



THE AFRICAN CAPACITY
BUILDING FOUNDATION

FONDATION POUR LE RENFORCEMENT
DES CAPACITES EN AFRIQUE

AFRICA CAPACITY INDICATORS 2012

CAPACITY DEVELOPMENT FOR AGRICULTURAL
TRANSFORMATION AND FOOD SECURITY



Executive Summary

Africa has become a continent moving at multiple speeds! In the last two decades or so, African countries have registered average annual economic growth of between 5-8% despite low foreign investments and the global economic crisis. Such evidence of good returns even on minimal investment indicates that Africa has great promise. In 2012 Africa is home to the seven fastest growing economies in the world. At the same time, Africa is still dependent on external aid, including food aid. In the last 50 years about one trillion US dollars in development aid has been transferred to Africa. But real per capita income today is less than it was in the 1970s and more than half the population – about 500 million people – still live in poverty. At this rate, most African countries may not meet many of the Millennium Development Goals (MDGs).

To sustain the high economic growth momentum and ensure that growth generates jobs and poverty reduction, Africa needs to continue to develop capacity, including capabilities to further transform its economies and that means transforming agriculture. To effectively use aid and to guarantee food security, Africa needs capacity to negotiate aid, secure fair trade deals, and manage under uncertainty. To achieve the MDGs Africa needs to focus on its capacity to get things done, to implement programs to meet stated objectives, and to harness the capacity of its vast domestic resources to effectively leverage and allocate to the right priorities the sources of funds it has for development.

To ACBF:

Capacity comprises the ability of people, organizations and society as a whole to manage their affairs successfully; and that is the process by which people, organizations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time. Capacity is also better conceptualized when answering the question: capacity for what? Capacity for individuals,

organizations and societies to set goals and achieve them; to budget resources and use them for agreed purposes; and to manage the complex processes and interactions that typify a working political and economic system. Capacity is most tangibly and effectively developed in the context of specific development objectives such as delivering services to poor people; instituting education, public service and health care reform; improving the investment climate for small and medium enterprises, empowering local communities to better participate in public decision making processes; and promoting peace and resolving conflict (ACBF, 2011:30-31)

This second Africa Capacity Indicators Report (ACIR2012) discusses capacity for agricultural transformation and food security. The first report, published in 2011, dealt with fragile states. The methodology used for the ACIR in 2012 maintains the three levels of core capacity that were measured in 2011 in addition to the specific measures along the theme of the report-

-fragile states in 2011 and transforming agriculture and food security in 2012. The three levels of core capacity measured are: (i) the enabling environment; (ii) the organizational level; and (iii) the individual level (see Table A). The enabling environment refers to the system beyond the organization – including the tone set by leadership and other countervailing factors. It encompasses the broader system within which individuals and organizations function thus influencing their performance outcomes. The role of leadership is to set the vision, the tone and the stage by which activities that derive results can be undertaken. As was done in the 2011 report, the data collected on a set of indicators defined from the best known theory

and practice, is subjected to a cluster analysis. The analysis confirms the four clusters calculated in the last report and allows an assessment of trends across time to gauge achievement and uncover challenges. The four clusters include the effectiveness of the policy environment, the soundness of processes in place for implementation, the ability to achieve a track record of development results, and the dynamic capability to generate capacity development outcomes. The four clusters are used in addition to the three dimensions mentioned above to generate a set of sub-indices and a composite index of capacity that allows linkage to strategies and actions aimed at improving capacity.

TABLE A
Capacity Dimensions in 2012 (% of countries by level)

Level	Enabling environment	Organizational level	Individual level
Very Low	0.0	4.8	71.4
Low	0.0	23.8	19.0
Medium	40.5	4.8	9.5
High	57.1	35.7	0.0
Very High	2.4	31.0	0.0
Total	100	100	100

Source: ACI database 2012

The organizational level of capacity is characterized and driven by the internal policies, arrangements, procedures and frameworks that allow organizations to operate and deliver on their mandate and that enable the integration and consolidation of individual capacities to work together to achieve specified goals. The individual level assesses skills, experience, and knowledge that are vested in people. Leadership comes at the individual level in the values espoused that determine accountability and results, as well as at the level of policies and

frameworks that allow individuals to transform the environment in which they work and generate results.

