



IMPACT OF THE POLICY-MAKING PROCESS ON FOOD AND AGRICULTURE SYSTEMS IN AFRICA

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1.0 Preamble

Governments have the key responsibility of setting and formulating policies and regulations necessary for creating a conducive environment for the implementation of food, agriculture and rural development programs by the main actors in the agricultural sector. These main actors include farmers, input suppliers, processors, traders, retailers and consumers. This presentation briefly explores the major policy tools and instruments that are commonly at the disposal of governments to influence the performance of food systems, based on observation of practical experiences in a few African countries.

2.0 Introduction

There is consensus in Africa that a well performing agricultural sector is fundamental for overall economic growth as well as reducing hunger, poverty and inequality. Across the African continent, agricultural production and productivity and competitiveness remain low due to a mix of macro-economic distortions, resource constraints and natural disasters. The agricultural sectors generally operate in weak, unpredictable or inconsistent policy environments. Enhancing agricultural policy and program formulation therefore remains a key determining factor for achieving sustainable agricultural and economic performance in the predominantly agriculture-based economies of Africa.

Agricultural policies are affected and influenced by many factors which include economy-wide policies (such as industry, trade and infrastructural) or sectoral (overall agriculture sector-specific policies) or sub-sectoral (focused on specific sub-sectors such as forestry, fisheries, and /or specific commodity value chains like grain, beef or support services such as research and extension. Agricultural policies are also negatively influenced by macro-economic policies such as monetary and fiscal policies, foreign exchange systems, access to finance and interest rates

which ultimately determine the viability and performance of the sector. Then there are cross-cutting policies like devolution, land governance, institutions, gender, youth, ICT, mechanization and environmental policies which also have a profound impact on food and agriculture.

3.0 Frequently used policy instruments

Governments generally apply a wide range of policy instruments which refer to sets of measures and tools, to directly and indirectly influence the food and agriculture sector and sub-sector policies. These policy instruments could be classified into the following six categories:

- Production enhancing policy instruments.
- Marketing, price and trade related instruments.
- Instruments for building resilience to climate change factors.
- Specific commodity value chain instruments.
- Macro-economic policies; and
- Cross-cutting policy issues

The first group of policy instruments are those that directly influence production decisions. These include policies affecting tenure security and access to land, farm inputs and extension services. Marketing, trade and pricing policies affect the efficiency with which resources are allocated and products move from farmers to consumers and across borders. Commonly used instruments include input support programs, trade-related instruments like import and export bans and trade barriers and price-related instruments. Currently due to climate change a lot of attention is being given towards measures to build resilience of productive sectors and provide social protection and safety nets for affected consumers.

Legislative regulations and statutory instruments are generally applied to back up and give effect to policy implementation. Some instruments are used more frequently whilst others are applied as and when necessary to respond to unforeseen situations such as drought-induced food shortages. This is referred to as periodic policy review as determined by the prevailing circumstances.

There are various ways through which policy changes are communicated to policy actors and stakeholders and these vary from public announcements, press statements, media notices, review meetings, and gazetting through government publications.

Table 1 illustrates selected policy instruments commonly used in many African countries.

Table 1: Examples of policy instruments frequency used in selected countries.

