Maize growing alongside an irrigation channel, Ruti area in Gutu Province, Zimbabwe, January 2012. Photo: Ruby Wright/Oxfam

BEYOND GOOD INTENTIONS

Agricultural policy in the SADC region

Smallholder farmers, and particularly women, are on the frontline in the fight against hunger and climate change in southern Africa. Unequal access to resources, poor access to finance and limited linkages to markets to sell their produce impose critical constraints, and food insecurity and poverty are the direct outcomes of this failure. In countries such as Zambia, Malawi and Mozambique, between a quarter and half of the population are classified as being chronically undernourished. Policy makers in the Southern African Development Community (SADC) are aware of these challenges, but they urgently need to move beyond rhetoric to an action-based agenda that will catalyze smallholder-led development in the region.

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INTRODUCTION

Four decades after the Green Revolution, 250 million smallholder farmers across sub-Saharan Africa still harvest less than a tonne of cereal crops from each hectare: this is just a fifth of the world average.[1] Foremost among the constraints faced by smallholder farmers, and women in particular, are unequal access to resources such as land and water, a lack of financing for key inputs, poor extension support and poor linkages to markets through which they can sell their produce. Food insecurity and poverty are the direct outcomes of this failure. In countries such as Zambia, Malawi and Mozambique, between a quarter and half of the population are classified as being chronically undernourished.[2]

Women are on the frontline in facing these challenges. In many countries in the Southern African Development Community (SADC), women own or manage less than a quarter of the total agricultural land.[3] They are also disadvantaged in terms of access to extension services, which provide agronomic advice, and are able to access less than 10 percent of the agricultural credit offered to small-scale farmers in Africa overall.[4] Women disproportionately shoulder the risks and physical burden of agricultural production in many places. Estimates suggest that women could increase their farm yields by 20–30 percent if they had equal access to land and other productive resources – which would lead to concrete benefits for food security and nutrition.[5]

Climate change brings a whole new set of challenges for southern Africa, at a time when the continent is 'woefully underprepared' to cope.[6] Climate change increases the risks of natural hazards and hydrological events, which negatively affect the production of crops, livestock and fisheries.[7] The agricultural sector bears about 22 percent of all economic losses caused by natural hazards and disaster.[8] While estimates vary, analyses have shown that SADC countries are already experiencing reduced precipitation across the southern part of the region, with growing variability in rainfall across the board. These changes affect the production of key crops vital for food security such as maize, millet and sorghum, with countries such as Mozambique, Swaziland and Zimbabwe particularly vulnerable.[9]

Policy makers are aware of many of these challenges. Through the 2003 Maputo Declaration,[10] which was reaffirmed in Malabo in 2014, African Union (AU) member states have committed to progressively increase their budgetary allocations to agriculture to at least 10 percent of their national budgets. This also provided the basis for the SADC Regional Indicative Strategic Development Plan (RISDP)[11] – a 15-year programme to promote agricultural productivity and food security and encourage a structural transformation of the region's agriculture-dependent economies. This intervention was intended ultimately to drive national and regional agricultural growth rates of 6 percent annually.

SADC countries complemented these financial commitments with measures that address the challenges faced by women and smallholder farmers. These policy measures advocate for the integration of women

into agricultural production and development, alongside gender mainstreaming and empowerment of women as a cross-cutting theme in all activities and sub-sectors. These policies promote women's access to land, productive inputs and resources, training, modern technology, markets and credit.

Despite rhetorical commitments, however, the implementation of agricultural policy has been weak or non-existent. Only eight of the 54 AU member states and just one of the 15 SADC countries (Malawi) have fulfilled the commitments contained in the Maputo Declaration.[12] The accompanying strategies to enhance access to agricultural financing, such as through the establishment of rural financial intermediaries and the establishment of an agricultural development bank that is customized to meet the financing needs and challenges of the sector, have also not been implemented.

In the few countries where some of these policies have been put into practice, the quality of agricultural financing and investment has also come into question. For instance, government subsidies for production inputs in Malawi and Zambia have led to considerable improvements in household food security for smallholders.[13] However, in general, the economic and environmental sustainability of such an approach and its potential to transform smallholder agriculture away from the production of low-value staple grains is in doubt. Despite the positive impact of input subsidies, the government of Zambia removed this support in 2013.[14] Research has shown that low-income earners (smallholder farmers) lost about 30 percent of their average income due to the subsidy removal, while large farms lost about 12 percent on average.[15] This shows the potentially negative impact of subsidy removal for the most vulnerable groups and points to the need for more comprehensive investment strategies to support smallholders.

Lessons from the region show that increasing resource allocation to the agricultural sector is not sufficient on its own to support smallholders and women. First, rhetoric around investment needs to be matched by financing and implementation. Second, investment policy needs to be accompanied by other measures that address the constraints faced by smallholders in the sector.