The policy environment examines the conditions that must be in place to make development possible, with particular emphasis on effective and development-oriented organizations and institutional frameworks. It is focused on (a) whether countries have put in place national strategies for development (including a strategy for agricultural development, given the impor-

tance of transforming agriculture and achieving food security) and their level of legitimacy; (b) the countries' levels of commitment to meeting development and poverty reduction objectives established within the MDGs; (c) country-level awareness and focus on better utilization of limited resources for capacity development as measured by the presence of policies for aid effectiveness; and (d) degree of inclusiveness that supports their long-term stability as measured by the existence of gender equality and other socially inclusive policies – indeed broad participation and good governance underpin this measure. The role of leadership is recognized in the ability to nurture the development of strategy and embed it into vision-driven activities. Also embedded in this cluster is the concept that the leaders and their strategy need to be legitimate. How committed leaders are to achieving results such as those defined in the poverty reduction objectives and the MDGs is also embedded in this definition. The role leaders play to inform and engage is embedded in the concept of country level awareness, as are the values including efficiency and effectiveness that come from appropriate use of public resources. Finally, the leaders' tone-setting in inclusiveness is recognized as a key aspect that generates stability in the long-term and assures good governance. The role of the leader in tone and stage setting is explicitly visible in the conceptualization of the processes for implementation as is the ability to generate a track record of results and outcomes at the national level for the good of the people.

Processes for implementation assess the extent to which the countries are prepared to deliver results and outcomes. This dimension is concerned with the creation of an environment that motivates and supports individuals; the capacity to manage relations with key stake-

holders inclusively and constructively; and the capacity to establish appropriate frameworks for managing policies, strategies, programs and projects. Equally important are processes for designing, implementing, and managing national development strategies to produce socially inclusive development outcomes. Development results are tangible outputs that permit development. The main areas covered by the cluster are; the coordination of aid support to capacity development; the level of creativity and innovation in agriculture; achievements in the implementation of the Paris Declaration on Aid Effectiveness; achievement in gender equality and social inclusion as well as in partnering for capacity development.

Capacity development outcomes tend to measure the desired change in the human condition. Indicators to this effect are captured mainly through the financial commitment to capacity development; the actual achievement of the MDGs; gender and broader social equity; and the achievements in agriculture and food security, among other measures. Leadership is recognized in the attention to the dynamic aspects of human and organizational capacity and leadership for capacity development. Such a definition also includes the conceptualization of anticipating future needs, such as the skills needed to mitigate risks from climate change, the ability to function in environments of low predictability such as when food shocks are in full effect, and the wherewithal to react and respond in the face of disasters as will be needed when the effects of climate change impinge on cities and countries alike.

When the preceding ideas are applied to a particular context or sector, then one gets the levels of capacity in that context or sector. This Report utilizes these concepts to define the

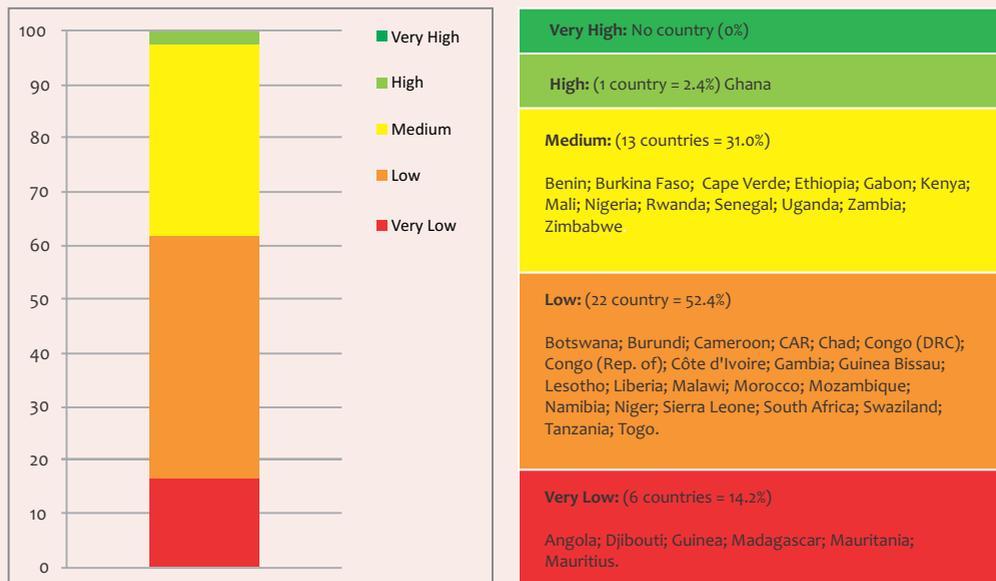
capacity for agricultural transformation and food security. The World Bank, Food and Agriculture Organization of the United Nations, and the US Agency for International Development (USAID) for example, define food security as 'access by all people at all times to enough food for an active and healthy life' (Tweeten, 1999:474). The most widely used definition was offered at the Rome Declaration of the World Food Summit of 1996. This declaration defined food security as existing when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life (Boyer, 2010; Sowman and Cardoso, 2010), and their dietary needs and food preferences (Scanlan, 2001).

