

## *Harnessing the SADC Regional Agricultural Policy through smallholder agriculture, July 2014*

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### **Introduction**

This policy brief presents recommendations that are a culmination of intensive consultation processes with various smallholder farmer organizations, the farmers themselves – including female farmers, agricultural social movements, CSOs, NGOs, trade unions, members of the academia, agricultural research institutions, agricultural development experts and practitioners. The recommendations are ‘demand driven’ and are based on empirical research and concrete success cases and as such, offer practical means for harnessing the full potential of the SADC Regional Agricultural Policy (RAP) and the RAP Results Framework (RF).

As the Southern African Development Community (SADC) and its citizens welcome the RAP and its implementation framework, there are a few critical areas for improvement to ensure effective impact. Undeniably, the SADC RAP, the RF and a much anticipated regional RAP Investment Plan (IP) provide SADC with a momentous opportunity to collectively craft a harmonized policy agenda grounded in the region’s own ethos and aspirations for developing the agricultural sector. These policy stances are undoubtedly a strong basis for inclusivity in any ensuing growth, especially emanating from the agricultural value chain.

According to Article 5 of the SADC Treaty of 1992, the SADC common agenda is to:

- promote sustainable and equitable economic growth and socio-economic development;
- enhance the standard and quality of life of the people of Southern Africa, and;
- support the socially disadvantaged through regional integration.

In July 2014, African Heads of State in Malabo reaffirmed their commitment to allocate at least 10% of public expenditure to agriculture, and to ensure its efficiency and effectiveness. Effective investments in agriculture, especially those targeting women, youth and smallholder farmers would provide a feasible platform to achieving these commitments and objectives. Smallholder farmers, especially women, play a significant role in growth which is more equitable and inclusive. There are an estimated 50 million small farms

in Sub-Saharan Africa, generating 25% of the region’s GDP. 80% of Africa’s food needs are provided by smallholder farmers. Most of these are contributions of women. For instance, they take 75% of the tasks involved in food production and 90% in food processing. Women therefore play a major role in the entire agricultural value chain.

These significant contributions of smallholder farmers, especially women, are despite the numerous constraints and policy challenges they face. Women and women’s issues are not placed at the centre of policy development. Smallholder and women farmers face significant challenges amongst which are: increasing concentration of agricultural markets; unequal access to productive resources, technologies and services; limited and costly access to agricultural finance; and disproportionate exposure to the risks of climate change.

### **Key challenges facing smallholder farmers**

#### **1. Concentration of agricultural markets**

Southern Africa’s agricultural sector is characterized by a "corporatization" process that has brought about a significant concentration, from inputs to production to markets, in the hands of a few large players. Existing investment policies, including those in agriculture, greatly favour large players who are already advantaged, given their scale and deep pockets. Policies for Foreign Direct Investment (FDI) attraction, for example, come with huge incentives, including tax breaks and preferential access to natural resources such as fertile land and water, which are not available to struggling small-scale farmers and women.

The concentration leaves a lot of market power in the hands of input producers, output buyers and product price setters. This makes smallholder farmers price takers in the agricultural value chains, eroding their profit. In addition to this, policy makers in many SADC countries fail to address, and often perpetuate, the structural inequalities faced by small scale producers. Aside from its detrimental effects on the environment the agricultural model of industrial scale monocropping is not labour intensive and pursuing it wholesale will sacrifice millions of agricultural livelihoods risking a social catastrophe of unemployed, displaced people,

## **2. Access to productive resources**

Access to natural resources, especially land and water is still mainly in the hands of male dominated elites and big businesses. Youth, women and smallholder farmers are also marginalized through discriminatory cultural practices and increasing displacements brought about by incentive schemes for FDI. Only 1% of women control land in Africa. Increasingly smallholder farmers, especially women, are being relegated to marginal and unproductive land that is prone to erosion due to climate change. While land reform is a common challenge in the region, there is no common position among Member States in the form, approach and process of land reform. This is exacerbated by the fact that there is little progress under the SADC Land Reform Support Facility (SLRSF)<sup>1</sup>. In addition, the SADC RAP does not make sufficient effort to push SADC to harmonize land tenure policies and actions which respond to the complexities of the land question in the region.

Regional and national water policies (such as the SADC Protocol on Shared Water Sources) remain fixated on economic principles, the supply of clean drinking water and enhancing hygiene, without consideration of its role as a productive resource for smallholder and women farmers.

## **3. Extension services and access to government support**

Extension services are vital to improve agricultural productivity and to reach the most vulnerable groups. However, they are under resourced and do not differentiate between the needs of men and women farmers. For instance, only 1 in 7 farmers in Malawi have access to extension services. Essentially, they have not sufficiently enabled learning nor supported the successful transfer of agricultural technologies.

