



Monitoring African Food and Agricultural Policies

<http://www.fao.org/mafap>

MAFAP
SPAAA



*Building a Sustainable
System for Monitoring
Food and Agricultural
Policies in Africa*



“MAFAP is one of the most important programs monitoring agriculture policy in Africa today. By comprehensively tracking various aspects of the policy process – from expenditures to development outcomes – it informs agriculture policy in a unique way.”

- Prabhu Pingali, Deputy Director of the Agriculture Development Division, Bill and Melinda Gates Foundation

“MAFAP is expected to become an element of the CAADP monitoring and evaluation framework.”

- Martin Bwalya, Head of the NEPAD Comprehensive Africa Agriculture Development Programme (CAADP)

“As FAO sets new priorities and promotes new models for its policy assistance work, MAFAP’s experience and achievements will help us build sustainable policy monitoring systems at country, regional and global levels.”

- Jomo Sundaram, Assistant Director General, FAO

“The WAEMU commission considers MAFAP to be an essential part of its efforts to monitor and evaluate food and agriculture policies in the African Union. Indeed, MAFAP’s tools and methodology, and the institutional framework it promotes, allow us to better understand and compare member states’ policies. We especially appreciate the project’s results in Burkina Faso and Mali, and strongly urge FAO to support MAFAP and expand it to all countries in West Africa.”

- Soumana Diallo, Permanent Secretary of the CRMV, Rural Development Department, West African Economic and Monetary Union (WAEMU)

MAFAP IN A NUTSHELL

Monitoring African Food and Agricultural Policies (MAFAP)

FAO is working with national partners to set up a sustainable system for monitoring the impact of food and agricultural policies for the first time in Africa. Through MAFAP, FAO has developed common indicators for monitoring key commodities and public expenditure in agriculture. This helps policy makers and donors understand if policies are having a positive impact and compare results across countries and over time.

The challenge

After several decades of declining investment in agriculture and the recent crisis caused by high food prices, policymakers and investors are paying renewed attention to agriculture and food security. Interest is strong in developing countries, especially in Africa, where production has not kept pace with the rapidly growing demand for agricultural products.

Although decision makers recognize that appropriate policies and adequate public spending are critical for closing this gap, evidence to support decision making is often limited in Africa.

MAFAP's contribution

Building a unique system for monitoring national food and agriculture policies

MAFAP produces a common set of indicators that can be used to measure the impact of policies on different commodities, countries and over time.

Meeting the needs of policy makers and donors who seek solid evidence about the impact of policies

Using comparable quantitative indicators makes it easier to understand the impact of policies.

Focusing on country ownership to make it sustainable

MAFAP is unique in its focus on country ownership and partnerships to establish a sustainable policy monitoring system. It collaborates closely with national institutions to develop capacity and make policy monitoring an integral part of their regular work.

Assessing the impact of national policies and how they compare with similar policies in other countries

Having common quantitative indicators increases transparency and makes it possible to compare policies across countries. Having objective results empowers people affected by policies, and farmers in particular, in their interaction with governments and donors.

Strengthening ongoing policy processes and initiatives

MAFAP builds on existing efforts at the regional level such as the Comprehensive Africa Agriculture Development Programme (CAADP). For example, it provides feedback on how well countries are fulfilling their "CAADP compacts" and if they are meeting CAADP targets for public expenditure in agriculture. This information feeds into policy dialogue at the regional level.



Mozambique: Farm workers carrying harvested maize back to the village for processing. In-depth commodity reports for maize are available for all MAFAP countries.

How MAFAP information is used

The system provides regularly updated analyses to African governments seeking to :

- improve policy frameworks for producers and consumers;
- prioritize investments to increase agricultural production and improve farmers' incomes and food security;
- better target the share of the national budget devoted to agriculture and rural development; and
- more effectively allocate the agricultural budget's resources.

Development partners can use this information to:

- improve policy advice; and
- identify investment opportunities that will have a positive impact on agricultural sector performance.

Where we work

MAFAP partner countries are Burkina Faso, Ethiopia, Ghana, Kenya, Malawi, Mali, Mozambique, Nigeria, Tanzania and Uganda.

MAFAP is supported by the Bill and Melinda Gates Foundation and USAID.