The Africa Capacity Index (ACI) 2012, just like its predecessor, is a composite index computed from the four sub-indices generated from an analysis of clusters, each of which is an aggregated measure calculated on the basis of both a quantitative and a qualitative assessment of various components that form a cluster. Cluster analysis was used to generate the sub measures along the dimensions of policy environment; processes for implementation; development

results at country level; and capacity development outcomes. It is noteworthy that the pattern in 2012 is similar to the pattern in 2011 with a few important distinctions (see Figure A and Tables A-D):

- In 2012 one country (Ghana) barely slipped into a class of "High" capacity, as judged at the ACI composite level. This is an improvement relative to 2011 where there was not a single country that classified in the "High" category of capacity.
- There are notable improvements in "Development results at country level", where the percentage of countries in the lowest levels (Low and very Low) decreased from 61.7% to 19%. The majority shifted from "Low" to "Medium" Level and one can observe one country (Ghana) in the "High" level. These findings provide further evidence of the optimism around Africa from a number of sources including the World Bank, the IMF, and the Economist Magazine. Not only have a number of countries made notable improvements in moving up from the lowest levels of results, but they did so because they invested in capacity development for results.

FIGURE A
ACI levels in 2012



Source: Computed from ACI database 2012

TABLE B
Pattern of ACI 2012 results

Level	ACI 2012 (% of countries)	Policy environment	Processes for implementation	Development results at country level	Capacity development outcome
Very Low	14.3	0.0	0.0	0.0	71.4
Low	52.4	0.0	0.0	19.0	23.8
Medium	31.0	2.4	33.3	66.7	4.8
High	2.4	23.8	50.0	11.9	0.0
Very High	0.0	73.8	16.7	2.4	0.0
Total	100	100	100	100	100

Source: Computed from ACI database 2012

TABLE C
Country capacity levels in 2012.

Country	ACI 2012 value	Rank	Country	ACI 2012 value	Rank
ANGOLA	17.2	38	LIBERIA	35.6	19
BENIN	43.4	11	MADAGASCAR	10.2	42
BOTSWANA	23.1	33	MALAWI	27.7	26
BURKINA FASO	53.4	3	MALI	50.3	7
BURUNDI	39.5	15	MAURITANIA	14.6	41
CAMEROON	37.3	17	MAURITIUS	14.8	40
CAPE VERDE	40.2	14	MOROCCO	36.2	18
CAR	28.1	25	MOZAMBIQUE	33.4	23
CHAD	20.2	36	NAMIBIA	25.2	29
CONGO (DRC)	34.5	20	NIGER	30.7	24
CONGO, REP	34.1	21	NIGERIA	50.5	6
CÔTE D'IVOIRE	24.6	30	RWANDA	51.9	5
DJIBOUTI	18.2	37	SENEGAL	42.7	12
ETHIOPIA	52.8	4	SIERRA LEONE	23.6	32
GABON	40.4	13	SOUTH AFRICA	26.0	28
GAMBIA	33.9	22	SWAZILAND	22.5	34
GHANA	60.2	1	TANZANIA	37.6	16
GUINEA	15.7	39	TOGO	20.7	35
GUINEA BISSAU	27.0	27	UGANDA	45.2	10
KENYA	58.1	2	ZAMBIA	49.7	8
LESOTHO	24.6	31	ZIMBABWE	48.6	9

