

A POSITIVE AGENDA FOR AFRICAN AGRICULTURE IN EPAs

SYNOPSIS

This Analytical Note offers an overview of the provisions on agriculture contained in the interim EPAs initialled in late 2007 by the EU and 35 countries of Africa, the Caribbean and the Pacific (ACP). A better understanding of the challenges to which sub-Saharan agriculture must rise in order to achieve growth, and of the measures that could help it accomplish this, is essential for the formulation of a positive agenda that would constitute a chapter on agriculture in the EPAs.

This Analytical Note is part of a series of Fact Sheets designed to increase decision makers' understanding of the legal, economic and development implications of some of the proposed provisions in the above texts, and to suggest possible improvements, in particular for ACP countries and regions in the process of finalizing an EPA text.

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I. INTRODUCTION

1. Owing to its importance as both an income-generating activity and a source of food, agriculture naturally lies at the heart of any strategy to fight poverty, notably in sub-Saharan Africa, where it is of even more particular significance. As a result, the place given to agriculture in the Economic Partnership Agreements (EPAs) between African countries and those of the European Union is a determining factor. The first EPA texts were initialled at the end of 2007¹ and the terms of these agreements determine their ability to contribute to African development and, hence, their ability to achieve their objectives.

2. Sub-Saharan agriculture is severely undercapitalized, irrigation and fertilizers being used substantially less than in other developing regions. This quantitative deficit is aggravated by a lack of basic transport, telecommunications and energy infrastructure. Markets downstream and upstream of production do not function, insofar as they do not offer quality infrastructure and services, especially as regards information and communication. Private investment in agricultural production is limited and hampered by the absence of long-term financial structures that meet the needs and requirements of rural economic operators.

3. What is more, faced with trade liberalization, structural adjustment programmes and, as a rule, poor management of public resources, most African countries are finding themselves seriously short of the financial, human and institutional resources required to enable farmers and other private sector operators in agricultural sub-sectors to benefit from the opportunities made possible in a new and changing environment. Therefore, sub-Saharan agriculture and the environment in which it operates continue to be marked by low levels of technological know-how and rather limited agricultural production systems.

4. The combined effects of the above are a stagnation and even decline in agricultural production, weak links between agriculture and other sectors upstream and downstream of production, declining competitiveness on the world markets, growing food insecurity, and the degradation of natural resources and the environment.

5. Since the ultimate goal of the EPAs is to enable the countries of Africa, the Caribbean and the Pacific (ACP) to participate fully in world trade (Article 34:2 of the Cotonou Agreement) and since economic cooperation between the EU and the ACP must aim to boost the production capacities of these countries (Article

¹ The state of play in APE negotiations, a list of countries having concluded interim agreements and a general analysis of these agreements may be found, for example, in “EPA Negotiations: State of Play and Strategic Considerations for the Way Forward”, South Centre (2008), http://www.southcentre.org/TDP/newpublistothers_FR.htm.

34:3), the agricultural sector must occupy a central position in these agreements. This Analytical Note describes some of the most common reasons put forward to explain the poverty of sub-Saharan agriculture and analyses the APE negotiations with a view to determining positive elements that might eliminate or reduce the difficulties faced by African agriculture.

II. AN OVERVIEW OF SUBSAHARAN AGRICULTURE AND ANALYSIS OF THE CAUSES OF ITS POVERTY

6. There are several main theories explaining the causes of the poverty of sub-Saharan agriculture. Some theories, for instance, hold that the agricultural underdevelopment of sub-Saharan countries is related to colonial and neo-colonial domination and exploitation. And while some consider the colonial period to have laid the foundations for development, notably by building up an infrastructure and setting up local administrative systems, it is also true that the colonial era also oriented the productive apparatus towards the export of raw materials with little or no transformation.

7. Another common explanation emphasizes poor agriculture policies and strategies, and the fact that the agricultural sector has been neglected by government authorities. This theory is able to explain why some countries, even though lacking natural resources, were able to develop whereas others, at first much better off, have become poorer. Indeed, the existence of agricultural policies would appear to have enabled the agricultural sector to have developed more rapidly in some African countries than in others.

8. The unequal treatment of agriculture, on the one hand, and manufacturing industries, on the other hand, results from the priority governments have given to industrial development and urban populations, and from the idea that agriculture should, to some extent, be part of industrial development. At best it was considered that at best surplus agricultural production should be used to encourage industry (and the urban population). At worst, government elites sought to enrich themselves and consolidate their position of power by cashing in on the profits of agricultural production, for example by controlling the sale of agricultural crops through stabilization funds and marketing boards. What is certainly correct is that the resources taken from farmers were far too rarely reinvested in the form of public projects aimed at modernizing agriculture, for example by improving agricultural infrastructure.

9. Looking beyond these general theories and the various factors emphasized by each one of them, it is essential to understand the main causes of the poverty of African agriculture or at least some of the main difficulties it will have to overcome in order to grow and develop. If these difficulties were better understood, and measures were taken to deal with them, a programme of initiatives could be drawn up which could then constitute a chapter in the EPAs on agriculture.

10. This section briefly outlines some of the main difficulties faced by sub-Saharan agriculture².

A. Changes in the agricultural sector, and the international context

1. The trend towards a decline in world prices for agricultural products

11. After World War II, agricultural productivity in developed countries began increasing steadily, as a result of the use of new production techniques (such as mechanisation and the use of chemical agents). This process, combined with the development of international transport and the gradual liberalisation of international trade, has tended to push down the world prices of cereals. For sub-Saharan farmers, who did not undergo the same modernization process, the competition often became too tough, as regards both cereals and foodstuffs that can be substituted by cereals.

12. Moreover, agricultural subsidies in rich countries (see below) most likely encouraged poor countries to import more food, this increase in turn being aggravated by the vast differences in productivity (according to some statistics, cereal productivity is 700 times greater in rich countries). This trend would seem to be even greater in the case of agricultural products such as sugar and cotton.

13. For most sub-Saharan farms the most immediate effect of the tendency towards lower cereal prices was a decline in financial productivity (FP), which is defined as the relationship between the physical quantities produced by each worker and their price. Only an increase in the physical productivity of labour would have been able to offset the drop in prices. However, as a rule this was not possible, since sub-Saharan farms had not undergone any large-scale modernisation. The decline in the financial productivity of labour can push a farm below the renewal threshold, that is to say, force it to look for income outside agricultural production, for instance through migration³.

