AFRICAN DEVELOPMENT BANK GROUP

Agriculture Sector Strategy
2010 - 2014

AGRICULTURE AND AGRO-INDUSTRY DEPARTMENT
And
OPERATIONAL RESOURCES AND POLICIES DEPARTMENT

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Abbreviations and Acronyms

ABN:	Niger River Basin Authority
ACMAD:	African Centre of Meteorological Application for Development
AFCR:	African Food Crisis Response
AfDB	African Development Bank Group
ADF:	African Development Fund
AGHRYMET:	Centre Regional de Formation et d'Application en Agrométéorologie et Hydrologie Opérationnelle
ARD:	Agriculture and Rural Development
CAADP:	Comprehensive African Agriculture Development Program
CGIAR:	Consultative Group on International Agricultural Research
COMIFAC:	Central African Forest Commission
CPR:	Country Portfolio Review
CIF	Climate Investment Fund
CSP:	Country Strategy Paper
DMO	SADC Draught Monitoring Center
ECON	Chief Economist
EDI	Education Development Institute
EC:	European Commission
ECCAS:	Economic Community of Central African States
ESW:	Economic and Sector Work
ECOWAS:	Economic Community of West African States
FAO:	Food and Agriculture Organization
ICPAC:	IGAD Climate Prediction and Applications Center
IFAD:	International Fund for Agricultural Development
IFPRI:	International Food and Policy Research Institute
ILRI:	International Livestock Research Institute
ICPAC:	IGAD Climate Prediction and Applications Centre
ITC:	International Trypanotolerance Center
LCBC:	Lake Chad Basin Commission
LTA:	Lake Tanganyika Authority
MRU:	Mano River Union
MDG:	Millennium Development Goals
MIC:	Middle Income Countries
NBI:	Nile Basin Initiative
NEPAD:	New Partnership for Africa's Development
OINF	Infrastructure Département
OMVG:	Organisation pour la mise en valeur du fleuve Gambie
OMVS:	The Organization for the Development of the Senegal River
ONRI:	NEPAD, Regional Integration and Trade Department
OSAN:	Agriculture and Agro Industry Department
OWAS:	Water and Sanitation Department
PPCR:	Pilot Program on Climate Resilience
PRSP:	Poverty Reduction Strategy Paper
REDD:	Emissions from Deforestation and Degradation
RMCs:	Regional Member States
SADC:	Southern African Development Community
SSA:	Sub-Saharan Africa
SWAps:	Sector Wide Approaches
UNCCD:	United Nations Convention to Combat Desertification
UNECA:	United Nations Economic Commission for Africa
WB:	World Bank
WFP:	World Food Program
WMO:	World Meteorological Organization

EXECUTIVE SUMMARY

1. Agriculture is vital for the development goals of promoting growth and reducing poverty in Africa. Agriculture supports the livelihoods of 80 percent of the African population, provides employment for about 60 percent of the economically active population, and for about 70 percent of the poorest people on the continent. The global financial and food crises have brought agriculture into sharp focus, demonstrating that poverty and food insecurity go hand in hand. Agricultural growth is a proven driver of poverty reduction. When agriculture stimulates growth in Africa, the growth is twice as effective in reducing poverty as growth based in other sectors. In China, agriculture-based growth is 3.5 times more effective in reducing poverty than growth based on other sectors. In Latin America, the effectiveness is 2.7 times. Agricultural growth also means more production of food, and greater food security.

2. The relationship between climate change and land use similarly underscores the importance of agriculture, its vulnerability and potential. Emissions from land degradation and forest fires contribute to climate change. The effects of climate change can be mitigated by carbon sequestration, sustainable land use and forest management. Given the centrality of agriculture to so many vital issues, political leaders and the international community are committed to supporting the sector, as they have most recently reiterated in the L'Aquila Declaration of July 9, 2009.

3. The African Development Bank's (AfDB) Agricultural Sector Strategy (AgSS) for 2010-2014 is shaped by a series of consideration and consultations with country officials and external public and private stakeholders in Africa, including a Stakeholders Consultation Workshop held in Tunis on November 13, 2009, in addition to Bank sectoral and thematic strategic frameworks and partners' efforts. These include the Comprehensive African Agriculture Development Program (CAADP), the Regional Integration Strategy, and the Bank's Medium Term Strategy (MTS) for 2008-2012. The MTS identifies infrastructure, governance, the private sector, and higher education as the four priority areas for Bank investments seeking to contribute to poverty reduction, enhance regional integration, accelerate human development, and improve productivity in agriculture. In addition, the AgSS 2010-2014 incorporates the recommendations of a joint evaluation undertaken in 2009 by the AfDB and the International Fund for Agriculture Development (IFAD) to remain engaged in agriculture but be more selective and innovative.