MEASURING POLICY IMPACT

The challenge

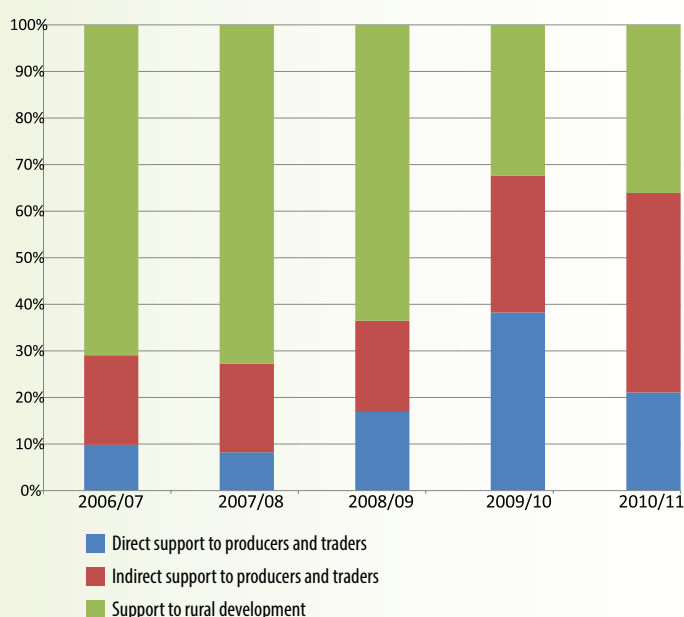
Every country has policies which directly or indirectly affect agricultural development. The way these policies interact can support or hinder agricultural growth. However, until MAFAP was implemented, policy impact was not measured in a systematic way in most developing countries. Furthermore, different indicators were used. This made it difficult to compare results for diverse commodities, countries and time periods.

Measuring how much of the national budget is spent on agriculture and how it is composed

MAFAP measures how much governments spend to support agriculture. This helps countries keep track of progress towards meeting the Maputo declaration objective of investing ten percent of the national budget on agriculture. MAFAP also provides a detailed analysis of how much is spent on agricultural research, infrastructure, subsidies and other components of the agricultural budget.

Based on this information, and on policy impact analysis, policy makers will have a better understanding of where additional investment can generate the biggest impact.

Figure 1. Composition of public expenditure for food and agriculture in Tanzania by type of support (2006 - 2011)



From 2006 to 2011, the Government of Tanzania invested more in rural development than in specific support to producers and traders. Indeed, spending on infrastructure in rural areas (roads, education, energy and health) was high. Combined spending on research, training and extension was greater than spending on input subsidies and other forms of direct support to producers. Support for rural development declined sharply between 2009 and 2011.

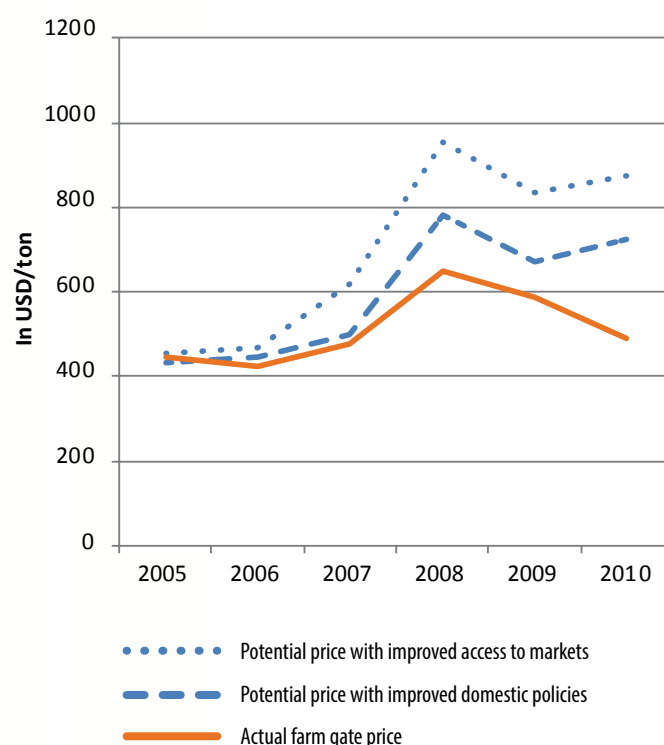
Measuring the impact of policies on prices

Previous studies on the impact of agricultural policies in Africa were carried out on a one-off basis. Recognizing the need for a more sustainable approach, MAFAP works with national institutions to make measuring and monitoring policy performance part of their regular work.