14. Under these conditions, farmers in developing countries have generally chosen to limit food production to personal consumption and to turn their farming activities to areas sheltered from competition with developed countries, for example by growing tropical crops for export. This diversification has raised the income of the farming community and encouraged peasant farms growing coffee, cocoa, rubber trees, cotton, peanuts, etc. However, even some of these cash crops ended up being affected by international competition and the trend towards declining prices:

² For a general overview of the challenges faced by countries dependent for their revenue on agriculture, particularly on commodities, see, for example: «*Problems and Challenges faced by Commodity-Dependent Developing Countries (CDDCs)*», South Centre (2005): http://www.southcentre.org/TDP/newpublistcommodities_FR.htm

³ For more details see, for example, «*Histoire des Agriculteurs du Monde*», M. Mazoyer et L. Roudart, Seuil (1997).

- For example, similar products (such as sugar beet, which competes with sugar cane, and soybeans, which compete with peanuts) or industrial products which substitute some tropical crops (such as synthetic textile fibres and rubber) have eroded markets in developed countries formerly occupied by these products;
- As regards tropical crops, the decline in prices is linked to a tendency towards overproduction, in itself the result of competition among the developing countries.

15. Most sub-Saharan farms, whether growing food or cash crops, have had to face the decline in prices, financial productivity and income. As a result, the vast majority of farms, being poorly equipped and doing work manually, has been unable to increase the physical productivity of labour and has thus dropped well below the renewal threshold. This has generated related phenomena such as capital dilution, under-consumption and malnutrition and has lowered farmers' capacity for work. This contraction itself has sometimes had further negative effects, in particular a degradation of the ecosystems being cultivated.

16. Farmers have been obliged to concentrate on the most immediately productive tasks and neglected those that seemed to be dispensable, that is to say, those jobs whose impact would be noticeable only in the longer term. This has notably resulted in:

- Land being allowed to lie fallow for shorter periods to avoid the difficulties associated with clearing it, which in the long term has degraded soils;
- Inadequate weeding and insufficient care have weakened plants, thereby leaving them more prone to disease;
- Poor maintenance of any irrigation systems that might have existed, and hence their deterioration.

17. The impoverishment of farms has ended up affecting all parts of the agrarian system, from production units to the ecosystems being cultivated, thereby pushing farms to the limits of survival or even to extinction.

18. Lastly, it should be noted that the marked fluctuations in the prices of commodities on which several sub-Saharan countries are entirely dependent have also caused considerable macroeconomic and financial instability, which often have aggravated the socio-economic difficulties facing these countries⁴.

⁴ For an analysis of the consequences of fluctuations in agricultural export revenues on investment, exchange rates, public finance and even the political stability of these countries see, for example, Research Paper N°5: «*Rethinking policy options for export earnings*», South Centre (2006): <http://www.southcentre.org/TDP/newpublistcommodities.htm>

2. Agricultural subsidies and unfair competition

19. The internal subsidies developed countries pay their farmers skew the conditions of international trade. They favour the farmers of wealthy countries to the detriment of those of developing nations, thereby creating unfair competition, demotivating African farmers and, at the same time, completely altering the structure sub-Saharan agriculture. In the United States, internal price support and corn subsidies enable American farmers to offer competitively priced products to African importers. In the case of a country like Mali, the loss caused by the low price of cotton resulting from the substantial subsidies paid by the EU and the USA to their own producers was estimated at 43 million dollars in 2001. This figure exactly matches the amount of debt relief granted to Mali by the World Bank and the IMF that same year under the HIPC⁵ initiative (Oxfam, 2002). The effect of internal subsidies is further compounded by export subsidies, which are one of the established causes of the failure of sub-Saharan agriculture.

20. If nothing is done to reduce the negative effects of internal support (received by farmers in developed countries), for example by increasing support to African producers through cutting subsidized imports, not only will Africa continue to rely on imports in order to feed itself, but in addition the income of millions of Africans dependent on the agricultural and related sectors for their survival, will be threatened.

3. Raw materials, debt and dependence on imports

21. To mitigate the effects of tougher competition and the price fluctuations on the national and international commodity markets, it has often been suggested that agricultural production in Africa should diversify. For instance, the transformation of food products is a basic activity able to generate added value and create jobs. In France, for example, the agroindustrial sector (the largest in Europe) is the most important sector of industry, with an annual turnover of 138 billion Euros. Sub-Saharan agriculture, in contrast, has no or only very few food-processing industry – it grows the crops but carries out no or only little processing. Instead, crops are exported to the EU in seed form and at very low prices, since most of the added value, and hence profit, is generated by the transformation into finished products that are then consumed in the EU but also exported to Africa and sold at high prices to African consumers.

22. The fact that most sub-Saharan nations have to service their debt has frequently slowed or prevented efforts made in this sense. Following the explosion in the foreign debt of developing countries in the 1970s (Table 1), the worldwide recession of the 1980s caused a slowing of international demand and sharp drop in the international prices for raw materials. As their debt became

⁵ *Debt relief under the Heavily Indebted Poor Countries (HIPC) initiative.* For further information go to: <http://www.imf.org/external/np/exr/facts/hipcf.htm>.

more expensive to service and their revenues declined, indebted nations were faced with enormous difficulties.

Table 1: The growing indebtedness of developing nations- (Debt as a percentage of GDP)

	1973	1978	1982
Africa	19.4%	32.4%	34.9%
Latin America	19.7%	31.8%	43.0%
Asia	23.0%	15.9%	21.9%
Total, developing nations	22.4%	25.6%	31.0%

Source: IMF

23. To obtain the money to pay for their debt, African nations geared their agricultural policies towards the growth of export crops (also called cash crops), which were the only possible source of foreign currency. As a consequence, food crops were neglected in favour of export crops such as coffee, cocoa, cotton, tobacco, sugar, etc., grown so as to obtain the funds needed to repay their loans to the West. International debt has now grown to such proportions that some countries pay three times more money to Western countries than they receive from them. As a result, food security in most sub-Saharan countries has deteriorated.

24. Forced to produce export crops, Africa is now heavily dependent on imports to meet its food needs. For instance, owing to the subsidies it pays to its farmers, the United States has the African continent's foremost supplier of corn, accounting for more than 59% of imports between 1997 and 2001. Other major exporters are Argentina, (supplying 18% of imported corn) and Thailand (delivering 41% of rice imports (CEA/African Economic Community, origin of African commodity imports).

25. To this day, in most African countries no more than 10% of total public spending go to the agricultural sector (FAO, 2002). Small farmers have more and more difficulty gaining access to credit, (since) the national agricultural development banks have been closed in many countries and private commercial banks are reluctant to grant loans to small farmers; the widespread total absence of agricultural policy only aggravates this critical situation for sub-Saharan agriculture.