4. The AgSS seeks to position the Bank to effectively contribute to a broader development of greater agricultural productivity, food security and poverty reduction while promoting the conservation of the natural resource base. It does not attempt to analyze the issues surrounding agricultural development in Africa. Rather, in addition to consulting with stakeholders, it builds on the analytical work presented in the 2008 World Development Report (WDR), draws on Bank experience in agriculture, and on the conclusions and recommendations of the AfDB/IFAD Joint Evaluation that the Bank remain engaged in the agricultural sector but be more focused, selective, and innovative.

5. Two mutually reinforcing pillars[1] underpin the AgSS: agricultural infrastructure and renewable natural resource management. In both of these areas, the Bank has demonstrated considerable competence and comparative advantage.

[1] AgSS areas of intervention correspond to CAADP Pillars 1 and 2.

6. AgSS agricultural infrastructure interventions will focus on building and rehabilitating rural and community roads, markets and storage infrastructure, supporting agro-processing and reducing post harvest losses. These interventions will also focus on agriculture water storage and management to overcome the low, unreliable rainfall during the cropping season, and in situ rainwater management, water harvesting or run-off harvesting, and water management for crop growth in wetlands. The interventions will also focus on other infrastructure for livestock, fisheries and rural energy.

7. With respect to renewable natural resources (land, water, forests), the interventions will ensure the sustainability and resilience of agricultural infrastructure investments to climate variability and protect the natural resource base. These efforts will indirectly lead to more food production, better food security and overall poverty reduction. (The medium and long-term interventions carried out under the African Food Crisis Response, the Africa Farm Fertilizer Mechanism and the Congo Basin Forest Fund and special initiatives will also help support the AgSS food production goals.)

8. The AgSS will also support selected research initiatives and a wide range of capacity building programs. These, coupled with activities promoting the respect of natural resource management and environmental and climate change adaptation/mitigation measures, will help realize the goals of sustainable food production and food security.

9. The Bank's more selective focus on these areas requires strong partnerships with international centers of excellence, regional organizations and multilateral and bilateral organizations to deliver on the RMCs development goals. Financing requirements for the agriculture sector in Africa have recently been estimated at US$ 8.1 billion annually. The Bank's indicative pipeline of projects and programs amount to UA 3.4 billion (5.33 USD billion) for the period 2010-2014. The AgSS Action Plan describes the operational focus, core activities, financing, and monitoring and evaluation in 2010-2014.

I. INTRODUCTION

1.1 Background and Rationale

1.1.1 Africa is rich in natural and human resources. More than 900 million people live in Africa. Agriculture plays a vital role. An estimated seventy percent of the population depends on agriculture for full-time employment and many others rely on agriculture for part of their household income. Two hundred million Africans live with food insecurity. Economic growth in Sub-Saharan Africa (SSA) has averaged close to 3 percent over the past 25 years. However, per capita growth for the SSA pollution dependent on agriculture has been less than 1 percent[2]. Agricultural production has been increasing, at an average rate of 3.2 percent for the Middle East and North Africa, but most of the growth is related to increasing the land area under exploitation rather than to increases in productivity. At current rates, it is estimated that Africa will be able to feed less than half its population by 2015. Agricultural GDP per farmer has over the last two decades risen by 2% per annum in Asia, nearly 3% in Latin America but less than 1% in Africa[3]. Farmers have been working harder, more people have taken up farming, but productivity has not increased.

1.1.2 In the early 2000s, when the international community agreed to implement the Millennium Development Goals (MDGs) agriculture again became an important issue. The link between the goals of reducing extreme poverty and hunger and ensuring environmental sustainability and the potential of agriculture as an engine of growth in Africa (Box 1) were clear. When food prices rose dramatically in 2007/08, and an economic recession hit, and as the effects climate change raised new spectres of drought and famine in Africa, the ability of the world and of Africa in particular, to feed its population in the medium and long term became a pressing question.

Box 1: Agriculture has a strong record in development

Agriculture growth has a powerful impact on poverty across all country types.

Estimates show that GDP growth originating in agriculture is at least twice as effective in reducing poverty as GDP growth originating outside agriculture.

For China, aggregate growth originating in agriculture is estimated to have been 3.5 times more effective in reducing poverty than growth outside agriculture – and for Latin America 2.7 times more.