Source: ACI database 2012

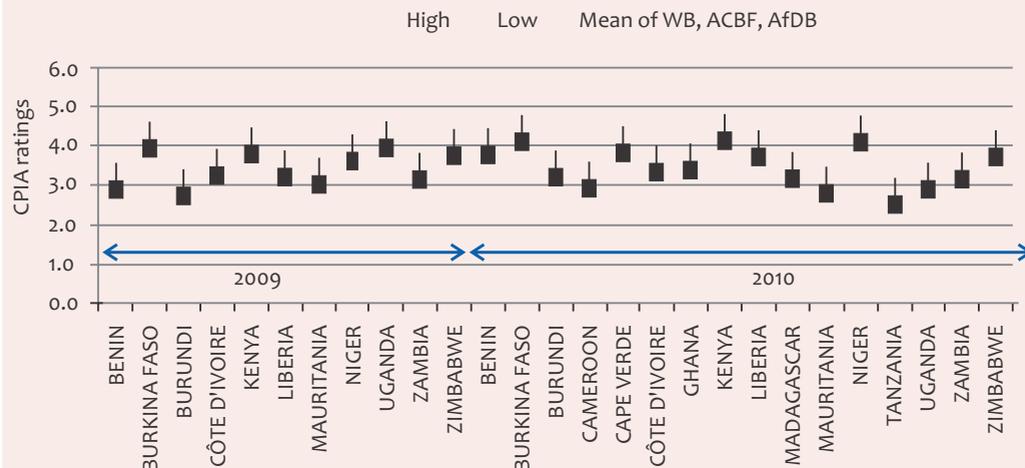
Also, as was done in 2011, countries were asked to do a self-assessment of their country policies and institutions using the questionnaire administered by the World Bank and the AfDB for the Country Policy and Institutional Assessment (CPIA) for countries receiving concessional finance. This report has a unique feature that also includes self-assessments for middle income countries like Botswana which are not assessed publicly by the multilateral aid agencies. The data collected from self-assessment provided opportunity for an analysis of two-years-worth of CPIA data comparing ACBF-commissioned self-assessments by countries to the World Bank and AfDB assessments. The data cover CPIA ratings for the years 2009 and 2010.

Analyzing the differences between the three assessments indicates that the AfDB tends to give ratings that are statistically similar to the

World Bank but higher than country self-assessments. The variance amongst ratings is the highest for the AfDB assessments, being twice as high as the Self-assessment. However, the AfDB assessments show more variability than the World Bank assessments. The volatility rankings are in the order of the AfDB, World Bank, then country self-assessments.

All of these results indicate that it is very important to use multiple measures before classifying countries. A methodology that accounts for the systematic biases would largely adjust for this difference. Using a band to classify countries would be more appropriate. Such a band is used to illustrate the range of the indicator in Figure B. The band is composed of the country self-assessment, and measures that are one standard deviation away.

FIGURE B
Range of band to classify countries in the CPIA



Source: Computed from ACI 2012, World Bank and AfDB databases

Capacity is at the heart of sustainable development. A core message of this Report is that improving the productivity and economic returns of agriculture has immediate effects on poverty and hunger in at least three important ways: it increases the productivity and incomes of the majority of Africa's poor, who work primarily in agriculture; it reduces food prices, which affect real incomes and poverty in urban areas; and it generates important spillovers to the rest of the economy.

The current Report also distinguishes between four clusters of agricultural capacity, generated using cluster analysis. The first is the ability to have a good strategy for the agricultural sector, which comes from leadership to embed a vision for agriculture at the country level and the set of vision-driven activities that can transform the sector and have it contribute to development. The second cluster captures the investment in dynamic capacity, including the skills, knowledge and innovation needed to get results in the agricultural sector. The third cluster recognizes the explicit role of the private sector in the agricultural supply chain and the capacity of this sector to contribute to the process of transformation. The last cluster relates to the information system that supports farmers, buyers and sellers and other stakeholders in the supply chain including making research relevant for farmers. The same formula for the calculation of the ACI composite index (see technical note) is employed to compute the ACIAgric, i.e. the harmonic mean of the following component indices (Agricultural Strategy; Training-Innovation; Role of Private Sector; Information System)

