



Monitoring African Food and Agricultural Policies (MAFAP)

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Background

In the past decade, economic growth in Africa has been relatively strong, with incomes per person growing on average by almost five per cent per year. Yet the food and agricultural sector has not fared as well, and opportunities to capitalise on Africa's ample resources and potential have been missed. Unless policies change and resources are used more effectively, it is projected that the prevalence of poverty and the number of undernourished people will continue to increase.

In this context, there is a need for increased investment in the food and agricultural sector, along with supportive government policies and appropriate assistance from development partners. For those elements to be put in place, there is a clear need to assess regularly the extent of, and reasons for, the sector's underdevelopment, and to identify the role that improved policies and investments can play – both within the agricultural sector and in related areas, such as transportation and communications. The **Monitoring African Food and Agricultural Policies (MAFAP)** project seeks to fulfil this information need.

Project Objective

The MAFAP project intends to help African policy-makers and other stakeholders ensure that policies and investments are fully supportive of agricultural development, the sustainable use of natural resources and enhanced food security. It aims to support decision-making at national, regional and pan-African levels, and thereby contribute to the Comprehensive Africa Agriculture Development Programme (CAADP) of the New Partnership for Africa Development (NEPAD).

Project Outcomes

To achieve its objectives, the project seeks to achieve the following outcomes:

- (i) A monitoring system providing consistent and comparable information on African food and agricultural policies, market development gaps and public expenditures is developed;
- (ii) This information helps support improved policy dialogue at national, regional and international levels;
- (iii) Participating countries and their development partners define a scaling-up strategy to support systematic and sustained monitoring of African food and agricultural policies.

The information generated through MAFAP will assist African governments in not just fulfilling their commitments to increase the share of national budget devoted to agriculture and rural development, but also in allocating resources effectively. Development partners will also benefit from information to improve their capacity to offer policy advice and allocate investments. It is expected that the project will contribute to the formulation and implementation of CAADP Compacts.

Project Outputs

To achieve the expected outcomes, the project will produce the following outputs:

- A flagship report on *Monitoring African Food and Agricultural Policies* in 2012 (and triennially thereafter).
- In-depth *country reports*, which will be based on the project's methodology, and will be undertaken for five countries.
- Country policy review papers for an additional five countries, which will include estimates of how government

policies affect incentives and disincentives within the food and agricultural sector.

MAFAP Methodology

The monitoring reports and accompanying countries analyses will be underpinned by a set of indicators that are of value to policymakers, are consistent and comparable across countries, and can be computed on a regular basis. Two core types of indicator are envisaged:

(i) Measures of incentives and disincentives

This group of indicators will measure the extent of policy interventions in food and agricultural markets, and will be based on price gaps in major commodity chains, as well as in input markets. Explicit policy interventions will be contrasted with implicit disincentives from excessive costs or rents that could be reduced through appropriate investments or institutional reforms.

(ii) Measures of government expenditures in support of agricultural development

The project will also develop a disaggregated record of national budgetary transfers, with economically meaningful distinctions across areas that affect food, agricultural and rural development, and establish a correspondence between national expenditures and aid inflows.

A third category of *indicators of development and performance* will provide contextual and quantitative information on the socio-economic setting within which incentives and disincentives and public expenditures are analyzed. This

additional information, drawn from secondary sources, will be provided in the areas of sectoral performance; market structures; costs in output and input markets; poverty, inequality and food security; environment and natural resources; and health and human development.

Details of the MAFAP methodology and guidelines for implementation are developed in consultation with project partners. The methodology draws on a synthesis of past policy analysis work conducted in Sub-Saharan Africa and a methodology concept paper, both of which were discussed at a workshop in Rome in 2010 in the presence of many project partners.

MAFAP Approach

Throughout its duration, the project will:

- Work collaboratively with participating countries and other project partners in defining and implementing the project's methodology.
- Work at country level in conjunction with national experts and policymakers in participating countries.
- Operate in partnership and close relationships with other organizations, including the African Union, the NEPAD Secretariat, Regional Organizations and initiatives such as ReSAKSS, in order to institutionalize the monitoring process and to reinforce analytical capacities.

General Context

MAFAP is part of a broader endeavour to improve capacities in monitoring of food and agricultural policies in African and other developing countries, drawing on expertise from several divisions within FAO and OECD in collaboration with technical and institutional partners in participating countries and other institutions.

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