Source: *World Development Report*, 2008

1.1.3 In 2003, the New Partnership for Africa's Development (NEPAD) and its Comprehensive Africa Agriculture Development Program (CAADP), were launched to accelerate agricultural growth in the region. Also in 2003, African governments signed the Maputo Declaration committing to a minimum allocation of 10% of their national annual budgets to agriculture[4]. Recent political fora confirmed the urgent need to secure and increase basic food staples. These are the Sirte Conference on Water for Agriculture and Energy (December 2008), the FAO Summit of 2008, and the AU Summit (July 2009) on Investing in Agriculture for Economic Growth and Food Security. As an expression of their strong commitment to support agriculture in Africa, in July 2009, the G8 pledged to provide US$ 20 billion over the next three years to increase food production on the continent[5]. The L'Aquila Declaration further underscores the need for effective use of investments in the agriculture sector.

1.1.4 Since 2008, the operations at the Bank's Agriculture and Agro-industry Department (OSAN) have been guided by the Bank's Medium Term Strategy (MTS), 2008 - 2012. Before then, the thrust and orientation of its operations were guided by the Agriculture and Rural Development (ARD) Sector Bank

[2] World Development Report, 'Agriculture for Development', World Bank, 2008
[3] FAO/ World Bank, 2006
[4] This target of country level funding of the sector (10%) has been achieved in four countries and three others have been in the 8-10% range over the last five years (NEPAD Secretariat, 2009).
[5] The Joint Statement on Global Food Security ("L'Aquila Food Security Initiative), G8 Summit, 10 July 2009.

Group policy of 2000. Although not necessarily being selective, the 2000 ARD Policy had multiple pillars and envisaged core assistance programs for agriculture and rural development, which served the intended development purpose at the time. This new Policy provided a broad framework of interventions in Regional Member Countries (RMCs), addressing constraints endogenous to agriculture, which could, to a large extent, be dealt with within the confines of the sector[6].

1.1.5 The MTS identifies four specific areas of priorities for the Bank: infrastructure, governance, private sector and higher education. The Bank's investments in these core areas seek to contribute to the goal of poverty reduction, regional integration, human development and agriculture. The Bank's level of support to agriculture needed to be reassessed based on a retrospective evaluation of its past and current operations in the sector.

1.1.6 A series of evaluation exercises on the operations of the Bank in the sector identified areas of weakness that need to be addressed to ensure better results and increased impact. The most recent of these is the AfDB/IFAD Joint Evaluation Report on agriculture policies and operations in Africa, which, among others, examined the approach taken in implementing the 2000 Policy on Agriculture and Rural Development. The evaluation concluded that the Bank should remain engaged in the sector, but with a clear, selective focus, and innovative approaches aligned with the Bank's areas of comparative advantage and strategic goals. The report also notes the need for the Bank to work in a sharper and smarter way; moving away from multi-component projects. Consequently, purposeful partnerships based on complementarity, comparative advantage and specialization will be important in addressing the broad array of rural needs. Success will also hinge on whether greater attention is paid to the specifics of the country context.

1.1.7 This Strategy is a Bank-specific response to the past, current and emerging issues in African agricultural development, devised to guide its future assistance to RMCs in the sector. It draws heavily from the analytical works in the 2008 World Development Report.

1.2 Preparation Process

The development of the AgSS has been informed by Bank experience and those of its partners and other organizations engaged in the sector, as well as specific examples of agricultural activities in RMCs. A task force comprising representatives from; the various Departments and Units of the Bank was instrumental in drawing up the framework for the Strategy Paper. In addition to the normal internal review process, the strategy was subjected to a series of consultations with external stakeholders, drawn from public and private sectors in Africa. A workshop held in Tunis on 13 November 2009 elicited the participation of key officials of the Ministry of Agriculture of 11 Regional Member Countries, representatives from eight Regional Economic Communities (RECs), Farmers Associations and Networks, and AU-NEPAD. Key partners from international financing organizations and specialized agricultural institutions were also consulted at the workshop. Consultations also took place at the country level through a number of the Bank Field Offices and through other special events involving development partners and other stakeholders. These consultations and workshop were fundamental to validating the approaches, thrusts and orientation of the Bank's AgSS.

[6] These include dependence on rainfed agriculture, technology availability and poor adoption, poor natural resource management, poor linkages in commodity chains, weak rural financial intermediation, poor participation by end-users, and inappropriate enabling environment.

II. African Agriculture: Performance, Challenges and Opportunities

2.1 Performance

2.1.1 At less than one percent, the per capita growth of the agricultural population in the region lags well behind the star performer, East Asia and the Pacific (3.1 percent)[7] Most of the growth stems from increases in the land area under exploitation rather than increases in productivity.

Box 2: New Approaches to Input Subsidies

Input subsidies must be redesigned as "market-smart" subsidies: i.e., without exposing governments to extremely high costs and without giving rise to undesirable market and distributional effects.