In particular, MAFAP measures how different policies and markets affect the prices farmers receive for their products and the prices consumers pay. It compares these prices with what they would be if current policies or constraints in access to markets did not exist. When there are big differences between incentives for farmers and consumers, MAFAP examines the causes of the disparity.

Based on a solid understanding of how prices are affected, MAFAP can help policymakers explore options for enhancing incentives aimed at supporting farmers, while keeping prices affordable for consumers.

Figure 2. Price of rice in Mali at the farm level (2005 - 2010)



From 2005 to 2011, and especially after the 2007-2008 price spikes, government policies kept prices received by farmers lower than what they could have been. This can be explained by the government's focus on consumer-oriented policies such as removing import taxes, subsidizing prices and setting price ceilings. Other constraints included producers' poor access to markets. Despite an increase in input subsidies for rice from 2008 onwards, MAFAP results suggest that the impact of these subsidies have been outweighed by other policies that favor consumers.

ASSESSING POLICY COHERENCE

The challenge

Agricultural development does not happen in a vacuum, but is affected by the overall policy environment. Even well designed policies may fail to work as expected if other policies contradict them. Furthermore, inadequate funding, weak infrastructure, lack of access to markets, and even corruption may reduce their effectiveness.

What MAFAP is doing

Through MAFAP, FAO tracks public expenditure related to agriculture and measures the impact of policies on the prices of key agricultural commodities.

MAFAP country reports provide policy makers with detailed assessments of:

- the impact of food and agricultural policies on producers;
- public expenditure to support food and agriculture; and
- whether these are consistent with other government policies and objectives.

Indeed, systematically comparing policy objectives, public expenditure and policy impact helps identify:

- opportunities for making policies more coherent; and
- priorities for investment.

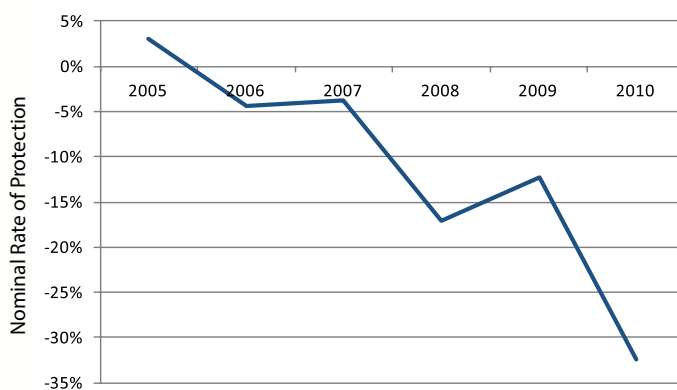
Analyzing Policy Coherence in Tanzania

In Tanzania, many farmers have difficulty accessing markets because of a lack of rural roads and storage facilities. MAFAP price analysis shows that:

- difficulty in accessing markets and a lack of infrastructure are the main reasons farmers do not produce more; and
- if these constraints were adequately addressed, farmers would be able to obtain higher prices for their products.

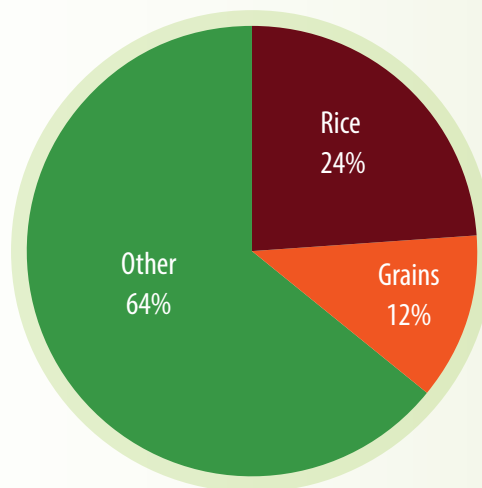
However, MAFAP's analysis of public expenditure in the agricultural sector shows that only one percent of the agriculture budget is spent on non-farm agricultural infrastructure and two percent on storage. Furthermore, the biggest share of direct support to producers goes to input subsidies. These inconsistencies draw attention to key investment opportunities, and provide an important input into the dialogue between donors and the government.