B. Specific constraints of sub-Saharan agriculture

1. Insufficient assets: education, health, land and water

26. In spite of its natural riches, Africa suffers from a shortage of the three fundamental assets that are land, water and human capital. In some regions farms are too small to be viable and soil erosion is severe. A micro-farm is too small to enable farmers to maximize the yields possible with the very rudimentary techniques they practice. Since a farm labourer working manually

can cultivate approximately one hectare, this means, for example, that a farm worked by two people will be smaller than two hectares. An illustration of this may be found in the Great Lakes region of Africa where the difficulties inherent to micro-farms are compounded by the poor health and low level of education of the population, and this limits productivity.

27. Access to water and irrigation is a determining factor for soil productivity and yield stability. Irrigated land is twice as productive as land planted with dry crops. In sub-Saharan Africa, only 4% of the arable surface area is irrigated, as opposed to 39% in South Asia and 29% in East Asia (World Bank, 2008).

28. If land and water are essential assets in rural areas, education is the one of most value to rural populations since it enables people to take advantage of opportunities arising from new types of agriculture, to gain skilled jobs, to start a business in a non-agricultural sector of the rural economy and to migrate under good conditions. Nevertheless, education levels are generally very low in sub-Saharan rural areas: on average, adult men have received four years of schooling and adult women less than three (World Bank, 2008).

29. In general, establishments offering higher education, research and outreach programmes in agriculture do not have clearly stated objectives and are not sufficiently well equipped or financed to be able to transmit the scientific and technical foundations necessary for the long-term structural transformation of national agrofood systems.

30. Similarly, the health of the rural active population has a direct effect on agricultural productivity. In places where HIV/AIDS and malaria are widespread, the higher rates of morbidity and mortality can lead to a substantial reduction in agricultural productivity and seriously compromise the means of existence. In Zambia, a decrease in the number of young rural adults has been particularly noticeable: 19% of young people who were aged 15 to 24 years in 1990, that is to say, the most productive age group of the population, had died by the year 2000 (World Bank, 2008).

2. Absent or incomplete markets, insecurity and risk-aversion

31. The uninformed observer might well believe that sub-Saharan farmers do not take rational economic decisions and that this might lie at the heart of many of the ills that have befallen African agriculture. However, this type of analysis does not look at farmers in the context in which they work, and which forces them to make individualistic choices that can appear irrational and detrimental to society. In fact, economic agents living in the southern hemisphere act perfectly rationally, in the sense that their actions are compatible with their objectives. However, their preferences and objectives may face specific constraints, incomplete markets and insufficient information, or else are confronted with insecurity that leaves farmers loathe to take risks. When a major investor takes

speculative risks he has nothing to lose except his reputation as a financial genius. When an African farmer uses seed he is not familiar with, he risks the loss of his entire harvest and the survival of his family. That is why the poorest farmers may opt for traditional techniques which yield little but whose results are known.

32. The poorest producers frequently aim to reduce uncertainty and risk. A distinction should be drawn between these two concepts: uncertainty arises from events over which we have no control. These can be environmental (a natural catastrophe), institutional (random acts of authority) or even linked to relationships, insofar as farmers do not know the consequences their actions will have on others. Risk, on the other hand, arises from unfortunate but entirely predictable events which are the result of our actions, especially our investments. Nonetheless, this distinction is somewhat arbitrary, to the extent that the assessment of risks is, in itself, full of uncertainty.

33. The absence of a market for covering risks partly explains the insecurity that is at the root of these decisions. Farmers have to confront not only the risk of fluctuating prices, but also that of significant fluctuations in the quantities produced, owing to changes in the weather or natural catastrophes (bushfires, locust invasions, floods, etc.), that is to say, what we shall call herein "natural risk". In countries that have only one rainy season per year and must therefore be content with a single harvest, such as countries in the Sahel region and the Sudan, a large number of farms fall below the renewal threshold. These hazards can result in the adoption of survival strategies that include resources not originating in agricultural production (for example, migration).

34. As a rule these natural risks are not covered in by insurance because it is very difficult to distinguish between a decline in production caused by unfavourable environmental conditions and one due to the low productivity of the farmer. In addition, in the event of a large-scale natural catastrophe, insurers would be liable to pay vast sums in compensation.

35. Since there is no insurance market, producers have to take risk into consideration when making decisions about production. An example of this is the way cultivated areas in central Africa are dispersed. To the informed observer, the plots of land cultivated in the bush land of central Africa are an enormous waste because the plots are often situated at considerable distances from each other. Seed is sown very far apart, so a lot of space is taken up while yields are low. The various crops (bananas, plantain, manioc, sorghum) are often interplanted, thus making it impossible to rationalize production. What appears to be wasteful, in fact stems from the desire to reduce risk. When cultivated plots of land are scattered, the risk of damage caused by bushfires and the crushing feet of large animals is reduced. The large spaces between plants help protect against the spread of parasitic diseases. The interplanting of crops harvested at

different times makes it possible to cut the risk of soil leaching if there are major thunderstorms.

36. The fact that poor producers frequently have no or only incomplete markets in which to sell their products, obtain inputs for production and sell their labour, is a further source of insecurity. The absence of markets can fundamentally alter the behaviour of economic agents, whose activity becomes their means of subsistence. Moreover, even when there are markets, the poorest farmers generally are not aware of them or do not know how they work. The cost of obtaining information can be very high and the absence of information is an enormous handicap for farmers.

37. Farmers have to decide about their production not on the basis of prices valid at the time of the decision but on the basis of what they will be paid in the future, that is to say, at harvest time. However, unlike farmers in developed countries, poor farmers cannot hedge their risks to protect themselves against potential changes in prices in the future. Therefore, the production-related decisions of farmers cannot be fully informed – they can be bad and result in losses. The risks stemming from the inability to foresee future prices and the strong price fluctuations have grown more pronounced in the past decade, following the dismantling of national commodity marketing boards and the mechanisms used to stabilize agricultural markets.

3. Low productivity: the example of fertilizer use

38. The quantity of fertilizer used in Africa amounts to less than one tenth of the world average, which is 100.8 kg per hectare a year⁶. Five countries (Ethiopia, Kenya, South Africa, Zimbabwe and Nigeria) alone use almost two thirds of all the fertilizer used in Africa, and this primarily in commercial and export agriculture. «The negligible use of fertilizer by small farmers has done much to contribute to the decline in per capita agricultural yields in the region, thereby exacerbating hunger and malnutrition.»⁷

39. High transport costs, a lack of suppliers in rural areas and the heavy dependence on imported fertilizers mean that African farmers pay between two and six times the average world prices for fertilizer if they manage to obtain any at all. It is more expensive to transport one kilo of fertilizer from an African harbour to a farm situated 100 km inland than to send it from an American factory to the African port. Nonetheless, even a slight increase in the quantities of fertilizer used, whether it be nitrogen, phosphorus or potassium-based, can have

⁶ See «Regional Strategy for the Promotion of Fertilizers in West Africa», ECOWAS (2006), p. 11.