For example in Zambia, 37% of the public budget for agriculture in 2004/05 was devoted to fertilizer subsidies, many of which went to wealthy farmers rather than intended smallholders.

***World Development Report*, 2008**

2.1.2 These unpromising trends, however, hide some tangible successes in some regions of Africa and in a few individual countries. For example, food security and farm incomes have markedly increased in West Africa, while use of 'smart' subsidies for key inputs in countries like Malawi has greatly impacted yields, showing that smallholder farming can respond to properly targeted economic policy interventions (see Box 2). The crop yields of cereals and root crops have also increased significantly in some farming systems in Western and Eastern Africa. The widespread productivity gains from NERICA, increases in cassava production in Nigeria and maize hybrids in East and Southern Africa are further evidence of growth in the sector over the recent past.

2.2 Challenges

2.2.1 Agriculture in Africa faces a host of challenges. The soils of the continent's vast land surface are typically old and leached; 16% of the surface land is classified as very low in nutrients as opposed to just 4% in Asia. And African soils are estimated to be losing nutrients worth $4 billion per annum. Yet farmers use fertilizer at a rate of only about 8kg/ha and far less in smallholder farming, compared to a target of 50kg/ha[8]. This may not be surprising, given the cost that SSA farmers must pay for fertilizer, which is up to three times that paid by their counterparts in Brazil, India or Thailand.

2.2.2 Rainfall is often unreliable and the effects of drought are aggravated by fragile soils with low water-holding capacity. Water and soil conservation measures, often based on indigenous knowledge, have been identified, but the investment to put these into effect over large areas has been lacking. In Asia, the number of areas under irrigation has grown from 25 percent to 41 percent, compared to less than 4 percent in Africa. There is huge potential to increase irrigation in dry areas and partial water control in more humid areas. (Box 3)

Box 3: GDP of many African countries is strongly correlated with rainfall patterns

As articulated by a finance minister for India, "every one of my budgets was a gamble on rain". In Africa, high rainfall variability and a lack of infrastructure for water storage have seriously undermined growth and perpetuated poverty in many African Countries. Potential GDP growth rates may be reduced by over a third as a result. Even a single drought can cut growth potential by 10 percent over an extended period. For example, the Zimbabwe drought of the early 1990s was associated with an 11 percent decline in GDP; and the floods in Mozambique led to a 23 percent reduction in GDP.

2.2.3 A secure water supply for growth and socioeconomic development is a significant challenge for Africa. That the frequency and severity of droughts and floods have increased demonstrates increasing climate variability, and therefore greater vulnerability. Weak regional cooperation in transboundary river and lake basins has limited the benefits of shared water resources and reduced the effectiveness of water

[7] World Development Report, 2008
[8] African Fertilizer Summit 2006

governance, which is necessary for development. The green revolution has demonstrated the importance of water control in making input use profitable. Sub-Saharan Africa is conspicuously lagging in irrigation and drainage. In India, by contrast, new varieties and higher input use spread first to the northwest and south where water control was advanced, and later moved east and to the central areas. This reflected in some measure farmer investment in irrigation and drainage, and the availability of high-yielding varieties available for dry-land crops. Most countries in Africa lack the information and knowledge base and reliable monitoring and evaluation systems to enable effective strategic and development planning. Unchecked land degradation and deforestation contribute to a rise in carbon emissions in the long term. Degraded natural resources – land, water, forests, and biodiversity in a context of increased climate variability and weak institutional capacity for effective governance exist at national and local community levels. Declining fish stocks, weakly protected ecosystems and poor fisheries infrastructure management often result in high post-harvest losses and a consequent reduction in export earnings and source of protein for millions of poor people.

2.2.4 Poor infrastructure, especially rural and trunk roads constitute another significant challenge to Agriculture in Africa. While one half of the rural population of south Asia lives within a one-hour journey of a market, whereas nearly 50% of African farmers still live 5 hours or more from a market. Not only are there few rural roads, but transport costs in Africa are among the highest in the world, reaching as much as 77% of the value of exports. The commodity market structure is generally characterized by a lack of market linkages. This means limited opportunities for adding value by post-harvest processing and high post harvest losses, which are estimated at 30% for grains and 50% for other more rapidly perishable products. Moreover, poor infrastructure and information leave farmers effectively isolated from regional or international markets.