This Report discusses the various issues relating to the concept of agriculture in Africa, including land productivity and the constraints upon it,

globalization and its effects on commodity prices, as well as climate change and rural-urban migration. The Report starts from the basis that agriculture (and therefore the growth of agriculture) is part of the key to Africa's development. Various theoretical models have been posited over the years, and it was long thought that the key to development was industrialization. In the post-industrial world, development was thought to reside in the market – through structural adjustment in the 1990s leading to the “Washington Consensus” model of very recent times. Now the world is beginning to realize that the State does have a crucial role to play, and must exert responsibility in many different areas in order for development to take place. In developmental states, such as China, the world has seen rapid growth, which has resulted from the state playing a controlling role in development while permitting private ownership and entrepreneurship at the same time. An active state is not necessarily a repressive one. The world is also beginning to realize that so-called “free market” governments also exercise a tremendous amount of control through protectionist measures – and these are primarily to do with agricultural trade.

The economies of most African countries are agricultural. Agricultural labor comprised 59% of the total labor force in Africa (FAO, 2011) and 13% of value added to GDP in 2009 (World Bank, 2011b). Thus, agricultural growth holds the key to overall growth and development in Africa. Growth in agriculture has been relatively strong in recent decades, while at the same time the food security situation is worsening. Land productivity has not increased, only the extent of cultivated land. There is need for sustainable intensification, so that more output is obtained from the same area. Productivity is constrained by endemic diseases such as malaria and

HIV/AIDS, which have weakened the labor force. Livestock diseases have affected livestock production: such diseases often result from poor livestock producers being unable to dip cattle, when the state has withdrawn public dipping or veterinary services. Furthermore, agricultural producers are marginalized in society, and young people no longer wish to farm, preferring to live their lives in urban areas. Rural areas can become depopulated, with agriculture being carried out largely by the old or the very young.

Globalization has increasingly resulted in unstable commodity prices, rising input costs, low levels of investment and lack of credit. Food policies have effects that cut across national boundaries. Decisions such as that of the United States to convert corn to ethanol, as well as the growing interest in using large areas of African land for the growing of biofuel crops affect food prices. The extent of land available for growing food will obviously become more limited. Foreign acquisition of African farmland has affected the land rights of the poor and of women. This has implications for capacity development.

Africa is the fastest urbanizing region in the world, and Africa also currently contains some of

the world's fastest growing economies (in terms of GDP). The way in which farming is done will have to adapt in order to feed the urban poor. Green belts and urban agriculture should be encouraged, where today such activities are marginal and even illegal in some countries. There is also enormous diversity within Africa, wealth, resource-rich countries such as Nigeria alongside “least developed” states such as Burkina Faso and Niger. There is also a wide variance in climatic zones. But all of Africa is characterized by lack of capacity, as well as low levels of public spending on agriculture thus food security

The majority of countries have a composite capacity for agriculture that is rated Medium. Countries have made important investments in the dimension of capacity related to information systems (Table D). These results support the work done by many in the agricultural sector of improving the information available to farmers and others in the supply chain, enabling them to make the right decisions. The impact of the cellphone and the availability of mobile communications platforms cannot be underestimated in its contribution to this capability to get information out to farmers.

TABLE D
ACIAgric - Percentage of Countries by Cluster

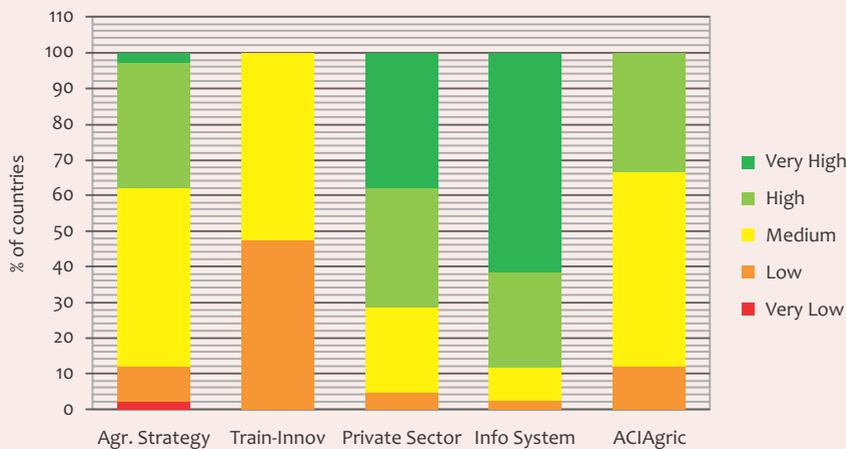
	Agricultural Strategy	Training-Innovation	Role of Private Sector	Information System	ACIAgric
Very Low	2.4	0.0	0.0	0.0	0.0
Low	9.5	47.6	4.8	2.4	11.9
Medium	50.0	52.4	23.8	9.5	54.8
High	35.7	0.0	33.3	26.2	33.3
Very High	2.4	0.0	38.1	61.9	0.0
Total	100	100	100	100	100