Figure 3. Policy support to rice producers in Mali through price incentives (2005 - 2010)



In Mali, MAFAP analysis reveals that current policies and public expenditure to support rice producers contradict each other. On one hand, the government and donors have allocated a large share of the agricultural development budget to support the production and marketing of rice (24 percent) and grains in general (12 percent). On the other hand, government policies reduced price incentives for rice producers between 2005 and 2010. Producers did not benefit from the international price surges of 2007 and 2008, mainly because the government eliminated import taxes and supported policies which kept rice prices low for rice consumers.

Figure 4. Share of agriculture specific public expenditure for rice, grains and other products in Mali (2005 - 2010)



Affordable food for consumers versus a fair income for producers: a policy maker's dilemma.

Developing a system for monitoring food and agricultural policies in Africa

The challenge: building a sustainable system

In Africa, there is limited systematically produced information to help governments understand the impact of policies and public spending. MAFAP bridges this information gap by working closely with national partners to set up a sustainable system for monitoring the impact of food and agricultural policies.

How?

- ▶ a practical methodology and common indicators, adapted to the African context, for measuring the impact of policies on agriculture;
- ▶ in-depth analyses of the impact of policies on the prices of key commodities and on farmers, traders, consumers and other people involved in value chains; and
- ▶ detailed analyses of public expenditure in agriculture.

MAFAP also develops the capacity of national partners in policy monitoring and publishes in-depth country and commodity reports (see table below).

MAFAP Country and Commodity Reports

	Burkina Faso	Ethiopia	Ghana	Kenya	Mali	Malawi	Mozambique	Nigeria	Tanzania	Uganda
Country Report	x	x	x	x	x	x	x	x	x	x
Public Expenditure Analysis	x		x	x	x				x	x
Cassava			x			x	x	x		x
Cocoa			x					x		
Coffee		x		x					x	x
Cotton	x			x	x	x	x		x	x
Cotton oil	x									
Fish										x
Groundnuts	x		x		x	x		x	x	
Gum Arabic	x									
Livestock	x			x	x				x	x
Maize	x	x	x	x	x	x	x	x	x	x
Milk		x		x	x	x			x	
Onion	x									
Palm oil			x					x		
Pulses										
Rice	x		x	x	x		x	x	x	x
Sesame	x	x								
Sorghum/Millet	x	x	x	x	x			x		
Sugar				x			x	x	x	x
Tea				x		x				x
Teff		x								
Tobacco						x	x			
Wheat		x		x					x	x
Yam			x							

Ethiopia

Preliminary results for grains such as teff, wheat and maize, have captured policy makers' attention and contributed to the debate on export bans and other policy measures. The MAFAP Secretariat is working to develop stronger partnerships with national research institutes such as the Ethiopian Development Research Institute (EDRI).

Mali

The Institut d'Economie Rurale (IER) plans to use MAFAP as a key component of its Policy Analysis Task Force. The IER is Mali's main agricultural research institute and is directly linked to the Ministry of Agriculture's planning unit.

Kenya

MAFAP's partners, the Kenya Agricultural Research Institute (KARI) and Kenya Institute for Public Policy Research and Analysis (KIPPRA), are actively engaged in policy related capacity building and analysis. KARI is setting up a new policy unit to perform MAFAP related work. Closer links have been forged with the Ministry of Agriculture's policy division which will play an important role in disseminating MAFAP results.

Uganda

The MAFAP monitoring and analysis system is well integrated into the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF). Two other partners - the Economic Policy Research Centre (EPRC) and the National Agricultural Research Organization (NARO) - also strongly contribute to the analysis.

United Republic of Tanzania (URT)

The local MAFAP team is composed of staff from the Ministry of Agriculture, Food Security and Cooperatives and the Economic and Social Research Foundation. MAFAP preliminary results were presented to the Agricultural Sector Working Group. MAFAP indicators are being considered for inclusion in the regular Agricultural Sector Monitoring and Evaluation Framework and the Performance Assessment Framework for the Basket Fund.

Malawi

In the last few years, Malawi has implemented important economic and agricultural policy changes. MAFAP collaborates with the Ministry of Agriculture and Food Security and a team of local experts to strengthen the country's capacity for monitoring and analyzing the impact of those reforms.