2.2.5 The future growth of agricultural productivity in Africa is premised on the reversal of its natural resource degradation (land, water, forests, biodiversity) in the context of increased climate variability and weak institutional capacity for effective governance of these resources at both national and local community levels. With extensive agriculture into marginal lands, conflicts over shared water bodies and deforestation for energy and livelihoods purposes, current rural poverty reduction efforts are challenged. In the light of increased water shortages, drought, desertification, and worsening soil conditions, by the year 2025, almost half of Africans will be living in areas where water is scarce. Deforestation, forest degradation, and the associated loss of forest products and environmental services are some of the other serious challenges facing African countries today. About 494 million ha of soils are degraded in Africa. An estimated 65% of SSA's agricultural land is degraded because of water and soil erosion, and chemical degradation. Investments are therefore needed in building up assets, introducing new technologies, enforcing non market allocation mechanisms where feasible, and improving risk management capacity.

2.2.6 The majority of agricultural institutions in Africa still have limited capacity: inadequate manpower poor skills for planning, policy formulation and analysis. In addition, poor budgetary outlays for program implementation, and monitoring and evaluation all contribute to this situation[9]. Private operatives, non-governmental organizations (NGOs), smallholder and large-scale farmers are also thwarted by limited capacity. Limited government capacity, especially where centralized government dominates, leads to unclear or inadequate sector policies and strategies with respect to identifying and proper sequencing development priorities.

[9] The Joint Evaluation cited overwhelming low institutional capacity for the sample of countries reviewed among the leading constraints to government performance.

2.2.7 Land tenure issues and the complexities of land redistribution have caused some governments in the region to refrain from land tenure reforms, especially in communal areas. Comprehensive land policy reforms and effective implementation programmes are needed[10].

2.2.8 Access to improved seed and livestock and to the appropriate technology to increase output to labour and to reduce drudgery is limited. Lack of credit to access inputs at reasonable prices limits farmers. Only a limited number of crops and livestock products are produced for the market despite the varieties of livestock and crop that have evolved over time in Africa. Very low prices for products on local, national and international markets limit farmers' ability to get ahead without credit.

2.2.9 Gender equality and women's empowerment are far from being achieved, although women play a significant role in agriculture. Despite their prominent role in food production, market and processing, women have limited access to land, agricultural extension services, credit, infrastructure, technology and markets that are crucial for enhancing their productivity. In North Africa 32.6% of women and 32.9% of men are employed in the agriculture sector, while the figures are much higher in sub-Saharan Africa where 67.9% of women and 62.4% of men are employed in the sector in 2007[11.] Studies in Kenya have shown that where women farmers have equal access to inputs, education and technology, their productivity increases by 20%[12]. African agricultural and rural development efforts cannot afford not to invest in initiatives that increase the productivity of women engaged in agriculture.

2.2.10 Access to market information is lacking. Where opportunities exist, farmers can rarely take advantage of them because they are not empowered or sufficiently informed. Extension systems are in crisis; staff is aging and have limited mobility, few incentives or modern technological knowledge and acumen. Government generally lack the capacity to redress these issues.

2.2.11 Climate change models forecast that SSA will be the continent to be most affected by global warming, while Africa contributes the least to global warming. Given that agriculture accounts for 85% of global fresh water use, and contributes an estimated 22-30 percent of greenhouse gas emissions, certain consequences of global warming are clear. There is currently no option in international agreements to benefit from the carbon markets for environmental services, sequestering carbon in forests and land, managing watersheds and preserving biodiversity.

2.3 Opportunities

2.3.1 The potential role for agriculture in development is to reduce poverty and drive growth for countries whose economies are agriculture-based [13]. This potential has been underexploited however, because of policy biases against agriculture that have resulted in underinvestment in the sector, among other reasons. New opportunities for realizing this potential include the pursuit of smallholder-driven approach to agricultural growth. Studies indicate that growth based on agriculture is at least twice as effective, 3.5 times for China, and for Latin America, 2.7 times more, at reducing poverty than growth based on other sectors[14].

2.3.2 The high food prices of 2008 have led the G8 to pledge USD 20 billion over the next three years to increased food production and China has pledged USD10 billion in public-private-partnerships in agriculture to help attain the NEPAD-CAADP objectives. The CAADP framework, which is already being implemented in most countries, will enable more efficient investments in the sector.

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[10] The African Union (AU) has recently (April 2009) approved an Africa-wide land policy framework and guidelines to facilitate and provide further support to scale-up land policy reforms.
[11] World Bank, IFAD and FAO: Gender in Agriculture Source Book, 2008.
[12] Quisumbing, A. et al: Women: The Key to Food Security. Food Policy Statement, IFPRI, 1995.
[13] Agriculture for Development, World Development Report, World Bank, 2008
[14] World Bank World Development Report, 2008

2.3.3 High food prices have spurred foreign large-scale private sector investment in farming, which offers the potential for growth in rental income and out-grower schemes, as well as improved marketing and input/output supply chains.

2.3.4 Improved moisture and soil fertility management could raise production despite the general reliance on rainfed agriculture. A broad set of technologies, many of which draw on indigenous knowledge, have been developed. Better accessibility to markets will spur more investments in agricultural production.

