGAINST DEFINED TARGETS
 ➡ **SHARED INVESTMENT AND PARTNERSHIP FRAMEWORK**
- III. SPECIFY ALTERNATIVE ACTION SCENARIOS AND OUTCOMES
 ➡ **BASELINES - MILESTONES - ACTION TARGETS - TOOLS**
- IV. SET UP BENCHMARKING AND LEARNING MECHANISMS
 ➡ **KNOWLEDGE SYSTEMS INFRASTRUCTURE**
- V. ESTABLISH POLICY REVIEW AND DIALOGUE PLATFORM
 ➡ **INCLUSIVE FORA AT COUNTRY LEVEL AND BEYOND**

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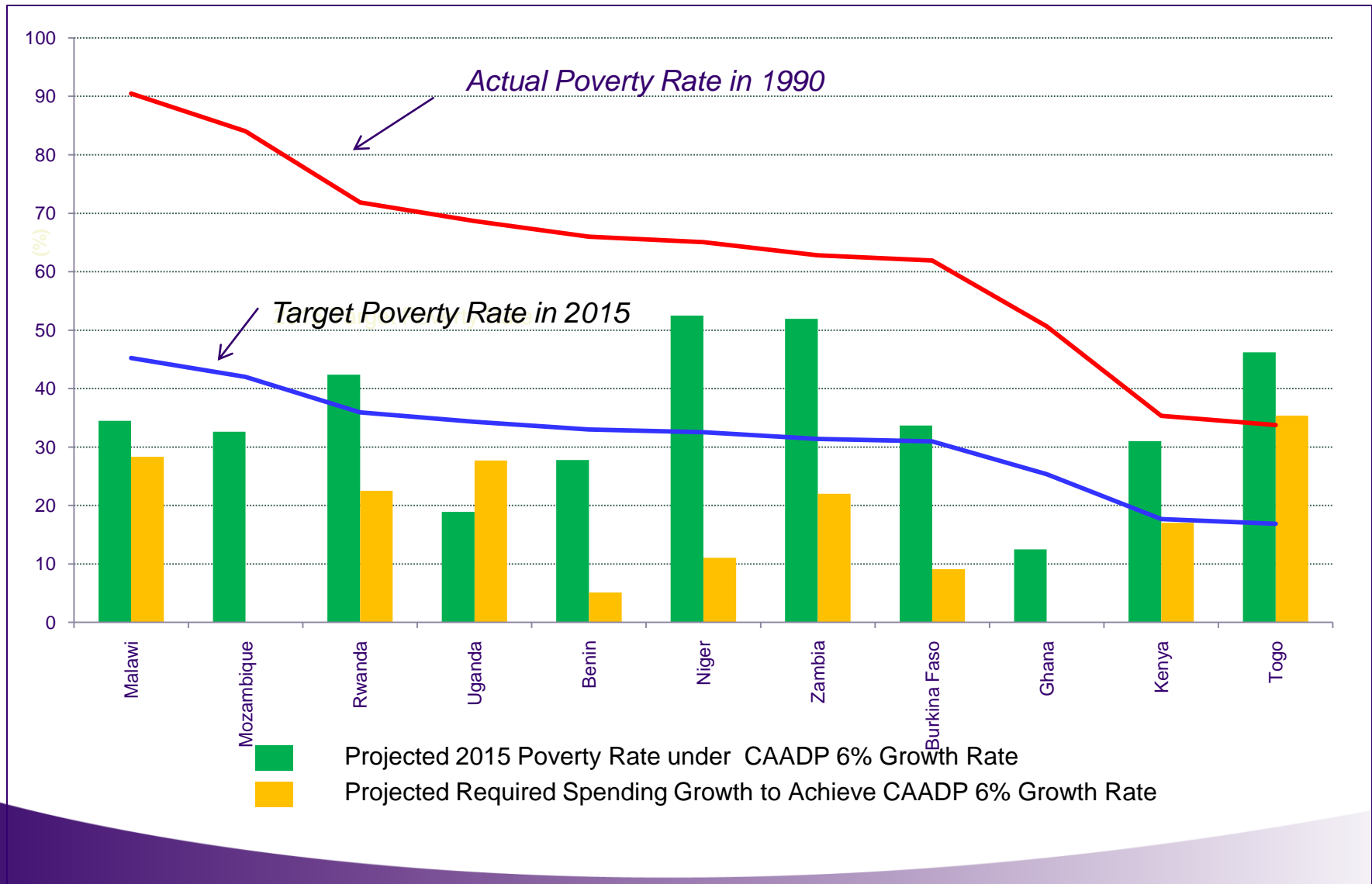
LONG TERM CHALLENGE NO. 1

