



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

BMZ



Federal Ministry
for Economic Cooperation
and Development

Promoting Participatory and Evidence-Based Agricultural Policy Processes in Africa (PEBAP)

Collaborative research project

Ghana – Uganda - Senegal





Project partners

- **International Food Policy Research Institute (IFPRI)**
 - *Michael Johnson, Ousmane Badiane, Sam Benin, Sunday Odjo*
- **Germany**
 - University of Kiel: *Christian Henning, Eva Krampe, Laura Seide*
 - University of Hohenheim: *Regina Birner, Jonathan Mockshell*
- **Ghana**
 - Institute of Statistical Social and Economic Research (ISSER), University of Ghana, Legon: *Felix Asante*
- **Uganda**
 - African Institute for Strategic Resource Services and Development (AFRISA), Makerere University: *Patience Rwamigisa, David Kabasa*
- **Senegal**
 - Institut Sénégalais de Recherches Agricoles (ISRA), Senegal: *Cheickh Sadibou Fall*

Background



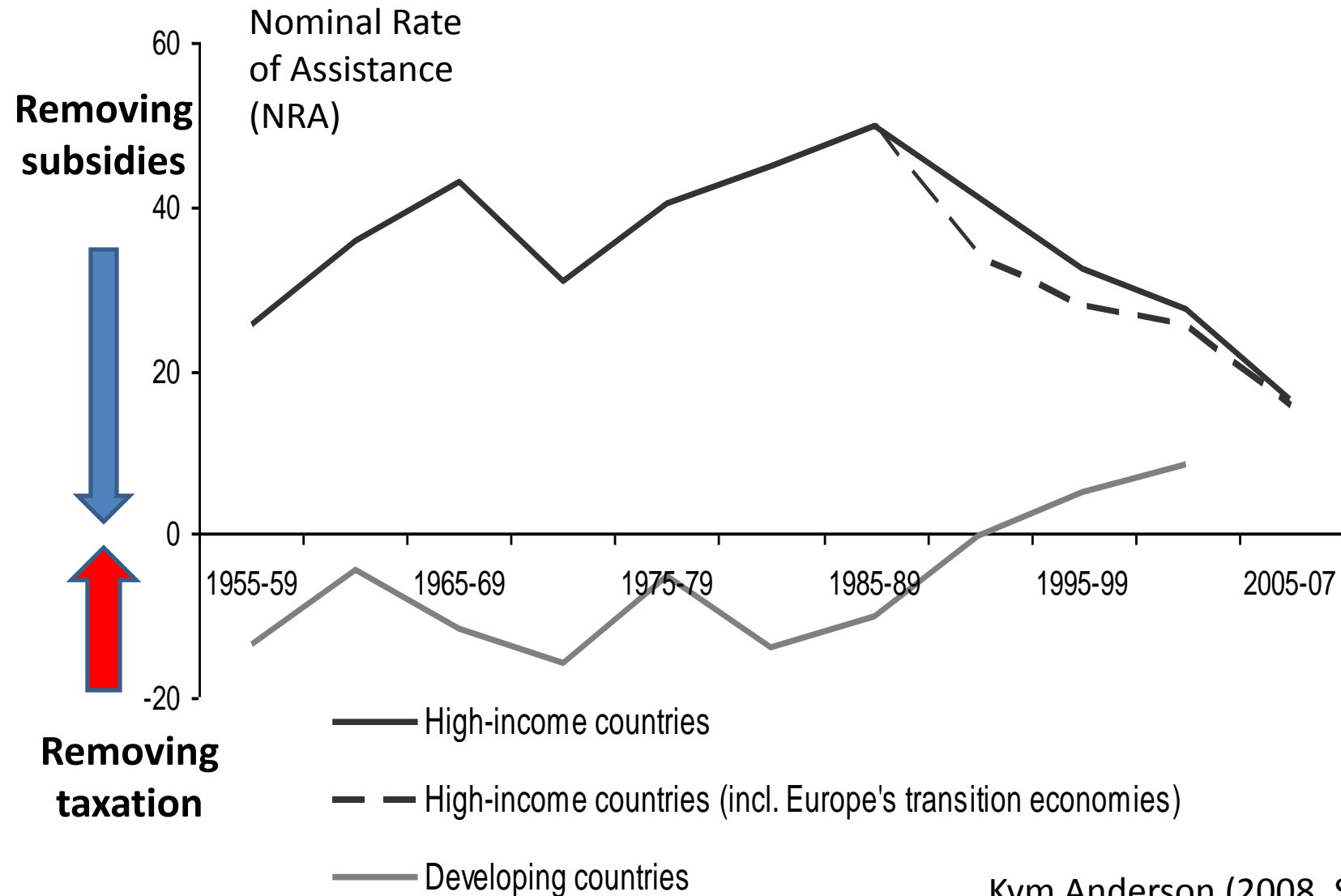
- **Increased interest in the agricultural sector since the 2000s**
 - by African governments as well as donor agencies
 - Food Price Crisis of 2008 as a major driving force
 - Comprehensive Africa Agriculture Development Program (CAADP); Alliance for a Green Revolution in Africa
- **Agreement**
 - Need to promote agricultural development in Africa
- **Disagreement**
 - What does it take to achieve this goal?
 - Which policy instruments are appropriate?
 - Examples: Input subsidies; import taxes; role of private sector
- **Promoting evidence-based and participatory policy processes as a way to find solutions on contested issues**



