Horn of Africa Response
Medium and Long Term Agriculture and Food Security Investments

In the medium and longer term, the international community needs to advocate, seek and plan for **assured multi-year funding for livelihood restoration programs** with vulnerable, crisis-affected and at-risk populations to restore the health and skills of people, enable access to financial resources, restore productive assets, protect and enhance natural resources and generate an enabling political and economic environment in order to reduce disaster risk.

The participatory, evidence based and Africa- and country-led CAADP process is the most appropriate vision and strategic framework for sustainable livelihood development in Africa. Donors and national governments were encouraged to further invest in the completed CAADP national agriculture investment plans for Ethiopia, Kenya and Uganda, to support the early completion of the ongoing CAADP planning in Djibouti and Sudan and to assist Eritrea Somalia and South Sudan to quickly initiate their CAADP processes. The meeting also encouraged the countries of the HoA to view the CAADP as an ongoing process involving regular updating of strategies and plans, paying particular attention to issues of gender, livelihoods sustainability, climate change adaptation and mitigation and disaster risk management and crisis response.

There are other government endorsed investment frameworks that also exist including the the National Medium Term Investment Programme (NMTIP), the Bankable Investment Project Profiles (BIPPs) and the Sirte Water for Agriculture and Energy in Africa report, prepared in cooperation with the New Partnership for Africa's Development (NEPAD) that can be used as a basis for investment programs.

The investment recommendations contained in these plans are in line with the key recommendations of the 2001 Crisis in the Horn of Africa Report, namely:

- increasing investment to reduce the vulnerability to water scarcity in a sub-region where only 1 percent of arable land is irrigated and the livelihood of 80 percent of the population is based on crop and livestock production;
- broadening opportunities for sustainable livelihoods;
- protecting and enhancing the natural resource base;
- improving markets and strengthening regional trade policy and integration;
- applying social safety nets to protect the most needy;
- improving emergency prediction and early response capability;
- strengthening governance and mitigating conflict;
- enhancing access to basic services – water, health and education; and
- using community driven approached to achieve these outcomes.

Djibouti

1. As part of the Horn of Africa Consultations on Food Security, Djibouti's 2004 national poverty reduction strategy paper (*Le cadre stratégique de lutte contre la pauvreté*) identified key priorities for food insecurity: disaster risk management, including vulnerability mapping; sustainable water and soil management; agropastoral development; artisanal fisheries development; community development; and nutrition in food security.

2. The Government's 2007 National Programme for Food Security (NPFS) addressed the sub-sectors of agriculture, livestock, fisheries and water. The 2007 National Food Security Strategy and 2009 Plan of Action (*Programme National de Sécurité Alimentaire*), focus on securing food supplies and reducing vulnerability to shocks (drought, flooding, inflation, regional conflict, etc.). The strategic framework, developed with support from the United States Agency for International Development and FAO, has two complementary components: (i) prevention and management of crises and (ii) structural food and nutrition security (linked to sustainable development policies, including the National Social Development Initiative, the NDIS).

3. The priorities of the Strategy are: (i) rationalize the management of resources; (ii) realize existing potentialities and reduce food dependence; (iii) ensure food access by vulnerable population groups; (iv) promote human resources and build capacities; and (v) promote the policy of information and impact assessment. The Plan of Action has been built around a coherent set of twelve priority programmes/projects to be submitted to donors against an overall cost estimated at USD 104 million. The programme is considered within the larger framework of the INDS and has been developed in line with the CAADP principles, thereby serving as the basis for the CAADP investment plan; work continues on the development of a CAADP Country Compact.

Eritrea

4. The 2006 Horn of Africa Consultations on Food Security identified priority activities for tackling food insecurity in Eritrea: (i) disaster risk management and response, including vulnerability assessments; (ii) sustainable land and water management; (iii) community-based rural infrastructure and support services; (iv) access to basic education in food insecure areas; (v) safety nets and social protection schemes for the most vulnerable; (vi) nutrition and food security; (vii) livelihood diversification; and (viii) HIV/AIDS and food security. The food security policy seeks to promote domestic crop and animal production which is competitive against imports. Land and agrarian reform, agricultural marketing, rural finance, extension services, natural resources management, reform of agro-industries, and seed development are important policy concerns, as are issues of coordination and the cooperation of different government and non-governmental bodies.