Source: Computed from ACI database 2012

Also noteworthy is that the majority of countries do have medium capacity to develop a good agricultural strategy and to invest in the right areas to build the skills and innovation needed for the future (Figure C). There is evidence of leadership in the area of dynamic capacity, and it may be that the Comprehensive Africa

Agriculture Development Programme (CAADP) is showing results. However, 12% of countries remain with very low capacity and the majority of them still have a long way to go to involve the private sector and build their capacity for a private sector that contributes to transforming agriculture.

FIGURE C
ACIAgric capacity by clusters



Source: Generated from ACI database 2012

The results indicate that countries need to go beyond strategy and focus on implementation. As agricultural growth holds a major key to overall growth and development in Africa, a focus on implementation of agricultural strategies would also yield overall development results.

In agriculture and food distribution, infrastructure is pivotal, and in this, states cannot act unilaterally. Regional groupings, such as NEPAD Agency, must be encouraged, and can play a role because of its own cross-continental nature to support regional public goods. Lack of infrastructure affects exports of “cash” crops, but improvements in roads and transport and

storage facilities can enable small producers and those engaged in other farming activities to market their surplus, making some income for themselves and their families. Infrastructure development is one of the key pillars for achieving inclusive, sustainable and resilient growth. Infrastructure does not only consist of marketing facilities, but includes schools and other training facilities.

Co-operation can be fostered not only between, but also within states, and the role that co-operatives can play in agricultural production and distribution needs to be re-examined. The private sector can also play an important role. Africa should learn from her own experiences in

agricultural transformation, placing a premium on knowledge management to harvest lessons learned and best practices. To this end, clearing houses should be fostered, making use of such fora as RUFORUM, the regional university forum.

Focus should also be on the enhancement of livelihoods. Livelihoods encompass the resources and strategies that individuals and households use to meet their needs and accomplish their goals, that is, people, their capabilities and their means of living. Thinking in this way accommodates women much more seamlessly, and capacity building is a tool that is eminently appropriate for sustainable livelihoods. Small farms, which occupy 60% of arable land worldwide, and are as much as 90% of the world's 525 million farms, tend to be operated by women.

Sustainable livelihoods approaches represent a powerful theoretical development, and vulnerability and resilience are key sustainable livelihoods concepts. Land tenure insecurity is a primary cause of vulnerability. Without tenure, farmers can do no more than subsist.

Small farmers include the growing numbers of people who are involved in urban agriculture, an activity which is becoming more and more important for food security and nutrition. Urban agriculture provides employment, and urban agriculture needs to be taken more seriously by national governments – given that Africa is the fastest urbanizing continent. Local governments have tended to obstruct agricultural activities, in many cases treating them as illegal. The issue of the use of municipal water for agricultural activities is extremely contentious.

The effects of agricultural policy, through the state and government, cut across all levels of agricultural activity from the small plot to the

vast plantations. And government activities such as land distribution policies and the holding of elections can have profound effects on agricultural productivity. It is thus important to look at the capacity of the state, as well as the individual farmer, with regard to implementation and policy formulation. But the state is not an autonomous institution, and NGOs in particular play an increasingly important role. NGOs are supposed to represent the citizenry, and the participation of people themselves in policy formulation is vital. There is an obvious place for capacity development here. Agricultural policy has become a contested site between state and non-state actors. Multilateral non-state organizations like the European Union play a further role in agricultural policy, including those corporations that promote biotechnology and genetic engineering. But the state is the only body that can act to unify and regulate policy across all the multiple players in agriculture.