Contested agricultural policy issues

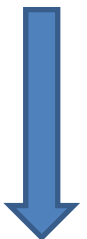
- **Interpretation of the impact of Structural Adjustment**
 - SAP failure story (implies that agricultural policy was successful prior to SAP – not supported by evidence)
 - “False promise versus false premise” (Jayne et al., 2002)
 - Effect of macro-economic policy changes often neglected in the debate
- **Post-Structural Adjustment Policy Debate**
 - Recognition that government support and institution-building matter for smallholders, but policy instruments remain debated
 - **Example: Input subsidies**
 - World Bank: Need for “market-smart subsidies”
 - Malawi: “Ending Famine, Simply by Ignoring the Experts” (Headline in the New York Times, 02/12/2007)
 - Banful (2011): “Old Problems in the New Solutions”?
- **Other examples:** Extension reform; trade policies, etc.

Major changes in agricultural policy during the past decades

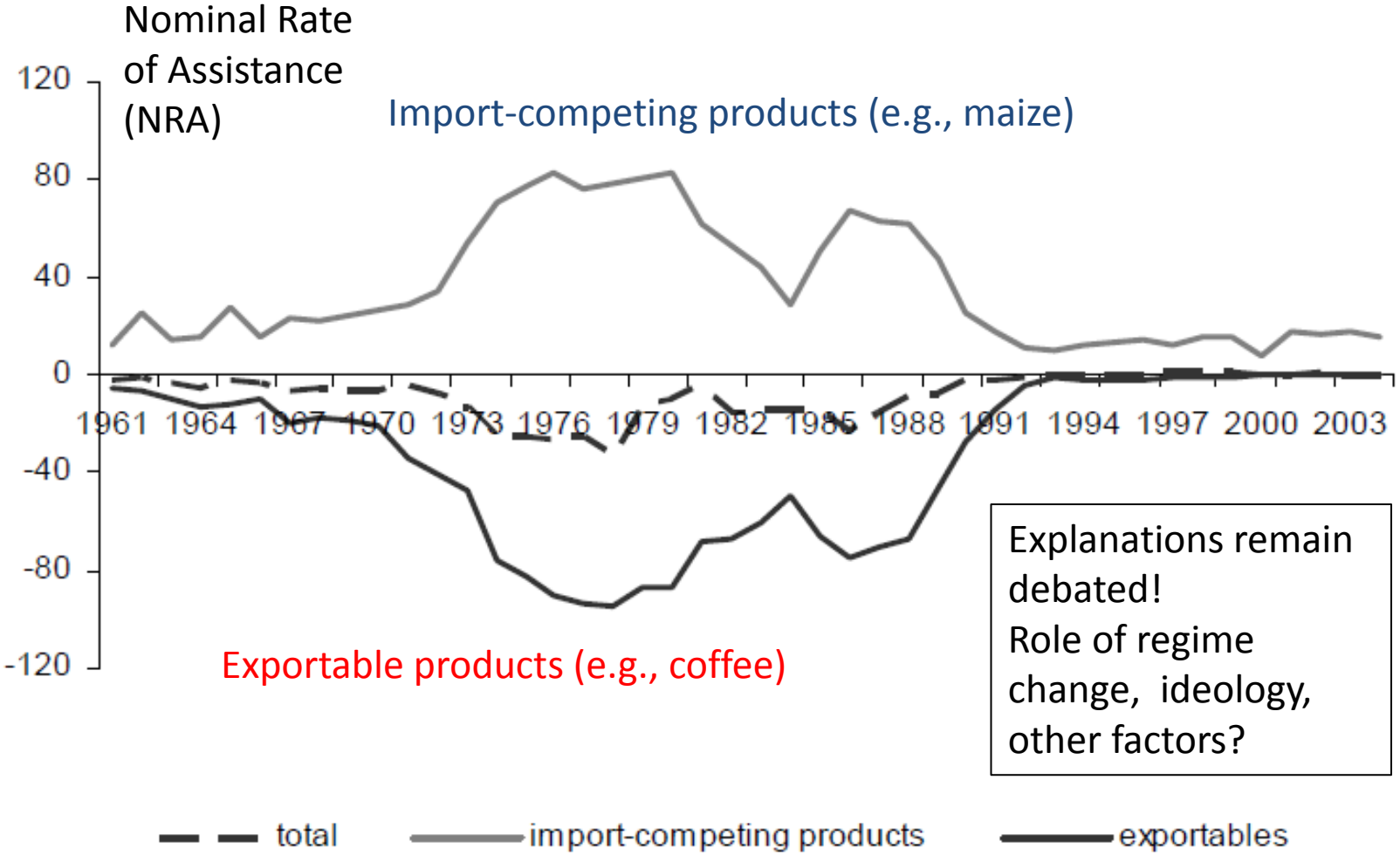
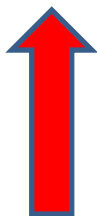