5. An Agriculture Sector Strategy and Policy is awaiting Government endorsement while a food security concept paper has not been received positively by the Government. This might be due to the fact that the Government considers the Agriculture Development Programme (2008–2011) as the road map for achieving greater food security.

Ethiopia

6. The Policy and Investment Framework (PIF) 2010–2020 provides a strategic framework for the prioritization and planning of investments that will drive Ethiopia's agricultural growth and development. It is designed to operationalize the CAADP Compact. The PIF is a ten-year road map for development that identifies priority areas for investment and estimates the financing needs to be provided by the Government and its development partners. It is anchored to, and aligned with, the national vision of becoming a middle income country by 2020 together with a number of key policy and strategic statements. The agriculture sector budget is expected to grow from around USD 0.7 billion in 2010–11 to as much as USD 1.7 billion per annum by the end of the PIF period. Additional investments of around USD 6.2 billion are also foreseen. On this basis, the total budget over the ten-year PIF would be in the vicinity of USD 18 billion, of which around USD 2.5 billion is already committed under existing programmes and projects. Most of the additional USD 15.5 billion of funding will be required during the second half of the PIF period. The PIF identifies four main themes, each with its own Strategic Objective and major investment programmes and projects: productivity and production (USD 7.25 billion) representing almost half of the projected investments; rural commercialization (USD 992 million), natural resource management (USD 3.0 billion) and disaster risk management and food security (USD 3.1 billion). Priority investments have been identified to be financed jointly by the Government and development partners. On the basis of Government funding 60 percent of costs and donors funding 40 percent, this indicates a contribution of around USD 9.3 billion from the Government and USD 6.2 billion from donors. A lower economic growth scenario would reduce the contributions to around USD 7.7 billion and USD 5.1 billion from the Government and donors respectively.

Kenya

7. Kenya's Medium-Term Investment Plan (MTIP) for Growth and Food Security through Increased Agricultural Productivity and Trade: 2010–2015 is based on the country's Agricultural Sector Development Strategy (ASDS), whose development process fulfilled specific requirements for developing the Kenya CAADP Compact. The aim of the ASDS and the MTIP is to achieve enhanced productivity in key subsectors through targeted investments. Given the central role of agriculture in Kenya's economy, such investments would contribute to GDP growth, poverty reduction, and food security enhancement that match national targets.

8. The proposed portfolio of investments requires KES 247 billion (USD 3.09 billion) over a five-year planning horizon to 2015. Investment areas aimed at "increasing productivity, commercialization and competitiveness" (USD 1.1 billion) and "promoting sustainable land and natural resources management" (USD 1.3 billion) together account for more than three-quarters of the budget. Targeted investments will be made according to agro-ecological zone, differentiating between high rainfall areas, semi-arid lands and arid lands. Investments for "promoting private sector participation" (USD 368 million), "increasing market access and trade" (USD 247 million), "reforming delivery of agricultural services" (USD 31 million) and "ensuring effective coordination and implementation" (USD 15 million) account for the balance. Spending will rise progressively over five years. In line with the Maputo Declaration, the Government of Kenya has committed to increasing its agricultural spending level by 30 percent by 2015, to KES 36.04 billion, for a total contribution of KES 161.22 billion; 65 percent of the budget.

Somalia

9. The Joint Needs Assessment carried out in 2005/06 led to the subsequent formulation of the Reconstruction and Development Plan (RDP), which outlines the current situation in Somalia. Resulting from the Horn of Africa Consultations on Food Security, the following indicative priority areas for action were identified: livelihood strategies, institutional arrangements and the enabling environment. Priorities for scaling up of potential programmes included: environmental protection and rehabilitation of degraded land; infrastructure development; and capacity building and institutional development. The consultations further highlighted the need to build partnerships between the government and different stakeholders with a view to revitalizing the appropriate institutions responsible for food security issues (agriculture, health, disaster management, etc.), both for short- and longer-term responses.