Box 4: **New Approach to Service Provision and Markets**

In Ethiopia, access to all-weather road decreased poverty by 6.9% and increased food consumption by nearly 17%. Mobile phone and ICT technology have reduced the cost of information provision on markets and prices.

World Development Report, 2008

2.3.5 Investments in roads will reduce the development cost of irrigation, and facilitate input provision, service provision and marketing (Box 4). A basic level of infrastructure will help tourism and other off-farm income opportunities to emerge along with prospects of generating added income**.** Niche markets for specialized crop and livestock products, which can be very profitable, are often ephemeral but greater market awareness will enable farmers to take advantage of them

2.3.6 Technology holds out promise. Improved traditional crops, including cassava, NERICA rice, and maize are increasingly available as involving farmers at all stages of variety development proves more effective than previous academic approaches. Where they do not compete with food crops, water or other development on marginal land, new crops such as biofuels and new processing such as ethanol from sugarcane create more opportunities[15]. However, South Africa is the only RMC to have adopted genetically modified (GM) crops -- mainly soya and cotton, but increasingly maize as well – on a large scale. It has also spearheaded the development of effective methods for managing GM crops and export markets, which other countries can emulate.

III. STRATEGIC FRAMEWORK FOR AFRICAN AGRICULTURAL DEVELOPMENT

3.1 Millennium Development Goals (MDGs)

The MDGs, particularly the goals of eradicating extreme poverty and hunger and ensuring environmental sustainability, are central to the NEPAD program for African agriculture and therefore for the Bank's agricultural strategy[16]. NEPAD interventions fall within the realms of the MDGs and contribute to their achievement. There is, therefore, a clear linkage between the NEPAD program for African agriculture and Poverty Reduction Strategies, which are the frameworks for RMCs to address the MDG targets.

3.2 Comprehensive Africa Agriculture Development Program (CAADP)

3.2.1 The CAADP, supported by the Africa Union (AU) and New Partnership for Africa's Development (NEPAD) provide a framework for accelerating agricultural growth in Africa. Endorsed in 2003 by the African Union Heads of State and Government, CAADP aims to achieve an annual growth rate of at least 6 percent in the sector, and to sensitize policymakers on the need to act on selected fronts in order to make quick strides towards solving Africa's agricultural predicaments (Box 5). Since it was created in 2003, CAADP has become a proven platform for collaboration, partnerships, and alliance building and has enabled African countries to determine their own agricultural agenda. Donors and development partners at

[15]Towards a Stronger Focus on Agro-industry by the African Development Bank, OSAN, August 2007

[16] In the year 2000, African countries signed up to the Millennium Declaration. The Declaration, which defined eight Millennium Development Goals (MDGs) and 18 more detailed targets, represented a determination by all governments to create an environment, at the national and international levels, which is conducive to development and the elimination of poverty by 2015.

the highest levels have endorsed CAADP at the G8 and G20 summits, which are committed to aligning their support to the African agricultural agenda through its framework.

3.2.2 The CAADP has moved from strategy to implementation at the country level through the process of country roundtables and compacts. The country roundtable process involves (i) stock-taking and analysis of growth options to align national efforts; (ii) building partnerships and alliances to accelerate progress; and (iii) tracking budget and expenditures to the sector. This process culminates in a CAADP Compact which guides country policy and investment responses to meet the 6% growth target and 10% budget allocation to agriculture. As of October 2009, nine countries have completed their country roundtable processes and signed the compact; five more are at advanced stages in the roundtable process and are expected to sign the compacts before the end of 2009.

Box 5: **CAADP Pillars**

The CAADP is based on four reinforcing pillars for investment in agriculture to improve performance through strengthening country presence, focused lending program based on coordinated sector plans, enhanced capacity for policy, analytical work, and knowledge/partnership management:

1. Expanding the areas under sustainable land management and reliable water control systems.

2. Improving rural infrastructure and trade-related capacities for market access

3. Increasing food supply and reducing hunger

4. Expanding agricultural research and technology transfer and dissemination

IV. EXPERIENCE AND LESSONS LEARNT

4.1 Introduction

The experiences and lessons learned, highlighted hereunder, and were derived from past Bank operations, various reports and studies, as well as those drawn from most recent evaluations, including the AfDB/IFAD Joint Evaluation Report of 2009.