Example - Uganda

Removing subsidies



Removing taxation



Explanations remain debated!
Role of regime change, ideology, other factors?

Note: Total includes non-product-specific assistance

Source: Matthews et al. (2007: Figure 3, p.33)



Main hypotheses of the project

Suboptimal policies exist *both* due to

1. Political incentives gaps

- Political institutions do not provide sufficient incentives or even create disincentives to select first-best policy options and to implement them effectively.

2. Knowledge gaps

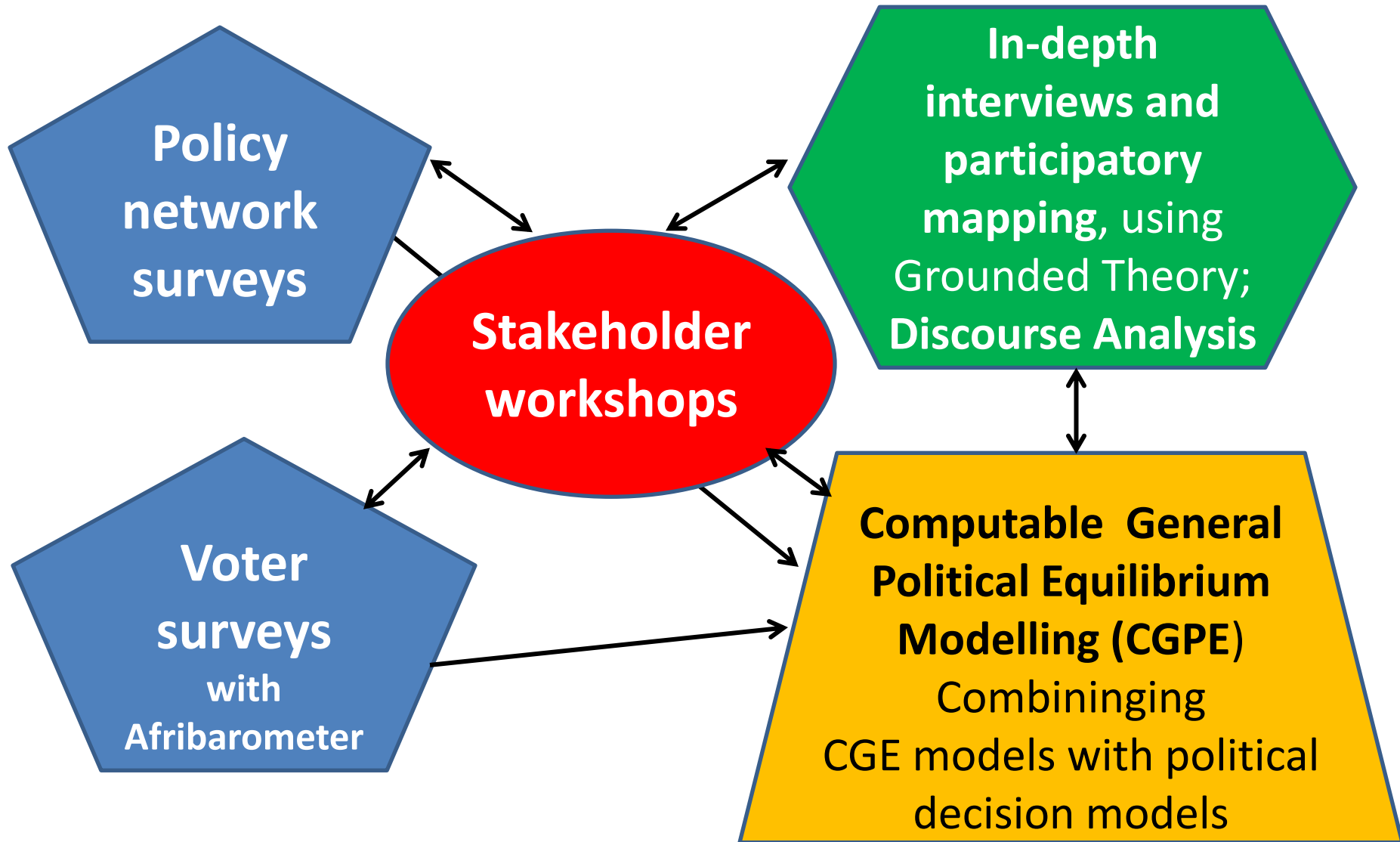
- Policy instruments are difficult to assess if governance challenges of implementation are considered.
- Policy-makers, including donors, may not be fully aware of the impact that different agricultural policy instruments have.