10. FAO, through a consultative process, has developed a five year strategy 2011–2015 to improve livelihoods and food security in Somalia. The strategy identifies six strategic areas for action: (i) increasing and stabilizing agricultural production and productivity and rural families' incomes; (ii) improving profitable and sustainable utilization of livestock resources; (iii) Sustainable fishing for increased incomes of fishing communities and fishermen; (iv) Managing natural resources for recovery and sustainable use; (v) supporting Public/Private Partnerships and local institutions and groups; and (vi) improving preparedness. The following cross-cutting themes have also been identified: environment; gender; youth; and drivers of conflict. The strategy will be operationalized through annual Plans of Action.

11. The Strategy puts a strong emphasis on fighting poverty as poverty is considered as the main driver of the past and current conflicts. Central to this emphasis is the understanding of the socio-economic impact of poverty on the lives of Somali men and women. Agriculture (and livestock)-led growth, complemented by income- generating activities and diversification, is the basis on which families' income will be restored and building back better local economies will rest upon. The principle of building back better calls for a linkage at the early stages of humanitarian responses between short-term humanitarian actions and longer-term development interventions. FAO's cooperation and coordination with bilateral and multilateral organizations working in Somalia will build on linking short-term humanitarian actions to long-term development ones.

12. The Strategy is, therefore, based on a holistic cooperative approach that calls for the involvement of a variety of actors and partnerships with the private sector and locally based institutions that over the past years have been the main provider of services to local populations. Traditional knowledge has an important role for the Strategy as it devised, throughout Somali history, natural resource management systems and survival strategies that allowed Somalis to cope with risks and shocks. Future interventions will learn from and be built upon traditional coping and survival strategies. At the same time the Strategy advocates for interventions that do no harm and defuse drivers of conflict.

13. The Strategy is influenced by the high degree of insecurity in the country and therefore risk management features prominently in the Strategy to adapt the design and implementation of interventions.

The Sudan

14. The separation of South Sudan has drastic implications for the Sudan's socio-economic and demographic features. With the independence of Southern Sudan on 9 July 2011, the oil fields located south of the 1956 international borders will fall within the borders of the new nation. This means a reduction in oil revenues channelled to the Government, with about 73 percent of the total oil revenues generated in the south. The composition of GDP in North Sudan will change and might tend towards that of the pre-oil period. The agriculture sector is expected to reassume a leading role after it had earlier retreated. The Government will return to a stronger focus on this sector through more investment and favourable policies, which will ultimately boost the supply of agricultural products. The focus of interventions in the sector will be to improve yields, particularly of cotton, wheat, sorghum, rainfed groundnut and sesame, and livestock products. In order to achieve the production targets, a set of macropolicies and sectoral policies need to be implemented. One important strategic policy to be adopted relates to the diversification of production and opening up of new markets, leading to increased growth in the agriculture sector with the ultimate goal of poverty reduction. Other areas for policy improvements include agricultural marketing, credit and livestock production and marketing. Improved infrastructure is required to provide incentives to traditional farmers to invest in improved technology and to increase production.

15. The authorities of North Sudan are currently preparing an Interim Poverty Reduction Strategy Paper (I-PRSP), and plan to subsequently develop a full-fledged PRSP. The preparation of the draft I-PRSP document is led by a mutlisectoral Technical Committee. The authorities target to have a draft version of the I-PRSP ready for consultations with national and international stakeholders after the formal secession. Two other PRS-related committees have been formed to support the subsequent preparation of the full-fledged strategy.

16. The Agricultural Revival Programme (ARP) of 2007–2011 presents the development and strategies for agriculture, fisheries, food security and rural development for the whole of Sudan. The ARP prioritized its programmes in the following order: (i) basic infrastructure; (ii) raising the capacities of producers; (iii) supporting services; (iv) protection of natural resources; (v) food security; (vi) raising productivity and reducing cost of production; (vii) raising the efficiency of the agricultural public schemes; (viii) modernizing and improving the farming systems; and (ix) rural agro-industry programmes. The National Food Security Action Programme (NFSAP) has been endorsed by both the Government of Southern Sudan and the Government of National Unity. They both requested FAO to assist in convening a donor conference to fund the programme. The NFSAP is expected to be updated by the Sudan Institutional Capacity Programme: Food Security Information for Action during 2011.