⁷ Julio Henao and Carlos Baanante, of the IFDC, on the occasion of the presentation of the study: «Agricultural Production and Soil Nutrient Mining in Africa: Implications for Resource Conservation and Policy Development» at the Africa Fertilizer Summit, African Union, 9 to 13 June 2007: http://www.africafertilizersummit.org/Background_Papers/03%20Henao%20and%20Baanante--Agricultural%20Production.pdf

spectacular results. A study carried out in Ethiopia showed that fertilizing millet seedlings with about a spoonful of artificial fertilizer per plant increased yields exponentially⁸.

4. Collective rights and land title systems in Africa: how they affect access to land

40. In sub-Saharan Africa, access to land is governed by collective rights, that is to say, the land and everything it produces belong to the community. Some authors have tried to explain the failures of sub-Saharan agriculture through the absence of individual property rights, arguing that collective rights encourage opportunistic behaviour and discourage investment. Indeed, even though collective property has certain advantages, it also has drawbacks, the most important being the lack of investment and the difficulty or even impossibility of obtaining credit.

41. Indeed, farmers never invest in land if they know that the fruit of their labours will ultimately have to be shared. Since access to these resources cannot be controlled, their use is not subject to any rule of law, which leads to overexploitation. This system of property rights can be inefficient in every respect. For instance, a person might pick fruit that is still unripe because if he waits until it is ripe he will have to share it with everyone else. A further example is that of African children who cut young shrubs of mediocre energy value, thereby risking the destruction of the plant cover, because they know that if they don't do it, some other children will. Even Peuhl shepherds do not hesitate to overgraze pastures along their migration routes because if they do not do it, those following behind will.

42. As long as a resource is plentiful, collective property rights do no harm. However, this is not the case in sub-Saharan agriculture. By allowing overexploitation, collectively owned property has resulted in poor management, and even an environmental "tragedy" (Hardin 1968).

43. Property markets are often inexistent, either because it is considered impossible for land to belong to a private individual or because the occupants of plots of land do not hold title deeds. However, property markets, and in particular the leasehold market, can raise productivity and help households diversify their sources of income. Nevertheless, and this is unfortunate, in many countries the uncertain nature of property rights, the failure to respect contracts, and legal restrictions prevent these markets from working properly. As a result, land and labour are allocated inefficiently and current inequalities with regard to access to land are further reinforced.

44. The absence of property markets makes it impossible to reconcile the technically optimal size of farms with the allocation of property rights. As a consequence, vast tracts of unused land coexist with micro-farms. Although

⁸ Ibid.

leasehold systems such as tenant farming and *métayage* (sharecropping) can overcome these problems, they have their own advantages and disadvantages, especially as regards incentives for investment.

5. The absence of infrastructure: the example of the credit market

45. The lack of road infrastructure and of connections between agricultural production and the markets has resulted in the isolation of numerous population groups which can neither sell their products nor buy consumer goods in markets. This is true, for example, of parts of the population living in central Africa, where the road infrastructure is not well enough maintained to ensure regular supplies. The same applies to areas affected by insecurity or civil war. In some cases the cost of transport considerably reduces the possibilities for trade. Constraints related to infrastructure have an enormous effect on export development and the diversification of production. For instance, disruptions in the power supply prevent even a vertical diversification of production, for example by making it very expensive to transform food products.

46. The lack of physical commercial infrastructure also explains why there is virtually no regional integration in Africa. Between 1994 and 2009 trade among African countries accounted for only 8.4% of GDP⁹. Furthermore, non-tariff barriers in the form of unofficial fees collected at border posts remain ever-present, thereby adding to administrative delays in ports, custom formalities and roadblocks.

47. The credit market plays an essential role in the optimal allocation of resources, since it allows for savings to be transferred to the investments offering the highest yields, which theoretically are those that are most useful in economic terms. Without a credit market, investments rely heavily on previous savings. However, the economic agents able to make the investments offering the greatest returns do not necessarily have such savings at their disposal. What is more, some industrial investments require considerable capital, which cannot be put up by an individual or a family. One longstanding theory holds that the poverty of certain nations is due to their lack of savings: poor countries cannot summon the savings to finance the investments needed for economic growth (this is sometimes called the vicious circle of underdevelopment).

48. In Africa, the credit market remains limited in relation to available savings, for two main reasons. Firstly, the poorest farmers often have access to collectively-owned property only, living on land or in buildings to which they do not hold legal title, without which they do not have access to formal credit. When credit is not accessible, investment and technological change (such as modernisation or motorization) become impossible for the poorest members of society and leads to insufficient agricultural investment.

⁹ Economic Commission for Africa (2006), «L’Afrique et les négociations commerciales agricoles», Centre africain de politique commerciale, France.

III. AGRICULTURE IN THE COTONOU AGREEMENT AND IN THE EPAS

49. Although the agreements signed at the end of 2007 are merely a transitional step towards the negotiation of full, regional and final EPAs¹⁰, the initialled agreements already give a very indication of the general outlines of the EPAs, in particular as regards their scope (the areas covered and rendez-vous clauses) and content (objectives, obligations and areas of cooperation).

50. A rapid analysis of the agriculture-related provisions in the agreements will make it possible to determine the extent to which the implementation of EPAs will help ease the problems of sub-Saharan agriculture.

A. The Lomé-Cotonou regime

51. The Lomé/Cotonou regime grants non-reciprocal tariff preferences for exports from ACP countries to the EU. Put differently, although most agricultural products from ACP countries were able to enter EU exempt from custom duties and contingents, ACP countries were not obliged to open their agricultural markets to European products. ACP countries maintained control over their trade policies vis-à-vis the EU, especially regarding custom duties and the application of export duties on agricultural products.

52. However, this preferential access did not extend to certain agricultural products falling under the European Common Agricultural Policy (CAP). These include notably cereals, milk, beef, rum, bananas and sugar, which are defined as sensitive products for European farmers and those of the ultraperipheral regions (for instance overseas territories). In the case of these products the EU accepts exceptions in the form of "additional protocols on trade», which guarantee the purchase of fixed specified quantities (quotas) at guaranteed prices. For example, in the case of sugar 1,300,000 tons a year are purchased at the internal European price, which is triple the world price.

53. The Lomé/Cotonou regime also set up the compensatory finance scheme to stabilize export earnings (STABEX) for some agricultural products, such as coffee, cocoa, peanuts and tea, which are specific to ACP countries and do not compete with European products but account for a major share of ACP exports. The system compensates for the loss in income resulting from fluctuations in the sales price of these products or in the demand for them on the world markets. The EU itself had an interest in this system because it consumes the products it covers.