Objectives of the project

- **Combining qualitative and quantitative research methods to contribute to**
 - **address knowledge gaps**
 - better understanding of the impact of policy instruments taking governance challenges into account
 - better understanding of **policy beliefs** (perceptions that actors have regarding the relevance and impact of a certain policy instrument)
 - **address political incentive gaps**
 - better understand the political incentives that formal and informal rules create within the respective political system
 - Influence of electoral competition, social/political networks, lobbying groups, informal rules (e.g., authority of the president)

Research Methods applied in Ghana, Uganda and Senegal





Overview of the session

- **Qualitative research**
 - **Donors and domestic policy makers: Two worlds in agricultural policy-making?**
Jonathan Mockshell and Regina Birner
 - **The Role of Policy Beliefs and Discourses in Policy Reform Processes: A Case Study of NAADS in Uganda**
Patience Rwamigisa
- **Quantitative Research**
 - **Combining Political and Economic Models: An Evolutionary Computable General Political Economy Equilibrium Model (CGPE)**
Christian Henning and *Eva Krampe*
(includes information on voter and stakeholder surveys)



Thank you!



References

- Anderson, K. (2008). Fifty Years of Distortions in World Food Markets. Presentation at an IFPRI Seminar, Washington DC, 14 October 2008.
- Banful, A. B. (2011). Old Problems in the New Solutions? Politically Motivated Allocation of Program Benefits and the “New” Fertilizer Subsidies. *World Development*, 39 (7), 1166–1176.
- Jayne, T. S., Govereh, J., Mwanauomo, A., Nyoro, J. & Chapoto, A. (2002). False Promise or False Premise? The Experience of Food and Input Market Reform in Eastern and Southern Africa. *World Development*, 30 (11), 1967–1985.
- Matthews, A., Claquin, P., & Opolot, J. (2007). Distortions to Agricultural Incentives in Uganda. Agricultural Distortions Working Paper, 51, World Bank, Washington, DC.

Annex: What is the Nominal Rate of Assistance?



- The percentage by which government policies
 - have raised gross returns to farmers above what they would be without the government's intervention
 - or lowered them, if the NRA is negative.
- Similar to the OECD producer support estimates (PSE), but an NRA is expressed as a percentage of the undistorted (e.g., border) rather than the distorted price.
- See www.worldbank.org/agdistortions