## **4. Innovation, access and customization of agricultural technologies**

Agricultural technologies hold much potential to contribute towards productivity gains for smallholder farmers in developing countries, yet remain far removed from their realities. The SADC RAP and RF do not explore the full dimensions and possibilities of sustainable and appropriate agricultural technologies beyond mechanization.

## **5. The 'politics of seed' in agriculture**

The liberalization of the seed industry has given rise to an elite layer of supply monopolies, predominantly owned

by multinational corporations. This potentially jeopardizes access, use and ownership of germplasm, especially indigenous ones. A key concern is that the seeds which are readily available, accessible and affordable are generally hybrid or genetically modified. This is a direct threat to the resilience and food sovereignty of smallholder farmers who depend on indigenous seed for the traditional practice of seed saving.

## **6. Access to agricultural finance**

Affordable financing options are just not available to smallholder and women farmers in Southern Africa. Only 1% of women farmers access credit in Africa. They are regarded as high risk, lacking the collateral and business experience required to manage resources in a manner that provides dividends to financial institutions. SADC lacks a sufficient regulatory framework for finance and investment which targets poverty reducing dimensions.

## **7. The risks of climate change**

Sub-Saharan Africa is already negatively affected by climate change and the trend will continue to worsen in the future. Rising temperatures and increasing unpredictability of rainfall is reducing the yields of smallholder farmers. Climate change disproportionately affects women and smallholder farmers, through increased competition for scarcer resources and high vulnerability to disasters. Southern Africa is exceptionally susceptible given that almost 80% of national populations reside in rural areas and draw their living from agriculture, which is highly climate-dependent. An estimated 50-100 million people in Southern Africa may experience water shortages by mid-century. It is estimated that 80% of rangelands and rain-fed croplands in the region are degraded. Only 4% of the cultivated land in Southern Africa is under irrigation. Environment and natural resources management is not prioritized in policy. Overall, SADC member countries have not developed climate change policies in a coordinated manner. There are still significant policy gaps.

## **Practical policy recommendations**

These challenges call for the strengthening of certain policy aspects in the SADC RAP RF, especially as they relate to youth, women and smallholder farmers.

### **1. Implementation of complementary SADC Protocols**

Notably, all the protocols referred to in the RAP and

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<sup>1</sup> The SLRSF supports the formulation of land reform policies and the implementation of land reform in SADC Member States.

RF<sup>2</sup> have been in existence for longer than a decade, with very little progress in their implementation. Without their implementation, there are several interventions within the current SADC RAP and RF that would fall flat. These need to be determined and tracked under the implementation of the SADC RAP and RF. The methods of analyzing, monitoring and measuring these policies (including the SADC RAP and RF) also need to be developed. A policy shelved – is no policy at all.

Whilst appreciating the recommitment of countries to allocate 10% of national budgets to agriculture, we would like to see governments set progressive targets to achieve this.

## 2. Land reform

Land reform is a necessary political and economic exercise that must be at the heart of any inclusive development agenda, particularly in poverty and food security issues. Member States must ensure the land rights of youth, women and smallholders are secure. SADC must therefore:

- align land reform to commitments made under the African Union Framework and Guidelines on Land Policy in Africa, and;
- Operationalize and scale up the implementation of the SADC Land Reform Support Facility.

We would like to see a massive initiative to map and allocate land and issue title deeds to smallholder farmers, in particular women and youth, accompanied by an education campaign on the importance of land and why it should not be sold out to local elites and foreign investors.

## 3. Enhance smallholder productivity and market access

Member States should support efforts to increase smallholder productivity and incomes through:

- developing a harmonized common FDI regulatory and investment promotion framework that is aligned to the development parameters of the SADC RAP and RF;
- designing and effecting input support programmes / fair supply chains for smallholder farmers, especially women,;
- ensuring that a greater share of public agricultural budgets are allocated to policy interventions targeting smallholder and women farmers;
- promoting and supporting the design and implementation of targeted skills development programmes for small scale producers and women that improve their capacity to engage in agricultural

value-addition and therefore increase their market competitiveness;

- ensuring national budgets provide for the construction and development of infrastructure for agriculture including rural road networks, ICT technologies, power generation and supply,
- investing in improving secure and reliable access to water for small scale production through water-harvesting and irrigation schemes that reach smallholder farmers;
- providing subsidies for enhancing access to affordable socio-economic infrastructural facilities and services for smallholder farmers, especially women,;
- strengthening national and regional Agricultural Marketing Information Services to enhance timely, demand-driven collection, analysis, storage, and effective dissemination of agricultural marketing information. Agricultural data should be disaggregated by gender to enhance its relevance and use;
- providing market support services and rural marketing infrastructure, which specifically targets smallholder farmers, especially women.