17. In October, 2010, FAO Sudan launched the two-year Plan of Action for North Sudan. The Plan of Action has a budget of over USD 45 million covering 12 programme profiles for implementation in Greater Darfur, the Three Transitional Areas, the Eastern States, Northern States and Khartoum. The programme adopts a disaster risk management approach for the complex situation in Sudan. It will expand on FAO's existing response activities into a broader focus on people's livelihoods and resilience strategies, while building institutional capacity to prevent, protect and restore livelihoods.

South Sudan

18. In early 2011, the Government of Southern Sudan embarked on a process of developing a broad-based and multisectoral plan for an interim post-Comprehensive Peace Agreement period of 2.5 years (July 2011 to December 2013). The Southern Sudan Development Plan (SSDP) is conceived as a first step towards achieving security, development, economic growth and poverty reduction. Against this background, the FAO Interim Assistance Plan (IAP) is embedded in the SSDP principles and highlights the respective priorities set in the areas of increasing food security and poverty alleviation, and for building the foundation for long-term agriculture development. The IAP funding needs are USD 42.8 million and are divided between two priority areas: food security and livelihood responses (USD 16.5 million) and agriculture sector recovery and rehabilitation (USD 26.3 million). The IAP is not a sectoral investment plan linked to national budget; rather, it presents several concept notes addressing specific issues under the two identified priority areas. The IAP is expected to guide both Government budget allocations and the allocation of development partner support from July 2011 until the end of 2013.

Uganda

19. The Agriculture Sector Development Strategy and Investment Plan (DSIP): 2010/11–2014/15 has packaged its activities and investments under four programmes representing the key areas of opportunity. As in the past, the DSIP will be operationalized through the three-year Medium-Term Expenditure Framework (MTEF). New budgeting procedures introduced for 2010/11, including the requirement for signed performance contracts, are expected to lead to more performance monitoring and better budget discipline. The DSIP presents two budgets: the "ideal" budget which reflects what Ministry of Agriculture, Animal Industry & Fisheries would like to do if it had sufficient funds, i.e. if it had funds closer to the CAADP target of 10 percent of the national budget. The total cost of the five-year programme is UGX 2,731 billion (USD 970 million). The second budget is linked to the actual budget ceiling allocated to agriculture in the MTEF. In 2010/11, the MTEF for agriculture has been agreed at UGX 342 billion (USD 122 million), with authorization to project subsequent years to rise at a further 10 percent per annum. It is on this basis that another (MTEF-related) budget has been prepared for DSIP, which is approximately 25 percent below the ideal budget, totalling UGX 2,089 billion (USD 742 million). The sub-programmes under the MTEF related budget over five years are: production and productivity (UGX 1,253 billion) (USD 445 million) representing 60 percent of the total budget; market access and value addition (UGX 660 billion) (USD 235 million); enabling environment (UGX 114 billion) (USD 41 million); and institutional strengthening (UGX 62 billion) (USD 22 million). Previous delays in disbursement of large (donor-funded) programmes have encouraged the move towards a SWAP, which is currently ongoing and supported by various development partners.

20. Equally important is the support to the Government's efforts in terms of climate change adaptation and mitigation. These include implementation of the NAPA, strengthening of the Climate Change Unit within the Ministry of Water and Environment, and strengthening district-level capacity in terms of adaptation. Support to national strategies and policies in the forestry sector (including the REDD national strategy) is also crucial.

21. In terms of disaster risk management, the Government has recently approved a Disaster Preparedness Strategy that will also need support for its implementation at the national and local levels.

Investment needs for water development in the Horn of Africa

The Sirte Assessment[1]

1. The High-Level Conference on Water for Agriculture and Energy in Africa: the Challenges of Climate Change provided an opportunity to discuss water development projects within the framework of the CAADP. It specifically focused on concrete programmes and the assessment of their financing costs, both in terms of feasibility studies and the implementation of works. The Conference preparation included the production of National Investment Briefs for all the African countries, in which estimated investment needs for agriculture and energy were developed, providing updated estimates for investment needs at national, regional and continental levels. The compiled project portfolios have been reviewed and validated by governments' representatives on the occasion of the five Regional Workshops held prior to the Conference, in which national and regional representatives from the water, agriculture and energy sectors participated.