African responses to biotechnology have been mixed, with some countries adopting some schemes, while others have refused even to import Genetically Modified (GM) grain in times of food shortage. This delay in initiating policy is due to lack of political commitment and foresight on the part of governments, but also due to lack of scientific skill to make a proper determination on the basis of the unique conditions Africa faces. In other areas, too, policy is inconsistent and short-term. Collaboration in policy as well as research at a regional and also at an international level must take precedence as should the link between research and farmers.

In order to formulate and implement policy governments require knowledge. Hitherto the only repositories of knowledge in Africa, specifically targeted at government, have been the National Agricultural Research Systems

(NARS), and these have been too “technical,” ignoring the vast reserves of knowledge possessed by individual farmers. New ways to gather and process knowledge – the knowledge management approach – are necessary here. And nothing can proceed unless there is a financial system in place, for Research and Development (R&D) require investment, which individual small states may not be able to afford. Governments should build on the regional research councils that exist. Farmers themselves must become involved in R&D activities.

Although agricultural finance has hitherto been supported through national agricultural banks, with microcredit schemes operating at the very margins, the international financial system has had a devastating effect on African agriculture. The global financial crisis led to increasing amounts of commodity speculation, affecting food prices throughout the world and national agricultural financial policies have failed to support agriculture. The Report recommends a paradigm shift in the financing of agriculture, with much more investment in rural financial infrastructure. Microcredit schemes have already proven effective in India, and cooperatives can play an important role here. Loans can be made available to farmers for different ends – short, medium and long term loans. Commercial banks are notoriously reluctant to extend credit to small farmers, and this situation is exacerbated by the farmers' own ignorance of financial procedures. Both bankers and farmers require training. Agricultural development banks have been established in a number of countries, but these have failed to mobilize savings and domestic capital market resources. The Report provides details on the Global Agriculture and Food Security Program (GAFSP), which provides support for national and regional strategic plans for agriculture and food security.

The agricultural sector has been poorly served by the financial system partly because of the unfavorable policy environment. Poor banking infrastructure is largely to blame for this, alongside weak institutional capacity in the financial sector. The risks inherent in agriculture give rise to the reluctance by financial institutions to provide credit to farmers. Insurance schemes are not generally available, but insurance would provide a sense of security to both the creditor and the farmer seeking a loan.

In 2003 NEPAD proposed that all governments commit themselves to allocating 10% of their budget to agriculture (Maputo Declaration, 2003). By 2011 only ten African countries had reached or surpassed this target.

Recommended is the adoption of a value-chain approach, and a regional approach to value chain development is important where many countries have small populations with many similarities with neighboring people across borders. Value chain financing implies that lending will be done differently, with the appropriate framework for capacity building. In value chain, financing risks decrease as the value chain moves forward. Different types of financial product will be required. Expanding regional trade markets can provide more opportunities and incomes for small farmers. Indeed, well-functioning markets increase income to farmers, reduce the costs of food and the unreliability of supply, as well as improving food security. Small farmers are extremely vulnerable to risk, which can to a large extent be offset by diversification, and well-functioning markets.

The Report identifies numerous innovations which might be used in delivering finance to poor farmers.

A major shift in emphasis from upstream agriculture to the downstream sector is required, in order to promote growth and enhance food security. The private sector has generally been very marginal to development thinking on agriculture in Africa, but it must be encouraged to play a role, and can do so here through contract farming schemes. But mostly, it is governments that have to provide the enabling environment for the financial sector to be strengthened.

There are also economic measures that governments and financial agencies can take to mitigate risks, such as weather insurance schemes. In the green global economy, governments invest in areas that stimulate the greening of economic sectors, as well as in capacity building, training and education. Taxes and other financial instruments can also be introduced. Measuring, reporting and verification (MRV) of emissions should not only be a tool of the developed world and, for this, training will be necessary for African countries.

In all activities, different types of partnership have been important in guaranteeing success. The Comprehensive African Agricultural Development Programme (CAADP) is a key platform for the restoration of agriculture growth, food security and rural development in Africa, and ACIR2012 recommends adopting it. The CAADP process involves the development of partnerships, such as that between the private and public sectors, and farmers' associations.