## 4. Improve availability, affordability and access to finance for smallholder and women farmers

- Member States must strive to formulate alternative agricultural financing options that target smallholder farmers, especially women and youth. The primary principles in the formulation and provision of these finance options should include; women empowerment, affordability (fair interest rate) and improved access.
- Member States should generally amend or enforce laws to ensure women's financial rights, particularly their rights to property, wages or inheritances, and work to improve basic social services for women and their families.

## 5. Making trade deliver for smallholder agriculture

While the SADC Protocol on Trade is expected to cover the basic requirements for boosting agricultural trade, more specific interventions targeting smallholder agriculture are required:

- SADC should review and harmonize existing competition policies in the region.
- SADC must work towards the establishment of a regional competition policy institution that regulates and monitors cross-border cartels, regional monopolies and monitor other market irregularities;
- Agricultural investment guidelines should be developed to promote the principles of transparency and accountability in public tender and procurement

<sup>2</sup> Protocols on; Fisheries (2001) forestry (2002) environment; Shared Water Courses (2000) Transport, Communications and Meteorology (1996); Trade; Wildlife (1999), Energy (1996), (SADC, 2014).

processes. Not only should they protect the interests of smallholder farmers, but they should give them business opportunities within the investment framework at the national and regional level.

## **6. Increasing investment for inclusive agriculture R&D and extension advisory services**

Under R&D and extension services, particular attention should be given to addressing the loss of biodiversity, soil degradation, water pollution and climate change associated with intensified agriculture by prioritizing agro-ecological approaches which privilege traditional knowledge. Therefore, the SADC RAP and RF should include:

### ***Research and Development (R&D)***

- Member States should invest in R&D to develop and share innovative agro-ecological farming techniques.
- Agricultural R&D institutions must have measurable targets established by local and national level needs assessments.
- Member States must facilitate the establishment and strengthening of R&D partnerships which include collaboration between poor farming communities (with the specific inclusion of female farmers), extension services and agricultural scientists.

### ***Extension services***

- SADC should enforce the new approaches to extension which emphasize three elements;
  - i. the identification of strategies to develop agricultural innovation systems (AISs),
  - ii. ensuring pluralism of service providers. Member States should provide technical and financial support to agricultural training programmes / institutions earmarked to reach women and smallholder farmers. There is need to also increase the number of women extension officers.
  - iii. ensuring that extension services are 'demand-driven'. Extension services should be aligned to the differing needs, capabilities and capacities of male and female farmers.

## **7. Integrate sustainability and climate resilience into national agriculture plans**

The risks of climate change are real and demand a robust response. Therefore Member States should strive to:

- adopt the Integrated Rural Development Strategy;
- promote agro-ecological farming practices based on traditional farming knowledge and technologies and infrastructure to increase the resilience of vulnerable farmers, including systems for irrigation;

- strengthen the formation and implementation of sustainability plans and early warning systems (EWS);
- broaden EWS to cover food availability, access to food, information on staple food markets and crop and livestock pests and diseases;
- develop a cohesive and comprehensive disaster risk management/ reduction framework that goes beyond just food security;
- provide incentives for facilitating production shifts to food products; and
- develop and harmonise effective climate change adaptation actions.

## **8. Strengthening stakeholders' participation in policy processes**

The SADC Treaty makes specific provisions for a participatory process that "*encourages the people of the region and their institutions to take initiatives to develop economic, social and cultural ties across the region, and to participate fully in the implementation of the programmes and projects of SADC*" (Article 5.2.b). In this regard, Member States should work towards;

- institutionalizing the participation of key non-state agricultural stakeholders, especially youth, women and smallholder farmers in policy processes at the national and regional level;
- assisting smallholder farmers, particularly female farmers, to join and actively participate in existing networks for agricultural communities, or to create their own traditional or virtual networks, at the local, national and international levels.

## **Conclusion**

Smallholder farmers have an empirical record of agricultural growth that suggests that, indeed, much higher farm output can be achieved largely through smallholder development – as was the case in the Asian green revolutions. Providing public policies and incentives in critical areas is 'hard hitting' and can prove to be effective. These services include enhancing the access of smallholders, youth and women to productive resources, extension services, finance and markets, and building their resilience against the risk of climate change. These interventions create a concise strategy to enhance food security and reinforce development efforts for employment creation, income stability and security at the household level. They would also help achieve improved levels of equity and equality – beginning with more than 60% of the SADC citizenry that derive a direct means of living from agriculture. This is something that currently, no single employment creation strategy or social security scheme offers.