These measures include land policy reform; the use of clever policy interventions to reduce the barriers to entry for women and smallholders into higher-value markets; and the use of public policy to reduce the risks of commercial investment in smallholder farmers and the development of women's enterprise.

SADC POLICY: MISSING THE MARK FOR SMALLHOLDERS AND WOMEN

Women comprise approximately 75 percent of people affected by hunger in rural areas[16] and, on average, make up 43 percent of the agricultural labour force in developing countries.[17] Women's agricultural work is often unpaid or undervalued, and women do not have equal access to resources such as credit, education, land or markets. Women also perform the majority of unpaid care work in their homes and communities, such as childcare and domestic work. When this is combined with their agricultural tasks they often work longer hours than men on average, which limits their economic opportunities.[18]

Oxfam programmes such as the Gendered Enterprise and Markets (GEM) programme, the Enterprise Development Programme (EDP) and Women's Empowerment Mainstreaming and Networking for Gender Justice in Economic Development (WEMAN) have shown that women must enjoy their rights across different areas of their lives in order to benefit from participating in the economy. For example, increasing women's participation and influence in decision making and their access to health services, care services, skills training and education is an important part of supporting women to realize the benefits of their farming activities.[19]

In many respects, both the architecture of agricultural financing and investment policies and the multiple failures in their implementation have disadvantaged women and smallholder farmers. The promise of a vibrant smallholder sector that enables the realization of rights and supports poverty eradication remains a dream for many smallholder farmers, especially women.

The lack of financial or institutional instruments to back policy measures

The SADC Regional Agriculture Policy (RAP) includes strategies for transforming the region's agricultural sector from being mainly subsistence-based to being more commercially oriented, but it is thin on details of policy instruments to achieve this objective.[20] In accordance with the RAP, SADC leaders have promised to promote and support the development of regional-level mechanisms and instruments that support agricultural and rural financing. However, options for achieving these objectives have never been put on the table.

Similarly, the SADC protocol on gender and development leaves the translation of its articles into implementable frameworks, resource mobilization and budgetary allocations to individual member states. This protocol relegates gender mainstreaming in agricultural investment to a voluntary exercise, as progress is conditional on national governments' budgets, human capital, political will and women's representation in decision-making bodies. The lack of proper workable frameworks for gender mainstreaming in agriculture remains a key obstacle for most countries.

The objectives of the SADC Dar-es-Salaam Declaration on Agriculture and Food Security[21] include repealing discriminatory laws that prevent vulnerable women from accessing land and other key agricultural inputs; promoting labour-saving and gender-sensitive technology; and improving infrastructure in rural areas. Such investments have the potential to benefit women, as a lack of water, sanitation and energy infrastructure increases the time and labour burden on women of carrying out domestic tasks. The declaration is, however, silent on implementation, timelines and financial instruments to back these activities.

The same is true of the RAP, which emphasizes improving regional and international trade and access to markets for agricultural products, among other measures. The RAP echoes the need to improve the participation of smallholder farmers and marginalized groups such as women and youth in both input and output markets, but it lacks specifics on programme design, implementation and budgetary imperatives.

An analysis of the budgets of six countries (including Malawi, Nigeria, Tanzania, Ethiopia, Kenya and Ghana) reached the conclusion that female farmers were not the explicit focus of any of their budget lines.[22] The only mentions of gender came in various small budget lines concerning awareness training on HIV and AIDS, gender mainstreaming and spending on International Women's Day. Interviews with senior officials from ministries of agriculture also revealed a lack of any active plan or technical knowhow on how to target women farmers in their policies.[23]

Improving access to agricultural inputs, particularly for society's vulnerable groups, is one of the objectives that are heavily emphasized in the Dar-es-Salaam Declaration. The declaration's objective in this regard is to 'establish domestic support measures for vulnerable smallholder farmers to ensure access to key agricultural inputs'.[24] It is not clear what kind of measures these would be, however. The declaration also states that it will encourage access to quality seeds for vulnerable farmers and will promote fertilizer production in the region to ensure self-sufficiency. While these objectives are well-meaning, it is not clear how and when they are meant to be realized.

Maintaining the status quo: current policies lack the transformational vision required to benefit smallholders

The challenges faced by smallholders and rural people in southern Africa are manifold. Constraints include insecure tenure rights, significant barriers to entry into high-value supply chains and exclusion from financial and commodity markets. However, agricultural policy in the SADC region tends to focus on a very narrow set of interventions designed to enhance productivity. These priorities lack the type of vision required to transform the agriculture sector into a vibrant and prosperous smallholder economy.