A number of key issues and recommendations emerge clearly from the Report. The first of these is that it is no longer viable (as the Washington Consensus imposes) for the State to play a secondary role in agriculture – and indeed in development as a whole. It is imperative that the State takes an active role, taking charge of development activities and committing itself to

investing in development. Countries should avoid the mistakes of the 1960's and 1970's of having the state run everything in agriculture by also ensuring that agriculture markets function. First among the role of the state is that of investments in rural and connecting infrastructure. Agriculture can only develop through trade, and for this to take place there must be adequate roads and other means of transporting *fresh* produce rapidly and efficiently. The transport infrastructure includes adequate storage facilities for the different types of commodities. The private sector seeing opportunities in bigger markets will then make the needed investments to support cold chain logistics and other agribusiness ideas that add value to agricultural production.

In developing policy, the state must involve the farmers themselves, in harvesting the knowledge that they possess. The concept of livelihoods is a more inclusive conceptual framework within which to consider the farmer.

Climate change is an urgent problem for agriculture and food security, and ways to mitigate this must be prescient not reactive, so that the continent does not lurch from crisis to crisis, dependent always on emergency relief. Water issues cross boundaries, and African governments must be prepared to work together in order to allocate adequate water for agriculture. As in all collaborative efforts, States must be prepared to cede some aspects of their sovereignty for the greater good.

But how can African governments pay for the damage caused by extreme weather events due to climate change? The threats of increasing drought, flooding, rising sea levels and population movements caused by disasters are real. Yet, for Africa they have sometimes proved an opportunity. For the first time, African governments spoke together at the recent COP 17 in

Durban in December 2011, and were successful in ensuring the inclusion of agriculture in the final agreement.

The capacity to mitigate the effects of climate change is vital if agriculture is to succeed and people to have the ability to feed themselves. Without water, no activity can take place, and water resources for agriculture have always been unevenly distributed. Agriculture in Africa has been plagued by disputes over water distribution, from controversial large dams to small streams. The Nile River Basin has for some time been a focus of dispute. Given that water resources transcend national boundaries, water rights must be devised at a regional level. It is only governments that can agree on access to transboundary water resources, as well as developing the infrastructure for storage of water. The very nature of farming systems will have to change, with more emphasis on integrated farms and horticulture production. Irrigation schemes that were attempted in the 1960s and 70s have largely failed, but small-holder irrigation has had more success. Improved weather forecasting and early warning systems assisted by the widely adopted mobile phone networks can be used. Insurance and compensatory measures could be put in place. Fisheries could be integrated with other types of farming, and livestock selection can be enhanced, as well as programs to assist farmers in re-stocking following a drought period.

African countries need to develop policies and frameworks that allow for poverty reduction as well as sustainable livelihoods, and need to be well aware of emerging challenges such as climate change and the need for climate adaptation. Strategies must be developed to deal with household vulnerabilities by strengthening resilience and reducing risks. Innovative sources of financing have to be sought in the context of the evolving global aid architecture.

Development assistance has the possibility to be one of the major instruments for enhancing global justice and equity if used appropriately by both donors and recipients. Assistance – especially food aid – has been known to have immediate positive impact on food insecurity.

Developed countries' emissions of greenhouse gases already undermine the productivity of farming systems essential to survival of the poor in many African countries. The burden of climate change needs to be fairly shared.

Yet, countries need capacities of all kinds to make these productivity improvements and secure the required economic returns. Governments have the responsibility to implement policies, laws and regulations that create an enabling economic and institutional environment in which private and civil society agents, including farmers, can flourish. Social equity concerns challenge policy-makers, researchers, practitioners and donors to work together to provide not only the technological means, but also the social support needed to encourage and enable uptake of new techniques by those previously lacking skills, training, extension services or credit facilities. The success of agriculture depends on what resources and rewards are available to those involved in it including young people.

With this Report, the African Capacity Building Foundation (ACBF) hopes to bring political, policy, research, investment, and capacity development attention to the implementation, monitoring, and tracking issues holding back the transformation of African agriculture and the guaranteeing of food security for its growing and youthful population. Done right, agriculture can indeed transform Africa. But it needs to start by using agriculture to transform the structure of Africa's economies.