BRIDGING THE GROWTH GAP TO ACCELERATE POVERTY REDUCTION



LONG TERM CHALLENGE NO. 2

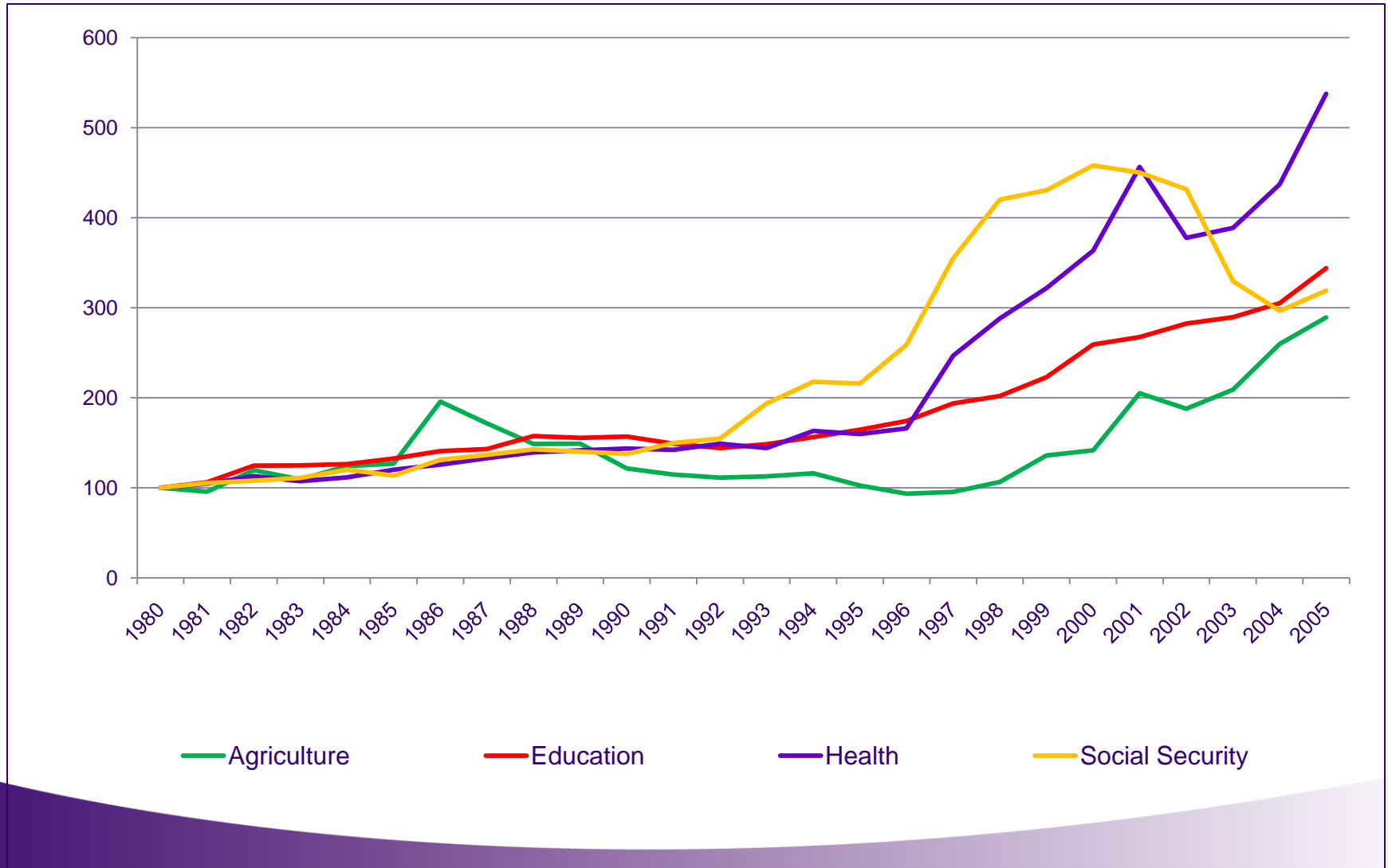
BRIDGING THE EXPENDITURE GAP TO ACCELERATE GROWTH



Source: Dollar a Day Poverty Rates from World Bank, PovCal Net, 2008 [poverty line \$1.25];
Projected CAADP Poverty Rates from various IFPRI country CAADP Growth Simulation Studies