Ghana

The Ministry of Food and Agriculture's Policy Planning, Monitoring and Evaluation Directorate (PPMED) has strengthened its policy monitoring capacity. PPMED is also applying the MAFAP framework for better agricultural policies in Ghana. The Science and Technology Policy Research Institute (STEPRI-CSIR) provides additional support by conducting a MAFAP public expenditure analysis.

Nigeria

Nigeria is implementing a new Agricultural Transformation Agenda (2011-2015) to significantly boost its agricultural sector's growth. To support this initiative, the MAFAP team collaborates with the Federal Ministry of Agriculture and other partners to identify policy and investments gaps in key commodity chains.

Mozambique

MAFAP works with the Ministry of Agriculture and Ministry of Planning and Development. Preliminary results for maize, cassava and cotton were presented at a workshop and drew attention at the national level. MAFAP also works with the Ministry of Commerce and the Cotton Institute.

Highlight: MAFAP in Burkina Faso

In Burkina Faso, MAFAP works with the Rural Economics Division (DGPER) of the Ministry of Agriculture. DGPER, which is the division responsible for policy analysis, has been actively disseminating and raising awareness about MAFAP findings. Thanks to this, MAFAP results were presented by the Ministry of Agriculture at an international conference on agriculture, livestock and water. MAFAP results will provide key evidence to the discussion among policy makers from Burkina Faso and the region on:

- national, regional and international market access;
- agricultural value chain organization;
- policy coherence in Burkina Faso; and
- regional integration.

COMPARING POLICY PERFORMANCE

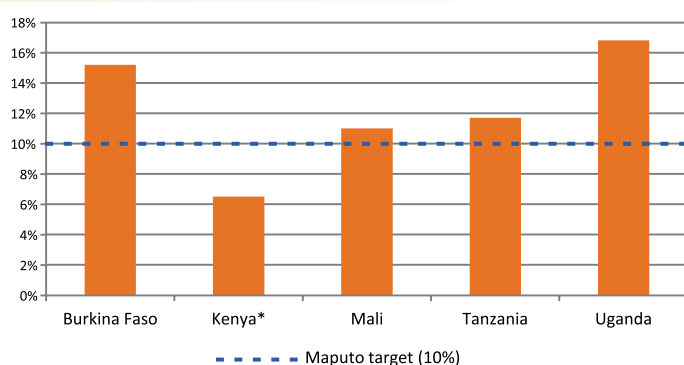
"Only by having a common set of indicators, can we compare agricultural policies in different African countries."

MAFAP's unique database makes it possible to compare the effects of agricultural policies in ten African countries over time and for more than twenty commodities.

A consistent set of indicators makes it easier to understand how different policies work in various contexts. Policy makers from different countries will thus be able to learn from one another. In particular, MAFAP indicators make it possible to compare:

- ▶ the effects of incentives and disincentives for a specific commodity over time and in different countries;
- ▶ how incentives affect different commodities in the same country; and
- ▶ public spending in the agricultural sector, and how it is broken down into various components such as agricultural research, subsidies, infrastructure, etc.

Figure 5. Share of government public expenditure going to the agricultural sector, actual spending (2005-2010)



Between 2005 and 2010, four of the five countries analyzed reached the Maputo target. Indeed, the share of government public expenditure going to the agricultural sector in terms of actual spending substantially exceeded the ten percent target in Burkina Faso and Uganda.

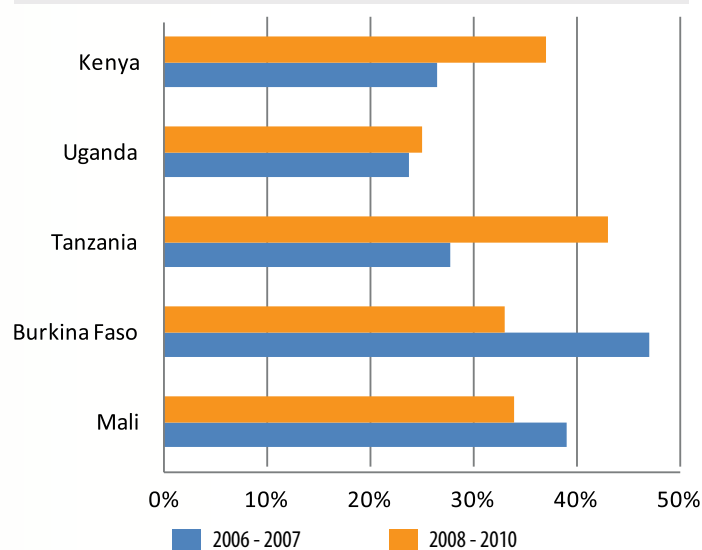
*Data on actual spending in Kenya are not yet available and the figure is based on the allocated budget.