Djibouti

2. Total investment required for the three categories of water structures rehabilitation and development activities amounts to USD 69.1 million. Djibouti's irrigation potential is estimated at 2,400 ha, although the available water resources are limited. The actual area under development is about 110 ha.

Time scale	Type of investment (million USD)			
	Small scale water control	Rehabilitation of irrigation	Large scale hydraulic projects	Total
Short-term	3.6	3.2	2.2	9
Medium-term	26.9	7.5	6.3	40.6
Long-term	13.5	0.2	5.8	19.5
Total	43.9	10.9	14.3	69.1

* Updated in 2009

3. A number of pipeline projects were identified, focussing on improvement of water management (USD 1.1 million), the development of oasis agriculture (USD 1.1 million) and the promotion of farms based on irrigated agriculture using improved technology and farming methods (USD 0.8 million).

Eritrea

4. Total investment required for the three categories of water structures rehabilitation and development activities amounts to USD 160.4 million. Eritrea's irrigation potential based on water availability was estimated at estimated at 187,500ha. The total land area developed for irrigation is about 22,000 ha, while 12,500 ha is cultivated for producing a variety of high value agricultural crops.

Time scale	Type of investment (million USD)

[1] http://www.sirtewaterandenergy.org/docs/2009/E(Sirte_2008_INF_6).pdf

	Small scale water control	Rehabilitation of irrigation	Large scale hydraulic projects	Total
Short-term	11.3	1.8	4.0	17
Medium-term	70.3	17.5	32.0	119.8
Long-term	6.2	7.7	9.6	23.5
Total	87.8	27.0	45.7	160.4

* Updated in 2009

5. There are 4 bankable investment projects included in the Eritrean Project Portfolio which were already prepared with an irrigation component. These projects range from USD 21 to USD 54 million. The ongoing projects range from a total cost of USD 6 million to USD 30 million. The pipeline projects range from about USD 1 million to more than USD 100 million.

Ethiopia

6. Total investment required for the three categories of water structures rehabilitation and development activities amounts to USD 7.8 billion. Net irrigation potential of Ethiopia has been estimated at 2.23 million ha. The total area irrigated up to 2001 was 290,000 ha. The maximum irrigation area estimated to be currently under irrigation is about 10 percent of the gross irrigation potential. This means that the irrigation sub-sector, despite its huge potential, is grossly under-developed, with irrigated agriculture accounting for merely 3 percent of the country's total food production.

Time scale	Type of investment (million USD)			
	Small scale water control	Rehabilitation of irrigation	Large scale hydraulic projects	Total
Short-term	206.7	50.6	279.8	537
Medium-term	693.7	177.3	5434.1	6305.2
Long-term	0.4	0.3	935.1	935.8
Total	900.9	228.2	6649.0	7778.1

* Updated in 2009

7. Currently, there are 11 project profiles already prepared with a large water component that range from USD 46 million for a crop production project to USD 2.6 billion for the construction of a hydropower project. Finally, there are 10 ongoing irrigation and hydropower projects, financed through different donors ranging from about USD 42 million to about USD 2.2 billion.

Kenya

8. Total investment required for the three categories of water structures rehabilitation and development activities amounts to USD 6.8 billion. Kenya's irrigation potential was estimated at 539,000 ha. By 2008 only 119,200 ha had been developed. Kenya continues to rely on rainfed agriculture for production of foodstuffs and other marketed crops. In Vision 2030, the area under irrigation is targeted to increase by 140,000 ha, while water storage per capita is to increase to 16 m^3 (from the current 8 m^3) by 2012.

Time scale	Type of investment (million USD)			
	Small scale water control	Rehabilitation of irrigation	Large scale hydraulic projects	Total
Short-term	908	351	1504	2763
Medium-term	399	73	1825	2297
Long-term	50.7	0	1658	1708.7
Total	1357.7	424	4987	6768.7

* Updated in 2011

9. The Kenyan Project Portfolio includes 74 ongoing projects and 60 pipeline projects. The ongoing projects range from less than USD 1 million to about USD 820 million, adding up to a total of USD 3.8 billion. The pipeline projects have, on average, larger investment costs and range between a minimum of USD 1.2 million to a maximum of about USD 880million, coming to a planned total of USD 4.1 billion.