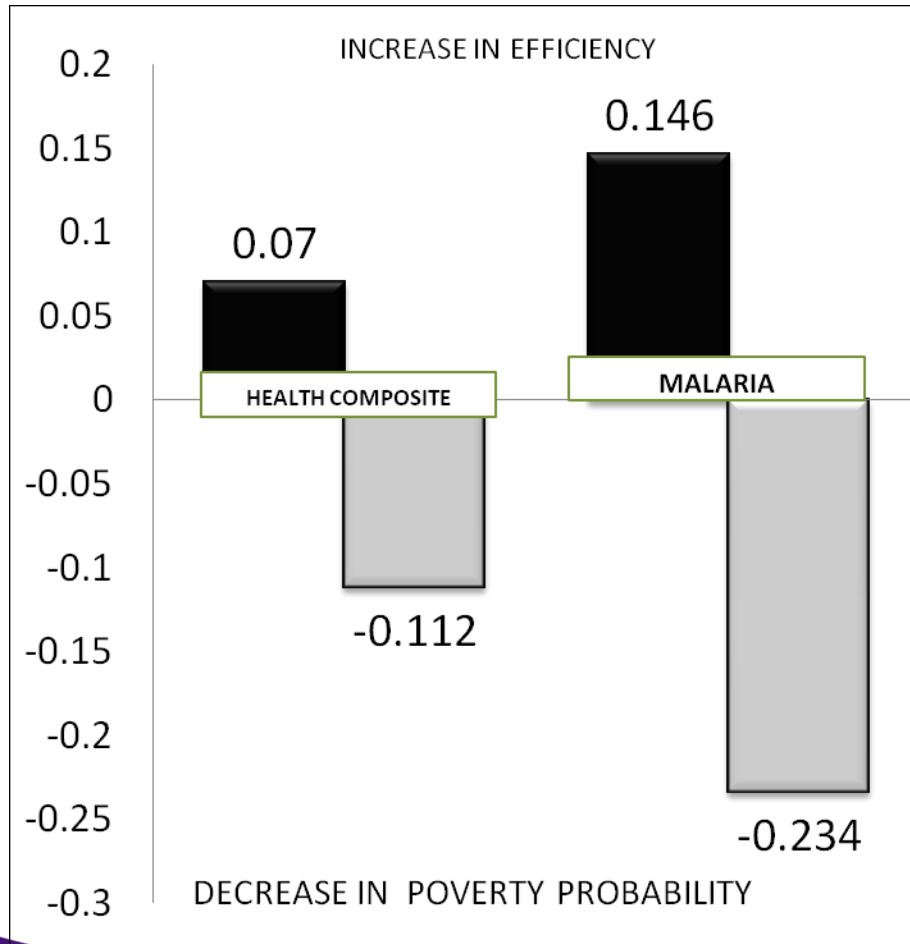
THE GROWTH-POVERTY CONVERGENCE AGENDA:

MAXIMIZING SYNERGY BETWEEN GROWTH AND SOCIAL INVESTMENTS

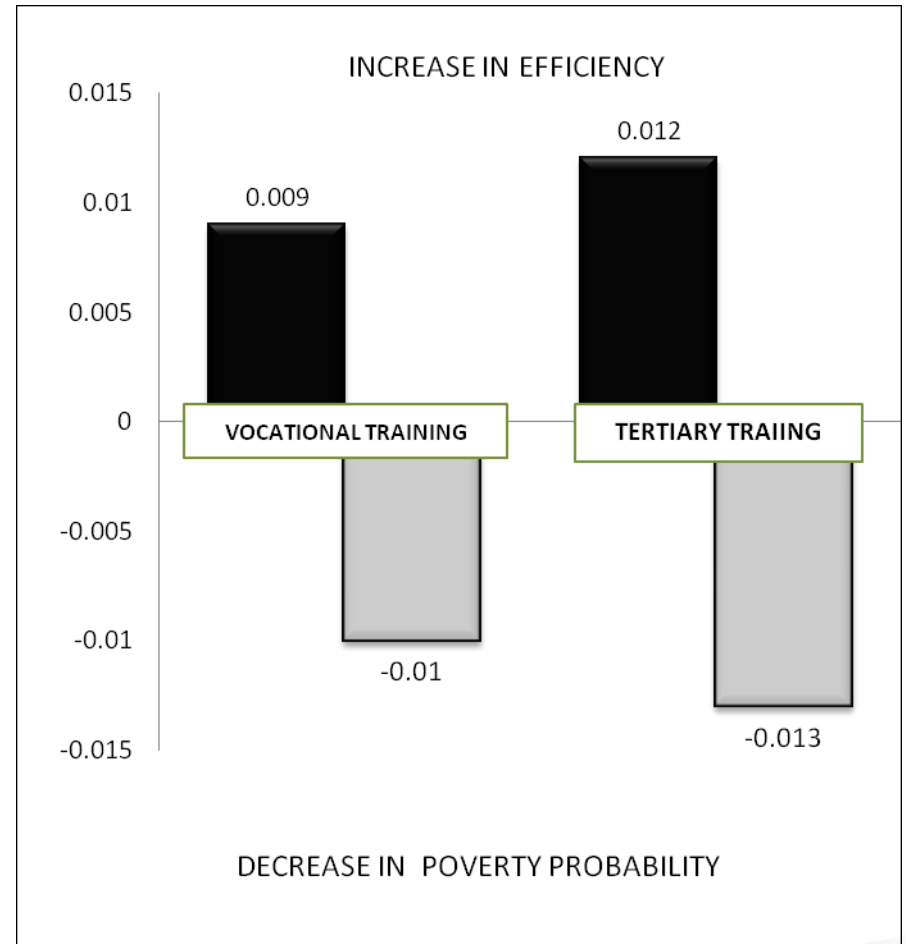


Sources: Government spending: Global database on public spending, DSGD, IFPRI, 2009; and ODA: OECD, 2008

EFFECT OF 10% INCREASE IN SERVICES EXPENDITURE ON SOCIAL OUTCOMES, AGRICULTURAL EFFICIENCY, AND POVERTY



HEALTH SERVICES



EDUCATION SERVICES

MEETING THE DOUBLE CHALLENGE OF GROWTH ACCELERATION AND SOCIAL PROTECTION

BASIC STRATEGIC QUESTIONS

- 1 HOW TO MAXIMIZE LONG TERM GROWTH WHILE MEETING SHORT TERM SOCIAL NEEDS
- 2 HOW TO MAXIMIZE SYNERGY BETWEEN SOCIAL SERVICES AND PRODUCTIVITY ENHANCING INVESTMENTS
- 3 HOW TO EXPLOIT GROWTH EXTERNALITIES OF SOCIAL SERVICES
- 4 HOW TO IMPROVE CONSIDERATION OF GROWTH SYNERGIES IN BUDGET PLANNING AND NEGOTIATIONS

AGRICULTURAL AND ECONOMIC GROWTH RECOVERY IN AFRICA CURRENT TRENDS AND FUTURE PROSPECTS

CONCLUSIONS 1

- ❑ HAS REMARKABLE RECOVERY COMPENSATED FOR THE 2.5 DECADE ECON. STAGNATION? NO
 - STILL LARGE POCKETS OF POVERTY
 - PROGRESS TOWARDS POVERTY MDG PICKED UP PACE BUT NOT ENOUGH FOR MOST
 - NEED TO ACCELERATE AND BROADEN GROWTH TO REDUCE POVERTY FASTER

AGRICULTURAL AND ECONOMIC GROWTH RECOVERY IN AFRICA

CURRENT TRENDS AND FUTURE PROSPECTS

CONCLUSIONS 2

- ❑ GLOBAL CRISES ARE A THREAT BUT ALSO FULL OF OPPORTUNITIES FOR AFRICAN ECONOMIES
- ❑ AFRICAN ECONOMIES HAVE SHOWN GREATER RESILIENCE THAN DURING PAST CRISES
- ❑ AFRICAN AGRICULTURE IS WELL POSITIONED TO COMPETE AND BENEFIT FROM LONG TERM GLOBAL PRICE TRENDS
- ❑ UNPRECEDENTED CONTINENT WIDE EFFORTS UNDER CAADP TO:
 - IMPROVE POLICY PLANNING / IMPLEMENTATION
 - RAISE GOVERNMENTS INVESTMENT IN AGRICULTURE.

AGRICULTURAL AND ECONOMIC GROWTH RECOVERY IN AFRICA CURRENT TRENDS AND FUTURE PROSPECTS

CONCLUSIONS 3

- ❑ THE RECOVERY OF LAST 15 YEARS HAS CREATED A STRONG FOUNDATION TO BUILD UPON
- ❑ BETTER CONDITIONS FOR HIGHER RETURNS TO INVESTMENTS IN AND ASSISTANCE TO AFRICA
- ❑ UNPRECEDENTED CONTINENT WIDE EFFORTS UNDER CAADP TO:
 - IMPROVE POLICY PLANNING / IMPLEMENTATION
 - RAISE GOVERNMENTS INVESTMENT IN AGRICULTURE
 - AND SUSTAIN / DEEPEN THE RECOVERY PROCESS