10 Speech given to the European Parliament Development Committee by the European Commissioner for Trade, P. Mandelson, (28 January 2008). Available at: http://ec.europa.eu/commission_barroso/mandelson/speeches_articles/sppm190_en.htm

54. Although overall the results have been disappointing, there have been some success stories. For instance, the “Sugar Protocol” has stimulated economic development on Mauritius, the Fiji Islands, Barbados and in Guyana, the “Beef Protocol” has benefited southern Africa and the “Banana Protocol” has had a favourable influence in the Caribbean islands, Côte d’Ivoire and Cameroon.

55. In addition, the areas of cooperation in the field of agriculture defined in the framework of the Cotonou Agreement concerned financial and technical cooperation, priority being given to projects developing economic and social infrastructure. Lomé I provided for the financing of agricultural infrastructure and programmes. The Cotonou Agreement provide for support to be given to agricultural production strategies, national and regional food security policies, water resource management, and fisheries development (Article 23).

B. The main characteristics of EPAs in the field of agriculture

56. Although the new EPAs will not necessarily replace the areas of technical and financial cooperation defined in the Cotonou Agreement¹¹, they will certainly fundamentally change the economic relations between the EU and the ACP countries, including in the field of agriculture.

57. Firstly, this is because the EPAs are based on reciprocal trade, which will require major reforms to be made to the systems in force in ACP countries¹². The EPAs therefore emphasise access to markets through trade liberalisation, on the basis of the principle that reciprocal liberalisation should be enough to improve the production capacity and competitiveness of ACP economies. In fact, the interim EPAs contain very few specific provisions on the promotion of the agricultural sector (productivity, transformation, diversification, infrastructure – see Table 2). The wording of the provisions relating to these areas of cooperation is very general, with the exception of the elements contained in the development matrix for countries in East and Southern Africa. However, even this matrix contains no binding measures and it is therefore not possible to determine the contribution of EPAs to agricultural development.

¹¹ The new EPAs are expected to change only some of the economic relations between the EU and the ACP countries, that is to say, the conditions governing trade *«by progressively eliminating barriers to trade between them and by strengthening cooperation in all trade-related areas»* (Article 36 of the Cotonou Agreement). Nevertheless, it remains vague how the EPAs relate to many of the provisions in the Cotonou Agreement.

¹² For an analysis of the main challenges arising from a transition to a reciprocal trade regime see the document *«Fact Sheet N°3 : Trade liberalization and the difficult shift towards reciprocity in the EPAs»*, South Centre (2006), www.southcentre.org/TDP/newpublistothers_FR.htm

Table 2: Measures explicitly promoting agriculture in the interim EPAs initialled in 2007

	Cameroon	Côte d'Ivoire	Ghana	EAC ¹³	ESA ¹⁴	SADC ¹⁵
Specific chapter dedicated to agriculture	*	*	*	Negotiations provided for in the rendez-vous clause	Negotiations provided for in the rendez-vous clause	*
Cooperation with a view to improving agricultural productivity	Agriculture and food security, agricultural production, agroindustry, fisheries, animal farming, aquaculture, fish stocks	Improving the competitiveness of the agroindustry and support for agricultural policies through the Regional Indicative Programme of the 10 th EDF	*	*	The development matrix illustrates projects designed to promote sustainable agriculture, improve production, productivity and diversification, develop the agroindustry and guarantee food security	Improve the competitiveness of the production sectors, including agriculture and fisheries, support small and medium-sized enterprises and diversify production
Cooperation to improve agricultural infrastructure	*	*	*	*	Energy, transport, telecommunications, access to water and irrigation	Eliminate supply-side constraints (must include infrastructure)

58. Although custom duties on trade between the EU and ACP countries are scheduled to be eliminated fully over the next 10 to 25 years, depending on ACP regions¹⁶, numerous agricultural products will be liberalised after an initial transitional stage (the length of which varies with the agreements). Nevertheless, during the first few years of EPA implementation some difficulties related to greater competition on the national and regional markets may be felt as a result of agricultural imports from Europe. This is true, for instance, in Côte d'Ivoire,

¹³ East African Community: Burundi, Kenya, Uganda, Rwanda, and Tanzania.

¹⁴ West and Southern Africa: the Comoros, Madagascar, Mauritius, the Seychelles and Zimbabwe have signed an interim agreement.

¹⁵ Southern African Development Community (SADC): the SADC member States (Botswana, Namibia, Lesotho, Swaziland - with the exception of South Africa) and Mozambique have signed an interim agreement.

¹⁶ For an overview of the conditions of trade liberalisation between the EU and the ACP countries under the interim EPAs, see the document: «*Fact Sheet N: Market Access for Trade in Goods in Economic Partnership Agreements*», South Centre (2008), www.southcentre.org/TDP/newpublistothers_FR.htm

for which the initialled agreement stipulates that some agricultural and fisheries products will be liberalised in the next five years¹⁷.

59. Several impact studies have cautioned the governments of the ACP countries against the potential difficulties that might result from the full and permanent elimination of custom duties on a very large number of products, including some agricultural products. Most countries in sub-Saharan Africa use custom duties to encourage national agricultural production or to protect national agriculture in times of economic difficulty (for example, surges in food imports). Previous attempts at agricultural liberalisation often exposed sub-Saharan Africa to frequent import surges (Table 3) and increased its dependence to food imports.

Table 3: Number of food import surges (1982-2003)	
120-129	Comoros, Côte d'Ivoire, Madagascar, Swaziland
130-139	Malawi, Mauritania, Rwanda and Senegal
140-170	Angola, Benin, Botswana, Cameroon, Cape Verde, Republic of Congo, Gabon, The Gambia, Ghana, Liberia, Mauritius, Togo and Zimbabwe
Source: <i>Import surges: what is their frequency and which are the countries and commodities most affected?</i> FAO (2006). Import surges are calculated using the WTO methodology for volume-based SSG.	

60. As regards the products to be liberalised under the EPAs, it should be noted that all ACP countries having initialled an interim EPA were able to draw up an exclusion lists, that is to say, lists of products (tariff lines) exempt from trade concessions under the EPAs. In establishing these lists, one of the main preoccupations of ACP countries was to protect agricultural production against European competition. As a result, many agricultural products were excluded from the EPA schedules of commitment (as a rule, close to one third of these schedules consisted of agricultural products; see Table 4).

61. Although the EPAs do not provide for any reduction or elimination in tariffs for products on the exclusion lists, the agreements nevertheless impose a standstill obligation on all tariff lines, according to which the current tariff rates cannot be increased. This would permanently prevent ACP countries from raising the custom duties they apply to their agricultural products, even those excluded in the EPAs¹⁸. These restrictions on the use of custom duties, combined with such strict safeguard measures, raise questions regarding the ability of EPA countries to protect their producers from the European competition.