Comparing agricultural policies in Mali and Burkina Faso

In November 2012, researchers from Mali and Burkina Faso met with a team from FAO and a representative from the West African Economic and Monetary Union (WAEMU) to compare results from MAFAP analyses of commodities such as rice, cotton and sorghum. This led to a deeper understanding of the effects of agricultural policies within each country and in the region.

Papers comparing indicators for maize, rice and cotton in MAFAP countries have been prepared and will be available on the MAFAP website: www.fao.org/mafap.

Figure 6. Share of food and agriculture budget expenditure on input subsidies (2006/07, 2008/10)

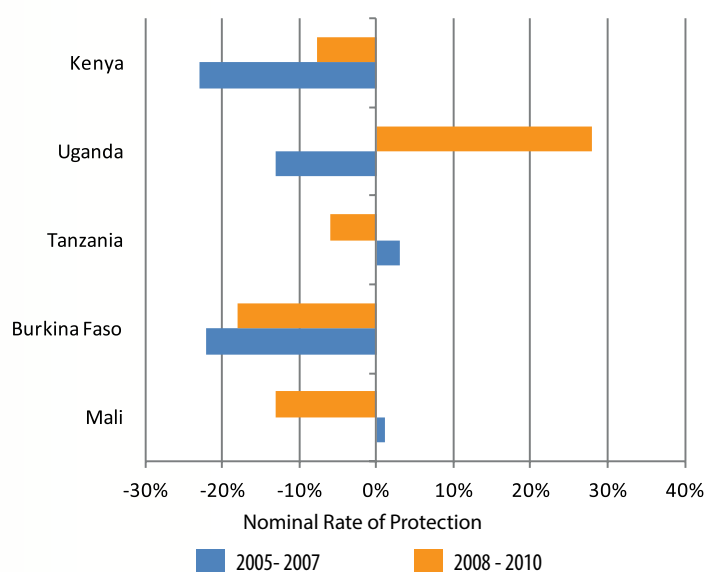


While farmers in Kenya and Burkina Faso have seen their prices move towards those that would prevail in the absence of price distorting policies and with well-functioning markets, discrepancies have increased in Tanzania, Mali and Uganda.

In most countries, the policy environment and market structure have led to lower prices for producers. This is especially true where policies aim at lowering prices for consumers. However, some governments have tried to encourage maize producers by providing input subsidies.

With the exception of ad-hoc export bans, which lower prices that farmers receive, markets for specific commodities appear to function better in countries that are net exporters of those commodities. In some cases, excessive domestic transport costs and lack of storage facilities have led to domestic prices which are higher than export prices.

Figure 7. Policy support to maize producers through price incentives (2005/07, 2008/10)



WORKING WITH PARTNERS

The Institut d'Économie Rurale (IER), Ministry of Agriculture, Mali

The IER is the main agricultural research institute in Mali. Prior to MAFAP, the IER's socioeconomic research focused mainly on value chain analysis and limited research on the impact of policies on agriculture existed. To fill this gap, MAFAP helped IER develop its policy analysis and monitoring capacities and set up a policy analysis unit. This unit aims at providing research that will help policy makers understand the impact of their policy choices. It thereby links research and policy making by providing solid analysis.

The Comprehensive Africa Agriculture Development Programme (CAADP)

MAFAP analyzes how participating countries are implementing specific elements of their CAADP compact. The CAADP compact is a contract between donors, national governments and CAADP/NEPAD which identifies strategic opportunities for agricultural investment. In particular, MAFAP looks at the impact of current policies and if they are coherent with the compact's objectives. By keeping track of public expenditure on agriculture, MAFAP helps national governments understand if they are making progress in reaching the CAADP target of allocating ten percent of the national budget for agricultural development.