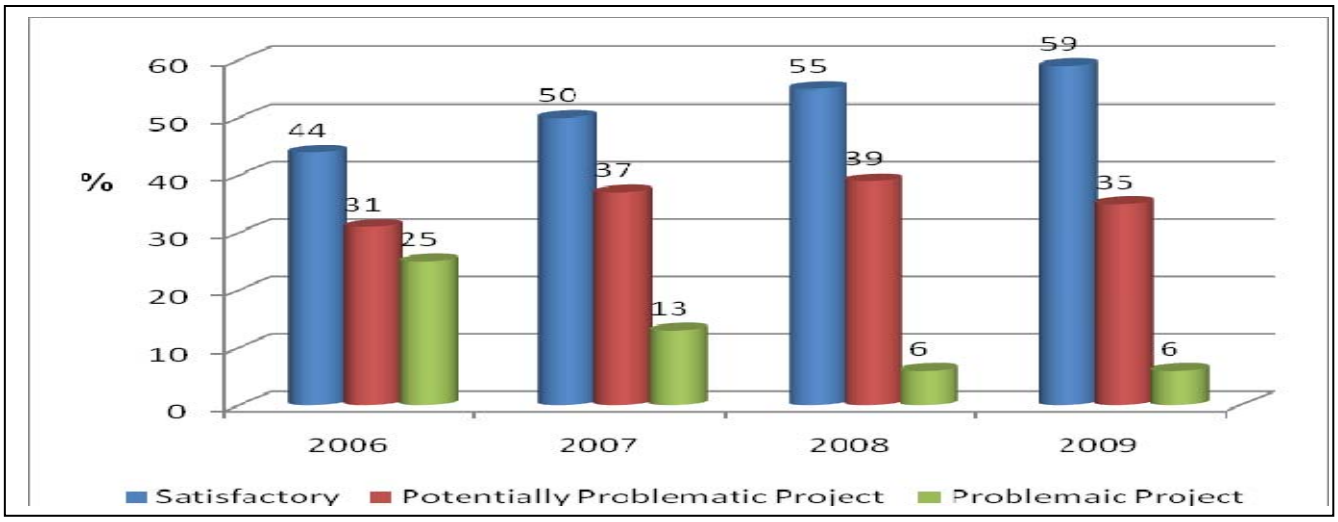
4.2 Bank Experiences in Financing Agriculture

4.2.1 Prior to the Bank's 2006 institutional reforms, the agriculture sector was guided by the Agriculture and Rural Development Policy of 2000, and focused on the priorities of the RMCs development agenda as articulated in the Bank's Country Strategy Papers. The Bank undertook myriad agricultural interventions in research and extension, crop and livestock production, rural finance and rural enterprise development, development of small-scale infrastructure (including irrigation and rural roads), natural resources (including fisheries, forestry and environmental management) and capacity building. This resulted in an overstretched human and financial resource base and limited its ability to systematically monitor how well projects were implemented. Furthermore, most investments were made through project financing and little use was made of emerging sector-wide approaches (SWAps). Operations often had multiple components, were relatively small sized, and faced local institutional capacity bottlenecks during implementation. Multinational operations were fragmented; additionality aspects were often ignored.

4.2.2 Between 1974 and 2008, the African Development Fund approved 1,407 loans, and 768 grants, totalling UA 19.14 billion. Agriculture and rural development accounted for 23.3%: infrastructure took the bulk of the resources at 35.7%, while the multi-sector and social sector received 19.0% and 18.5% respectively.

4.2.3 In recent years, guided by the Bank's senior management and the MTS, the Agriculture and Agro-Industry Department has been more selective and focused in its operations; 80 percent of the approvals for RMCs pertain to agricultural infrastructure projects. See Figure 1 and Annex VIII for the trend in OSAN Portfolio Performance 2006 – 2009, reflecting improved performance thanks to better supervision, more delegation of authority to the Field Offices, and a better staff skill mix to deliver on agricultural water and infrastructure projects.

Figure 1: Trend of Agricultural Portfolio Performance, 2006 – 2009



4.3 Lessons Learnt and Best Practices

4.3.1 The Bank has learned many lessons from financing agricultural projects and from its long-term interaction with the RMCs. For example it has found that smallholder farming plays a major role in providing food and income, and employment generation as well as in export earnings in a number of African countries. A case study of four African countries (Ethiopia, Kenya, Tanzania and Uganda) concluded that an integrated strategy is needed to promote smallholder agricultural growth, and that the government should play a more central role in providing investment in rural infrastructure, improving the marketing chain and assisting adaptation to climate change.

4.3.2 Reflections on the 2007 Collaborative Program on investment in agricultural water for poverty reduction and economic growth in Sub-Saharan Africa (SSA) provided the setting for another learning experience. The study underscored that agricultural water is important and contributes meaningfully to poverty reduction and growth only when such investments are profitable at the farm level, economically viable, and sustainable. These experiences are shaping the design of future Bank assistance to agricultural water management.