¹⁷ "The new EPAs: comparative analysis of their content and the challenges for 2008" Final Report by ECDPM and ODI (2008), page 18, www.ecdpm.org/pmr14

¹⁸ For example, Article 15 of the interim EPA initialled by Côte d'Ivoire: «No new import duties shall be applied to trade between the parties, and those currently applied to trade between the parties shall not be raised starting on the date of entry into force of the Agreement.»

62. In addition, the use of other trade policy instruments will also be restricted with the entry into force of the EPAs. For example, all the agreements initialled in 2007 provide for the elimination (CARIFORUM) or freezing (African texts) of export duties, which are commonly used to encourage the transformation of raw materials *in situ* and to increase the added value of exports.

Table 4: Provisions relating specifically to agriculture in the interim EPAs initialled in 2007

	Cameroon	Côte d'Ivoire	Ghana	EAC	ESA	BNLS ¹⁹
Progressive liberalisation of agriculture (final year for implementation of reductions)	✓ (2023)	✓ (2022 - with 70% of trade liberalised within 10 years)	✓ (2022 - with 70% of trade liberalised within 10 years)	✓ (2033)	✓ (2022)	✓ (2018)
Exclusion of agricultural products (proportion of agricultural products in the exclusion lists*)	✓ 29%	✓ 35%	✓ 28%	✓ 25%	✓ between 9.5% and 68% (1)	✓ 50% (2)
Provision of multilateral safeguard measures	✓	✓	✓	✓	✓	✓
Safeguard measures explicitly targeting agricultural products: <i>disruption of agricultural product markets</i>	✓	✓	✓	✓	✓	✓
Safeguard measures explicitly addressing food security	✓	✓	✓	✗	✗	✗

Source: *The new EPAs: comparative analysis of their content*, ECDPM and ODI, and initialled texts

* Agricultural products are defined as those listed in the WTO Agreement on Agriculture

(1) Each country in East and Southern Africa has presented a list of individual commitments.

(2) Some tariff lines could not be classified in the ECDPM and ODI study.

63. An overview of the provisions related to agriculture contained in the interim EPAs shows that, despite their stated objectives, these agreements do not

¹⁹ Botswana, Namibia, Lesotho, Swaziland.

explicitly or concretely promote an improvement in sub-Saharan agricultural production. On the contrary, the instruments for sectoral promotion established by the EPAs are rather limited and merely emphasise greater competition with European imports to stimulate African agricultural production. In that sense, EPAs are a missed opportunity and even risk aggravating some of the problems of African agricultural (such as a deterioration in food security, intensification of the current terms of trade, etc.).

IV. SOME POSITIVE ELEMENTS

64. By analysing the difficulties faced by sub-Saharan agriculture it is possible to identify priorities for public intervention, which are much broader than those proposed under the EPAs. A brief overview of selected agricultural policies implemented in The Netherlands, the European Union, the United States and in Côte d'Ivoire will show the kind of instruments that have already proven successful (A). In addition to these policies, a number of useful elements can also be proposed within the framework of an EPA (B).

A. Examples of successful agricultural policies

65. In order to be able to put forward specific demands regarding the promotion of agriculture during the negotiation of EPAs, it would seem useful to be able to refer to agricultural policy instruments that have proven successful in the past. Some of these instruments could serve as a source of inspiration in the formulation of national or regional agricultural policies and therefore guide negotiators in the definition of defensive (protection of a certain political and normative space) or offensive (specific demands) positions.

66. In a number of countries, the current success of the agricultural sector has resulted from the implementation of effective, strategic agricultural policies. Notwithstanding the excesses and misuses some of these policies have occasioned, an overview of a few specific examples reveals the usefulness of clear policy objectives and the implementation of adequate policy instruments.

1. Agricultural policy in the post-war Netherlands

67. During the period following World War II, the Dutch government made agricultural and industrial development a priority. The agricultural policy adopted at the time was anchored in a broad set of norms concerning land use, the aim being to identify areas of production in different regions of the country which complement each other. The main axes of public intervention were as follows:

- a. Significant investment in basic infrastructure;
- b. Creation of a tax system favouring agricultural investment;
- c. Encouraging applied research, specialist teaching and popularisation of agricultural knowledge through public-law institutions. These

- institutions especially targeted methods to improve productivity (for example milk production) and to promote agricultural activities in disadvantaged regions (for example by encouraging complementary production activities, such as the cultivation of animal fodder);
- d. Seeking to achieve greater price stability through a system of guaranteed prices (differentiated by region), which was accompanied by a system of quotas allocated to every farm, the objective being to enable small farms to become competitive;
 - e. Facilitating access to agricultural credits through a guarantee fund that provided collateral for loans farmers took out with commercial banks (the government did not directly become involved in the agricultural banking market, which was rather innovative).

2. The European Common Agricultural Policy

68. The Common Agricultural Policy (CAP) of the European Union is widely known in developing countries and the sites of international trade negotiations for its excesses and abuses (for example, its export subsidies and their consequences for the producers of poor countries). Nevertheless, the European experience has been positive in many respects, particularly as regards the increase and improvement in agricultural production. The objective of the first CAP (1958) was:

- a. To increase agricultural productivity;
- b. To promote especially certain strategic areas of production in which the Community was deficient (cereals sugar, milk, meat) so as to ensure secure food supplies;
- c. To guarantee good incomes for agricultural workers, and reasonable prices for consumers.

69. These objectives were pursued by implementing instruments in line with three principles:

- a. Market unity, which requires European products to be able to move freely within the Community, regional integration being used to provide a greater internal market for producers;
- b. Community preference, which means that food supplies have to be purchased first within the Community before imports from third countries may be considered. This principle was at the origin of the high custom duties and restrictive quotas applied to sensitive products;
- c. Financial solidarity, which spreads the costs inherent to the creation of common market organisations between the members of the Community through a European Agricultural Guidance and Guarantee Fund (EAGGF).

70. The combination of the above principles and objectives has been very effective, since, starting in the 1970s, the Community has been a surplus producer of strategic products.

3. American agricultural policy

71. Agricultural exports play a fundamental role in the economy of the United States. Agriculture productivity is high (comparative advantages in terms of labour equipment and surface area per worker) and its success is the result of agricultural policies put in place from the late 19th century onward. These policies defended strong protectionism, measures to support prices and regulate supply, a temporary set-aside of agricultural land and agro-environmental measures.

72. American agricultural policy up until 1996 can be divided into three main periods. During an initial period it proceeded with the free distribution of land (*township* and *range*) and provided for major investments in equipment and infrastructure. This made it possible for animal and plant production to increase twice as rapidly as, and for agricultural surplus production to grow faster than, the population, resulting in an agriculture whose structure is export-oriented and which relies on world markets for the sale of its products.