The Organisation for Economic Co-operation and Development (OECD)

The OECD is a leader in the policy monitoring field for developed countries. MAFAP has worked with the OECD to adapt its policy monitoring methodology for use in developing countries.

In particular, MAFAP uses an indicator called the Nominal Rate of Assistance (NRA) which tracks the amount and type of support African governments give to agriculture. The NRA is similar to OECD's Producer Support Estimate (PSE).

Both indicators can be used to monitor levels of government support to agriculture and how it is composed. The NRA, as calculated by MAFAP, makes it possible to estimate disincentives due to excessive costs or margins, bribes or rents. Furthermore, all technical documents produced by MAFAP are reviewed by OECD's PSE advisory group.

ENHANCING POLICY DIALOGUE

MAFAP provides decision makers with the evidence they need to implement more effective policies. In several countries, MAFAP has helped set up policy analysis units in the Ministry of Agriculture or related ministries. These units help facilitate a more direct dialogue between researchers, policy makers, farmer organizations, development partners and the private sector.

Contributing to high level policy dialogue in Burkina Faso

MAFAP has established a partnership with the Rural Economics Division of Burkina Faso's Ministry of Agriculture (DGER). By August 2012, initial results on the impact of policies for nine commodities were available. These caught the attention of decision makers, including the Minister of Agriculture. They expressed great interest in using MAFAP recommendations for policy making - especially for the rice sector. The results will be presented to other ministers and the parliament.

African farmer networks use MAFAP results to advocate for food security and sustainable food systems

Farmers are directly affected by food and agricultural policies. Therefore, their input is essential in making sure policies enhance agriculture production and farm incomes.

One way in which farmers are using MAFAP analysis is to advocate for more effective policies. For instance, the Pan African Farmers Organization has used MAFAP results to build the case for more sustainable food systems. Examples of actions called for include:

- enabling small scale family farmers to seize opportunities arising from better connections to booming cities; and
- developing a market information system geared to rural producers' needs.

A report was presented to the African Union and CAADP, and is expected to have an impact on policies regarding sustainable food systems.

MAFAP and its partners supply vital evidence to regional and national policy dialogue by regularly publishing:

- commodity reports for key agricultural products;
- in-depth country reports which analyze prices, public expenditure and policy coherence; and
- policy briefs.

"MAFAP provides valuable information on the impact of our agricultural policies and the effectiveness of our agricultural development strategy. MAFAP's information will certainly strengthen our ongoing policy dialogue with farmers and other stakeholders"

- Dr. Emmanuel M. Achayo,
Director of Policy and Planning,
Ministry of Agriculture, Food
Security and Cooperatives,
United Republic of Tanzania



OUR VISION FOR THE FUTURE

Increase the number of MAFAP countries in Africa

FAO seeks to increase the number of African countries covered by MAFAP from 10 to 23. It seeks to progressively include all countries belonging to three regional economic organizations (ECOWAS, EAC and SADC). This will further support regional policy dialogue.



Expand MAFAP beyond Africa

Expanding MAFAP beyond Africa will create opportunities for sharing and comparing policy experiences from different regions. This will make it possible to learn about effective solutions to similar problems. It will be easier to foresee, based on experiences in other countries, the likely impact of food and agriculture policies.



We envision a self-sustaining policy monitoring system based on:

Country Ownership

Highly Skilled National Professionals

Targeted Partnerships

Systematic and Comparable Monitoring

International Peer Reviews of Technical Work

Develop the skills of national professionals in partnership with universities

FAO will work with partner universities to develop curricula that build policy analysis and monitoring skills and increase the number of qualified graduates able to apply the MAFAP methodology.



Deepen analysis and include additional topics

Since co-existing policies directly affect each other, FAO will release additional MAFAP indicators which show the combined effects of policies on key inputs and agricultural products. MAFAP will also look at how incentives affect producers and consumers to make sure food security is not compromised. Moreover, going beyond price analysis, MAFAP will look at how incentives affect farmers' decisions about what to produce.

Invest in making MAFAP part of the global policy dialogue

MAFAP's methodology and common indicators make it possible to compare policy impact across countries. In the future, FAO will seek opportunities for incorporating MAFAP findings into global fora in a systematic way.





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