For example, lessons from countries in the region that have deployed input subsidies to boost productivity and improve food security suggest that levels of ambition need to be pitched beyond this. The evidence suggests that, with such policies, smallholder farmers remain poor and

reliant on repeated annual input subsidies, with few of them graduating to financial prosperity.[25] Very few smallholder farmers progress from subsistence farming to making farming a business and building entrepreneurial capacities, with the majority producing crops for food security purposes only.[26]

Policies at the SADC level encourage member states to allocate a significant percentage of their national budgetary resources for measures such as physical infrastructure development in rural areas, building storage facilities to reduce wastage of harvests before they reach markets, establishing price information systems and strengthening issues governing trade in agricultural products. However, any specifics on how and when these goals will be attained are disappointingly lacking.

THERE IS AN URGENT NEED FOR POLICY REFORM

A new set of innovative, transformation-oriented policies is urgently needed to support the emergence of a vibrant and prosperous smallholder sector in the region, especially for women living in rural areas. This framework needs to target specific constraints that undermine access to key resources such as land and finance; new technology and inputs for increasing productivity; entry into viable high-value product chains; and services such as information, training and extension.

In particular, women farmers should be consulted when policy makers and budget planners are formulating policy to ensure that their needs are met.

To ensure that policy is implemented, there is also a need for carefully tailored and implementable financial incentives and legal and institutional instruments. Outlined below are some of the priority policy reforms that are needed to transform smallholder agriculture in the SADC region.

Strengthen land tenure rights for smallholders and women

Long-term agricultural Investments in the smallholder sector will always be regarded as high-risk unless the tenure rights of smallholder producers, and particularly women, are strengthened.

A recent study by the World Bank Group shows that only 10 percent of land in sub-Saharan Africa is formally registered; most of it is undocumented and informally administered.[27] In addition, registration processes to gain land tenure are often costly and cumbersome – meaning that in practice few people hold individual or communal land tenure rights. As a result, many people in rural communities face land insecurity and lack collateral to obtain loans.

Strengthening land rights for smallholders and rural communities should be a central priority to accompany agricultural investment policy in the region. Reinforcing women's land rights and particularly sole or joint land registration should be a priority in this regard. Examples of strengthening land tenure in other contexts, such as in Vietnam, have resulted in an economic 'lift-off' through agriculture and have led to concrete economic benefits in rural areas.[28]

While the specifics of such tenure arrangements should be left to individual countries, the SADC bloc should come up with tenure guidelines as well as measures to fully protect such rights. The internationally agreed Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGTs) and the African Union Land Policy Framework offer useful examples to guide these policies.[29]

Tailor government interventions to reduce barriers to entry into high-return agricultural enterprises for women and smallholder farmers

Agricultural policy making and budget deployment can call on a wider range of tools than simply introducing input subsidies as a way to improve the livelihoods of smallholders. For example, interest rate regimes, tax-based incentives and direct subsidies to cover capital or production costs can open doors for smallholders and women to invest in more rewarding, less land-intensive enterprises such as irrigated horticulture, fish farming and dairy or poultry production. These interventions enable smallholders and women to diversify beyond the production of staple crops, which offer low returns due to their political sensitivity and government interventions often associated with regulating basic food prices.

Incentivize local sourcing from smallholder farmers and women by the private sector

Government policy to incentivize manufacturing businesses and other private players to buy their raw materials from women and smallholder farmers represents a useful way to stimulate production and build local and national markets – which has a proven impact on food security, creating jobs and raising incomes in rural areas.[30]

For example, in Ghana local sourcing partnerships between the private sector, government and smallholder farmers have transformed the livelihoods of farmers producing crops such as sorghum and cassava, used in beer brewing.[31] The Purchase for Progress (P4P) programme of the World Food Programme (WFP), which sources foodstuffs from smallholder farmers to use in food assistance, represents a classic example of direct support to local farmers. Over and above guaranteeing a market for farm produce, such partnerships often come with a set of productivity-enhancing support services, typically credit for key inputs such as improved seed and fertilizer, the training of farmers and extension support services.
The production boom driven by such partnerships can lead to better food security, higher incomes and a general improvement in the livelihoods of smallholder farmers and women.[32] Participating in organized value chains allow farmers to use these agreements to access finance for expansion or to diversify into other economic activities. However, linking smallholders into private sector supply chains is not a panacea, and care should be taken to avoid new forms of dependency or exploitation. A strong government role in regulating contracts or establishing contract dispute mechanisms can help in this regard.

Deploy budgetary instruments to reduce risk for private sector financing and investments that benefit smallholder farmers and women

For many years, efforts to attract private sector financing into smallholder agriculture have failed to produce the desired results. Factors such as the high cost of dealing with numerous small farms or poorly organized farmer groups; limited participation by smallholders in formal markets; a lack of skills in financial management; uncertain land tenure arrangements; and

low returns that characterize the main activities in smallholder systems have led private financiers to rate these as high-risk investments.