73. During the second period, which began with the economic crisis of 1929 and the drought of 1931-1932, the government intervened by drawing up an agricultural policy whose objective was to restore the purchasing power of farmers. Interventions focused particularly on agricultural credit (the government bought up debt and renegotiated it) and on measures to support agricultural prices (for cereals, cotton, tobacco, peanuts, sugar cane, milk), notably through:

- A voluntary set-aside of cultivated land so as to balance supply and demand;
- The creation of the Commodity Credit Corporation (CCC), a body that allowed farmers to store surplus products in exchange for non-repayable loans²⁰;
- A policy of food vouchers whose objective was to support the internal consumption of agricultural products.

74. In addition, the emphasis was placed on long-term regulatory policies (agro-environmental soil conservation).

75. The objectives of restoring farmers' purchasing power and fighting against the economic crisis were achieved. However, the arrival on the markets of other

²⁰The loan was in fact an advance on the harvest: farmers were given nine months to monitor agricultural market prices. If they were higher than the support prices set by the CCC, the farmer repaid his loan (and took back his harvest from the CCC). If market prices were lower than the support price, the farmer kept the advance and at the same time was able to sell his produce.

agricultural exporting nations resulted in strategic changes. During a third phase (1977-1995), the government set up the Payment in Kind programme (1983- 85) aiming for a year-by-year set-aside of cultivated land, the payment of compensation for some crops affected by competition, and a subsidy system, which in 2000 applied to 40 % of agricultural land under cultivation (80% of land planted with wheat, corn and soy, rising to 95% in the case of cotton)²¹. More recently, these excesses were questioned during the fourth phase of American agricultural policy. The Farm Bill of 1996 initiated a movement towards a more liberal agricultural policy, notably by suspending supply-management programmes, for example for wheat, corn, rice and cotton.

4. *The Caistab in Côte d'Ivoire*

76. The *Caisse de stabilisation et de soutien des prix des productions agricoles* (CSSPPA - a fund for the stabilization and support of agricultural product prices), better known under the diminutive *Caistab*, was the state body set up in Côte d'Ivoire to manage the sale of cocoa and coffee at the national level, from its creation in 1960 by Félix Houphouët-Boigny, until its dismantlement in August 1999.

77. Its role was to provide an authoritative intermediary between producers and traders in order to stabilise agricultural product prices. The Caistab bought producers' cocoa crop at a price fixed in advance and stored it, and was then in charge of selling it. This allowed for stable prices since the seasonal harvests were sold throughout the year. The fact of being paid stable prices enabled farmers to grow wealthier and to expand their farms. In this way Côte d'Ivoire became the world's foremost producer of cocoa (40%) and the Caistab the country's main state body.

78. Similar institutions were used with varying success in numerous commodity-dependent countries, until they were dismantled in the 1990s. Despite the criticism levelled at these bodies, their dismantlement has left an institutional - and often political - vacuum that has only worsened the difficulties faced by the agricultural sector in many developing countries. Indeed, most of them have fully or largely liberalised their agricultural production and trade, without in exchange setting up mechanisms to protect producers, especially against subsidised competition from developed countries.

B. Some specific suggestions for sub-Saharan Africa

79. Many a high-level decision has already been taken, and action plan adopted, to promote various aspects of African agriculture²². One of the great challenges facing EPA negotiators is that of translating these objectives and action plans into

²¹ See the bulletin «The 1996 US Farm Act: Increases Market Orientation», C. Edwin Young and Paul C. Westcott, USDA (1996). Available at: <http://www.ers.usda.gov/Publications/AIB726>.

²² To cite only one example see the «Detailed programme for the development of agriculture in Africa», FAO (2006): <http://www.fao.org/docrep/009/a0586f/a0586f00.htm>

concrete facts in the EPAs. While it is obvious that no EPA will be able to solve all the problems of African agriculture, four axes of intervention of cooperation can be defined: support for the implementation of a proactive agricultural policy, regional integration, the diversification of production and better access to markets, and the implementation of measures to support and facilitate adjustment.

1. Raising agricultural productivity in sub-Saharan Africa: a political priority

80. The importance of national or regional agricultural policies for the improvement and growth of agricultural production was demonstrated in the examples described above. Therefore, for sub-Saharan governments, and the ACP countries in general, which are negotiating a programme of initiatives for agriculture within the framework of the EPAs, the first step must be to draw up national and regional strategies for the development of the agricultural sector and for agro-environmental protection or renewal. Where policies of this kind already exist, the priority should be to determine which of these policies' objectives could be strengthened by the EPAs.

81. In a context of rising international agricultural prices, a world food crisis, and the sharp decline in sub-Saharan agricultural yield, the priority of these policies should be to ensure the security of food supplies. This objective requires in particular:

- a. More active participation on the part of governments in the formulation of agricultural production strategies, especially as regards the regulation of priority markets, that is to say, of products considered essential (for example in terms of nutrition);
- b. Making food production more attractive and increasing yields, for example through the greater use of improved seed, fertilizer and irrigation;
- c. Regional and national measures to lower the cost of fertilizer, particularly through the harmonisation of policies and regulations to enable fertilizer to move across regions free of duties and contingents. The elimination of import taxes for fertilizer and the raw materials used to produce it can be effective in this regard, as can specific subsidies and easier access to agricultural credits ²³.
- d. Investments in agriculture, especially in the form of applied research, the transfer of knowledge and technical expertise to farmers and the vulgarisation of production techniques suitable to the sub-Saharan environment;

²³The African Development Bank, supported by the Economic Commission for Africa and the Commission of the African Union, was called upon to direct efforts to set up an African mechanism to finance the development of fertilizers. *Abuja Declaration on Fertilizer for the African Green Revolution*, 13 June 2006., www.africafertilizersummit.org

- e. The mobilisation of water resources to aid production through irrigation projects; and
- f. A general improvement in basic infrastructure, particularly where it improves the integration of national and regional markets (especially roads).

82. Efforts to stabilise agricultural production and raise yields could be assisted by a strengthening of the institutional capacities of the agencies entrusted with the promotion and regulation of the agricultural sector and, more generally, of the authorities in charge of property rights and administration.