Somalia

10. Total investment required for the three categories of water structures rehabilitation and development activities amounts to USD 7.7 million. Somalia has great potential for irrigation along the two perennial rivers: Juba and Shabelle. In 1988, it was estimated that 112,950 ha of land was under controlled irrigation. The irrigation infrastructure, however, collapsed slowly after the civil strife. None of the ten pre-war barrages along the Shabelle is fully operational at present, while canals are silted and over grown by vegetation, mainly due to neglect and lack of maintenance. Less than 50 percent of the pre-war irrigation schemes in southern Somalia are currently operational. In the mountainous regions in north-west Somalia, small pockets of land are cultivated along the seasonal streams or irrigated from boreholes and springs.

Time scale	Type of investment (million USD)			
	Small scale water control	Rehabilitation of irrigation	Large scale hydraulic projects	Total
Short-term	2.8	3.0	1.2	7
Medium-term	0.2	0.3	0.2	0.7
Long-term	0.0	0.0	0.0	0.0
Total	3.1	3.3	1.3	7.7

* Updated in 2009

11. The Project Portfolio of Somalia is rather limited due to the civil strife in the country. There are only 7 on-going and pipeline projects. NEPAD-CAADP Investment Projections for Somalia amount to USD 858 million).

Sudan and South Sudan

12. The Sirte Conference occurred prior to the independence of South Sudan and no breakdown is available between the respective countries. Total investment required, combining the investment needs for The Sudan and South Sudan, for the three categories of water structures rehabilitation and development activities amounts to USD 2.8 billion. The total irrigable land of Sudan and South Sudan was estimated to be 2.79 million ha in 2007. The total area equipped for irrigation is estimated to be around

1.86 million ha, but only about 43 percent of the irrigation-equipped area is actually irrigated.

Time scale	Type of investment (million USD)			
	Small scale water control	Rehabilitation of irrigation	Large scale hydraulic projects	Total
Short-term	6.5	1.6	4.4	12
Medium-term	106.9	109.3	1089.4	1305.6
Long-term	23.5	74.5	1421.3	1519.3
Total	136.9	185.4	2515.1	2837.4

* Updated in 2009

13. The Sudan and South Sudan Water Project Portfolio includes 20 on-going and pipeline projects that range from an irrigation rehabilitation project of USD 17.8 million to the Marewo Project of USD 1.9 billion. There are 4 bankable water related projects, totalling around USD 150 million, which have been identified for immediate implementation under the NEPAD-CAADP initiative. At least three other large dam projects have been identified for the medium to long-term periods.

Uganda

14. Total investment required for the three categories of water structures rehabilitation and development activities amounts to USD 2.2 billion. The total potential irrigable area in Uganda is estimated at around 90,000 ha. Only 9,150 ha (i.e. around 10% of the total irrigable area) is equipped for irrigation, and only 65 percent of the irrigation equipped area is actually irrigated. Though most of Uganda's agriculture is currently rain-fed, the increasing incidences of droughts and the general increase in food demand as a result of the high population growth has prompted farmers to adopt innovative measures of water harvesting to boost their farm production. These measures include among others: collection of runoff from rooftops into storage structures; impoundment of surface runoff into reservoirs; deep tillage to prevent runoff; and percolation furrows in horticultural crops to enhance in-situ replenishment of soil moisture.

Time scale	Type of investment (million USD)			
	Small scale water control	Rehabilitation of irrigation	Large scale hydraulic projects	Total
Short-term	5.3	3.4	23.2	32
Medium-term	38.9	15.7	2016.4	2070.9
Long-term	9.5	0.0	49.6	59.1
Total	53.7	19.1	2089.2	2162.0

* Updated in 2009

15. The country Project Portfolio includes 15 on-going and pipeline water sector projects that range from an Energy Advisory Project of a few million dollars to a mega hydropower project that costs USD 360 million. In the large scale category of on-going and identified projects there are some mega-size hydropower projects such as Bujugali Hydropower (USD 800 million). The overwhelming majority of projects envisaged for the long-term consist of more large and small scale hydropower projects.