Policy Area to be affected	Policy instruments used	Explanation	Challenges faced with instruments	Expected Results
1. Production Enhancement	<ul style="list-style-type: none"> ● Input subsidies. ● government input support programs for smallholder farmers. ● Voucher systems. ● Extension policy 	To boost agriculture, governments often support farmers through procurement and free distribution of inputs especially seeds and fertilizer	Ensuring that there are sufficient budgetary resources to buy inputs for timely distribution, ensuring proper targeting of beneficiaries, and avoid crowding out the smooth operation of private input supply markets	Increased availability of improved farm inputs leading to higher productivity and output
2. Marketing, Pricing and Trade Related	<ul style="list-style-type: none"> ● Government supported market channels. ● Setting of floor prices ● Use of export bans and import tariffs 	To restrict trade of critical commodities to protect local farmers and the local industry from cheap imports of raw materials	Failure to transmit correct price and market demand signals to producers.	Smoothly functioning markets will increase farm incomes and stimulate production.
3. Building Resilience to Climate Factors	<ul style="list-style-type: none"> ● Social protection (cash transfers, food relief) ● Irrigation and smart agriculture ● Nutrition and food safety incentives ● National food reserve systems 	To ensure that production and availabilities of nutritious food is maintained even during times of climate-induced food shortages	With the increased frequency of droughts, natural disasters, pests and other climate-related problems, there is need for a lot of resources and constant policy review in order to build resilience of food and agricultural sectors across Africa	More resilient agricultural sectors which can adjust and adapt to climate change
4. Specific commodity value chains	<ul style="list-style-type: none"> ● Maize production ● Promotion of small grains ● Horticulture production ● Livestock improvement ● Crop diversification 	To facilitate the maximum production of specific commodities in local demand or to stimulate exports of targeted products	Climatic factors, market trends, production costs and expertise may make it difficult for producers to specialize and concentrate on specific value chains	Well and fully diversified and efficient production and marketing systems which are aligned to the comparative advantages of the country
5. Macro-economic Factors	Exchange rates, interest rates, monetary policy, tax incentives	Macro-economic policies are critical for creating a conducive environment for all business activities	The need for balancing the often-conflicting sectoral interest is complex especially in budget allocations	A stable economic environment facilitates long term investments in agriculture
6. Cross-Cutting issues	<ul style="list-style-type: none"> ● Infrastructure ● Gender and Youth ● Digitalization, technology ● Devolution 			

4.0 Processes for effecting policy changes

Countries follow different but closely related processes for effecting policy changes. Policy implementation is a multi-stakeholder process that brings together diverse economic actors. Authorities at national level in particular Ministries of Agriculture are responsible for spearheading policy formulation processes, creation of an enabling environment (e.g. putting in place policy/statutory instruments), determining and assigning roles and responsibilities, identifying suitable partners and networks for policy implementation, designing monitoring and evaluation mechanisms, conducting the actual M&E, and providing feedback on the impact of policy implementation to facilitate further refinements.

5.0 Recommendations to improve inclusiveness and policy effectiveness.

The following recommendations can make the policy processes more inclusive across countries:

- There is need for consultative platforms where all the relevant stakeholders at various levels (national, provincial and district levels) are brought together to ensure that they fully understand the policy instruments and have buy-in, and to assign responsibilities for policy implementation.
- Farmer and producer organizations should be viewed as key stakeholders within the national resource management, production and marketing policy making system. This should also include building their capacity on the available input and output markets and rural financial services and available digital technologies.
- Within the implementing institutions, there is also need for wider consultations including at lower hierarchical levels and at the operational levels. Inter-sectoral collaboration and harmonization is equally critical at both national and provincial levels given that food and agriculture policy cuts across many sectors and is influenced by other economic sectors.
- There is need for constant review of policy positions that is guided by facts and evidence. Ministries of agriculture must address efforts to contribute to information and knowledge development and sharing within the agriculture sector. This then calls for establishment of a database in the Ministries of agriculture to enable collection and tracking of specific indicators on policy performance.
- Policies must be aligned to guidelines which are provided by continental and regional policy frameworks such as CAADP, Malabo Declaration and AU Agenda 2063, African Continental Free Trade Area, among others.
- Finally, there is need for strong and well-trained policy analysis teams who will help governments to answer some of the following questions:

What are the different policy instruments that could be used at any given time? Why is one instrument better than another? How could different instruments be combined most effectively? What precisely will each instrument be designed to achieve? What needs to be done to make sure that these instruments will work? Who will be involved in implementing each of these instruments? Do they have the capacity to do what's expected of them? How will they be implemented? How much will it all cost? How will the policy effects be monitored and periodically reviewed?

6.0 Summary and Conclusion

In summary it can be stated that along with climatic factors, access to land, finance and infrastructural issues, the policy regime has a great impact on food and agriculture performance in Africa. There are many policy instruments and measures that Governments can apply to influence actions and investment decisions in agriculture, each with varying results on production and food availability. The policy making process is dynamic responding to constantly changing economic and climatic factors. This calls for the need of strong capacity and consultative processes for regular policy analysis and review. There is now a lot of evidence on better practices and effective policy instruments that have worked well in many African countries from which lessons can be shared