2. The urgent need for the integration of national and regional markets

83. The national and regional integration of markets can help with the diversification of production and price stabilisation by ensuring that there is greater demand for food products. The process of negotiating and implementing EPAs can assist in speeding up the process of economic and productive integration, notably by:

- a. Recognising the principle that regional agriculture has priority, particularly by fully exempting some agricultural products from the scope of the EPAs;
- b. Respecting the order in which agricultural liberalisation measures should be implemented, to ensure that greater competition from European agricultural imports does not occur before national production has been strengthened sufficiently and regional markets have been integrated;
- c. Adopting a timetable for negotiations that is flexible and sufficiently spaced out to allow and encourage consultation processes and policy discussions at the national level, so as not only to arrive at better negotiating positions but also raise awareness at the political level of national and regional agricultural imperatives;
- d. Improving transport, telecommunications and customs infrastructure to allow for greater unity among regional markets;
- e. Establishing regional strategies for agricultural integration, so as to take advantage of complementary areas of production in every region (for example resulting from differences in climate, soil or topography); and
- f. Speeding up the processes aimed at the harmonisation and convergence of standards applying to technical measurements, quality criteria and other non-tariff barriers.

3. Improving the terms of trade: diversifying production

84. The lack of competitiveness of sub-Saharan agricultural products is an obvious obstacle to these countries' integration into world trade and its potential benefits. Since one of the ACP countries' main goals is to be integrated into world

trade, the factors preventing productivity raises and greater agricultural competitiveness must be dealt with.

85. Furthermore, it is essential for the implementation of EPAs to enable structural changes in the terms of trade between ACP countries and the EU. In other words, the implementation of an EPA should allow ACP countries to export more processed agricultural products with a greater added value, rather than commodities (for example, beverages or other preparations obtained from fruit juice, rather than just fresh fruit). The transformation of the production structures of the ACP countries and the composition of their exports is a major objective for these countries which would also reduce the food vulnerability of the African continent. To this end, several concrete measures should be taken :

- a. Concrete action should be taken to break sub-Saharan countries' dependence on commodity exports, for example by identifying distribution channels through which products with a higher added value could reach the European markets²⁴;
- b. Commodity prices and especially the resulting export revenues of commodity-dependent countries should be stabilised. This could be done within the framework of the FLEX mechanism set up by the European Union, on the condition of simplifying procedures and the conditions governing access²⁵;
- c. Access to credit should be eased or a subsidy regime set up to allow the modernisation of production facilities or the purchase of equipment, and access to technology and quality certificates should be facilitated to enable products to enter the European markets;
- d. Sanitary and phytosanitary measures and other technical obstacles affecting products should be simplified or made clearer to facilitate the approval of African products;
- e. Programmes to convert the production apparatus to new and promising markets should be supported, especially when the production apparatus is dependent on non-reciprocal preferences and needs to diversify in order to ensure export continuity (for example, the conversion of sugar factories to the production of ethanol); and
- f. Policy instruments likely to become relevant in the context of the above type of strategy should be protected. For example, the right of ACP governments to apply export duties to discourage the export of

²⁴ For further specific proposals for international action to address the commodity crisis, see the Policy Report N°14 « Moving from declarations to action in the area of commodities : taking the next step at UNCTAD XII », South Centre (2008): http://www.southcentre.org/TDP/newpublistcommodities_FR.htm

²⁵ The FLEX system enables ACP countries to receive financial support from Europe in the vent of a significant loss in export revenue (regardless as to whether the revenue stems from the export of agricultural products or minerals). However, strict eligibility conditions and very high thresholds have prevented many ACP countries (non-LDCs) from benefiting from the system. See the discussion of FLEX in Research Paper N°5: « Rethinking policy options for export earnings », South Centre (2006): <http://www.southcentre.org/TDP/newpublistcommodities.htm>

raw materials should be protected, if this can encourage their transformation in the ACP country concerned.

4. Accompanying the implementation of EPAs: adjustment

86. Although agricultural policies and the positive elements of the EPAs concerning agriculture, must focus as a matter of priority on the production apparatus, its productivity and its competitiveness, the implementation of the EPAs and the subsequent opening of African markets to greater competition will require mechanisms to ensure a smooth, regulated transition to trade reciprocity. Indeed, even if proactive agriculture policies are implemented, some producers will inevitably come under pressure and be at risk of disappearing. To assist with the process of liberalisation and to minimise its negative impacts, several measures should be taken:

- a. Financial support should be provided by the European Commission and the EU member states to set up income-support mechanism for farmers, especially where a loss of revenue is directly linked to the elimination custom barriers These mechanisms should include training for people no longer having a source of income;
- b. Measures should be taken to facilitate access to agricultural credit or specific subsidies, to enable the fabric of production to acquire equipment and modernise;
- c. The process of reducing and eliminating tariffs should be well-managed and gradual. In this respect it might be useful to investigate the stage-by-stage liberalisation of different areas of production in accordance with standard reference indices (yield, productivity, etc.).
- d. Trade protection mechanisms should be set up which are easy to access as regards the necessary administrative procedures, or which are triggered automatically. For example, a safeguard mechanism could be established under which the timetable for tariff reductions can be suspended, or custom duties be increased, if there is an import surge or import prices drop sharply.
- e. In all events, it would be useful to incorporate follow-up and assessment mechanisms into the EPAs, which make it possible to regularly analyse the positive or negative impacts of EPAs on the agricultural sector. However, it is important for this mechanism to be able to bring about changes in the text of the agreement or in the timetable for implementation.

V. CONCLUSION

87. The agricultural sector is extremely important in Africa and it is not possible to conceive of a partnership to develop the African continent that does not include measures to develop this sector. If the promises of development and

structural change made in the framework of the EPAs are to become real, measures must be taken to help African agricultural out of its current crisis.

88. African agriculture suffers from a lack of funding and low yields. Agricultural productivity in sub-Saharan Africa is declining, thereby threatening food security and tearing at the social fabric in both rural and urban areas. This vulnerability is all the more visible at present when, despite a general rise in the prices of raw materials, Africa is struggling to feed itself. Africa is home to the countries most affected by the world food crisis.

89. In this context, a new framework for economic and trade cooperation, like the new envisaged by the EPAs, could help strengthen the agricultural sector of sub-Saharan Africa.

90. An enormous volume of applied agricultural research, the experiences of some of the countries that have implemented successful agricultural policies, and numerous high-level decisions taken by African leaders, have made it possible to identify a positive programme for EPAs, as set out in the present document. Even by recognizing that EPAs will never be able to solve all the problems of African agriculture, intervention and cooperation must be based on four main points: support for the implementation of a proactive agricultural policy, regional integration, diversification of production and better access to markets, and measures to accompany and facilitate adjustment.

91. Financial cooperation between the European Union and ACP countries occupies a special place in specific requests for cooperation. The importance of financial cooperation shows that a major part of the added value of EPAs will fall under development aid and not trade in the strict sense of the term. This also underlines the importance of greater clarity regarding the mechanisms the European Commission and the EU member states will use to provide development aid and support the implementation of EPAs. This is not surprising, but will require EPA negotiations to be approached in a spirit of actual partnership, leaving strictly commercial interests to one side.

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A Positive Agenda for African Agriculture in EPAs

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