Furthermore, some financial institutions have made inappropriate financial instruments available to subsistence farmers without them having the means for repayment, putting their livelihoods at great risk. But without financing from either the public or the private sector, there is little hope of building a commercially sustainable smallholder sector in the region.

Government planners need to look at innovative ways to unlock finance for smallholder farmers, particularly women, who wish to move into more commercially oriented farming opportunities. Creative ways of reducing the risks associated with financing smallholder farmers and women, such as guarantee options, the blending of government or donor grants with commercial loans, insurance measures, group schemes and tax incentives, need to be fully explored as options to increase the flow of finance. These measures should be accompanied by farmer support services to improve their business acumen and skills in production and marketing.

For example, Oxfam's Enterprise Development Programme has used a combination of grants and loans to small and medium-sized enterprises (SMEs) in developing countries to meet a commercial financing gap. In Tanzania, a mix of loans and grants has linked smallholder sisal growers to a national processing company, while in Ethiopia the programme has supported the creation of a honey production cooperative and aims to link the group into high-value markets. These, and other attempts to link smallholders to finance, offer useful examples that policy makers could follow.[33]

Member states should make specific budget allocations that are directed towards the needs of women and smallholder farmers, and should invest in technical knowledge on how to support women farmers

In SADC policy, gender is treated as a cross-cutting theme, but budgetary allocations do not respond to the needs of poor women farmers. Women and smallholders should be consulted during policy planning and budget allocation processes to enable governments to understand their specific needs. In addition, while gender should continue to be treated as an important cross-cutting theme in the implementation of programmes, dedicated funds should be made available to address issues affecting women, in particular gender inequalities.

Incorporate mechanisms for peer monitoring, reporting and review for policies at the SADC level

All SADC policy mechanisms need to be strengthened by incorporating rigorous frameworks for peer monitoring, reporting and review or incentives at the regional level to encourage compliance.

These monitoring and evaluation processes should deliberately seek out the views of smallholder farmers and of women, and should incorporate the measurement of policy impact against poverty and food security aims.

NOTES

1 Food and Agriculture Organization of the United Nations (2008) 'State of Food and Agriculture: World Food and Agriculture in Review'. Rome: FAO.

2 The exact figures are: Zambia 47.8 percent, Malawi 20.7 percent and Mozambique 25.3 percent, using FAO (2015) 'State of Food Insecurity in the World, Rome: FAO. 'Undernourished' is defined as not being able to acquire enough food to meet minimum dietary energy requirements over a year.

3 For example, women are the holders of just 19 percent of agricultural land in Zambia; 23 percent in Mozambique; 19.7 percent in Tanzania; 8.9 percent in the Democratic Republic of Congo (DRC); and 34.7 percent in Botswana. An agricultural holder is defined as the major decision maker on resource and land use, and the person who holds economic responsibility for its usage. See FAO, 'Gender and Land Statistics'. http://www.fao.org/gender-landrights-database/data-map/statistics/en/

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5 FAO (2011) 'The State of Food and Agriculture 2010–11. Women in Agriculture: Closing the gender gap for development'. Rome: FAO, p.5. http://www.fao.org/docrep/013/i2050e/i2050e.pdf

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9 Note that climate projections in southern Africa show a variety of impacts – with increasing crop yields for maize, sorghum and millet in places. However, evidence points to serious challenges for crop production in Swaziland, and for cassava and maize production in Mozambique and Zimbabwe respectively. See S. Hachigonta et al. (2013) 'Southern African Agriculture and Climate Change', Washington DC: IFPRI.

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http://valeriechandachisenga.blogspot.co.uk/2013/06/debateonremovalandreductionof.html

15 CUTS International Lusaka, (2014) Fuel Subsidy Removal in Zambia. Factsheet, Lusaka. January 2014.

16 FAO (2011) 'The State of Food and Agriculture 2010–11. Women in Agriculture,' op. cit.

17 World Food Programme (2015) 'Who are the hungry?'. http://www.wfp.org/hunger/who-are

18 See Oxfam, 'WE-Care (Women's Economic Empowerment and Care)'. http://www.oxfam.org.uk/care

19 T. Kidder, D. Bright and C. Green (2014) 'Meaningful Action: Effective approaches to women's economic empowerment in agriculture', Oxfam International research report. http://policy-practice.oxfam.org.uk/publications/meaningful-action-effective-approaches-to-womens-economic-empowerment-in-agricu-334788

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22 ActionAid (2011) 'Making CAADP Work for Women Farmers: A review of progress in

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23 Ibid.

24 SADC (2013) 'Dar es Salaam Declaration', op. cit.

25 ActionAid (2011) 'Making CAADP Work for Women Farmers', op. cit.

26 SACAU (2012) 'Southern Africa Investing for Success in Agriculture', Pretoria: SACAU.

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31 *Farmers Weekly* (2014) 'Cassava processing: game-changing technology', 17 January 2014.

32 Ibid.

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