4.3.3 The conclusions drawn by the ADB/IFAD Joint Evaluation (see also Box 6) were echoed by a number of other lessons that underscore the following needs:

(i) *Strategic financing of the sector:* The Bank should remain engaged in the sector, but with a clear, selective focus aligned with the Bank's areas of comparative advantage and strategic

Box 6: **Highlights of the Main Recommendations of the JE**

*ADB to remain directly engaged in ARD, but in a more selective way.

*Fill the sector policy gap through collaborative capacity building support for ARD and trade issues

*Improve performance through stronger country presence; and

* Build purposeful partnership

Source: ADB/IFAD Joint Evaluation of Agricultural Policies and Operations in Africa

http://www.ifad.org/evaluation/jointevaluation

goals. The Bank's activities in the sector should be more closely linked with the areas of operational focus articulated in the MTS (infrastructure, governance, private sector development, higher education, technology and vocational training). The Report also recommended that the Bank should seek for resources for analytical work and sector studies.

(ii) *Adequate policy and political framework for agricultural development*: Through increased capacity for analytical work, and Bank's support for the RMCs' capacity for policy development, the leadership and policy gaps in agricultural development activities should be addressed, thereby facilitating creation of a conducive environment in which to implement CAADP.

(iii) *Strategic Partnership to add value to agricultural interventions*: The Bank needs to build purposeful partnership based on complementarity, comparative advantage and specialization, in areas such as macro-economic policies, agro-industry and agro processing, regional integration and trade, governance and private sector investments.

(iv) *Capacity building for sustainable agriculture and rural development initiatives*: To better manage the sector, it is crucial that Governments are supported in undertaking capacity needs assessments in agriculture sector, including diagnostic assessments of institutional arrangements, and provision of support for capacity building and institutional development.

(v) *Enhanced partnerships with the private sector:* Even if enthusiasm for more private sector engagement runs high, there is still a dearth of corporate approaches to support meaningful interaction with the private sector. The conditions attached to the Bank's private sector products are not favorable for small-scale businesses in the African agricultural sector.

V. AGRICULTURE SECTOR STRATEGY

5.1 Vision

The Bank Group vision as expressed in the MTS is to have the Bank recognized globally, especially by its shareholders, as a preferred partner in Africa, providing high-impact, well-focused development assistance and solutions.

5.2 Objectives

5.2.1 The Agriculture Sector Strategy (AgSS) aims primarily at contributing to the broader development objectives of greater agricultural productivity, food security and poverty reduction. This will be done by: (i) improving rural infrastructure, including water management and storage, and trade-related capacities for access to local and regional markets; and (ii) extending the area that is being sustainably managed to improve the resilience of the natural resource base, and thereby protect investments.

5.2.2 Focused, selective and innovative efforts will enhance the relevance, effectiveness and sustainability of Bank interventions in the agriculture sector. Coupled with close cooperation and synergy with development partners and the private sector, this will effectively contribute to realizing the vision for African agriculture.

5.3 Guiding Principles

The following principles will guide the Bank's interventions in the agricultural sector:

- ***Selectivity and Complementarities***: The Bank's support will selectively focus its interventions on areas, where it can demonstrate concrete comparative advantage and value addition, taking into consideration complementarities with other actors, including the private sector.
- ***Country Ownership and Alignment***: RMCs lay out their priorities in national and sub-regional development plans (PRSPs, Country Strategy Papers (CSPs), and sector strategies). The Bank will align its agricultural interventions to these, and build on ongoing activities in the country. The Bank will also endeavour to use CAADP country compacts where they exist to support agricultural

development. Country ownership -- having countries formulate their own policies; carry out their programming research and development works; and prepare their own projects – will be reinforced through support for institution capacity building initiatives and programmes. The viability of using country systems and increased funding using SWAps will be explored in financing of projects in RMCs, consistent with the Paris Declaration on Aid Effectiveness.

- ***Results Focused***: The Bank Group's engagement in the agriculture sector will be results-oriented, in line with its commitment to Managing for Results Agenda. Table 1 shows the nine core sector indicators envisaged during the cycle of the strategy, which will be monitored at regular intervals (more detailed in Annex I).

Table 1: Key Agriculture Sector Performance Indicators, by 2014

Outputs		Outcomes
1. 10,000 Km of rural roads built and/or rehabilitated	4. 50,000 people trained in good agricultural practices.	1. Yield Increase: 15-20%
2. 500,000 ha of land under improved water management	5. Twenty five percent decrease in agricultural land and forests degraded.	2. Reduction in post harvest losses 3% over six years (0.5% per year)
3. 8.5 billion Cubic meters of water mobilized for multiple purpose development[17]	6 Seventy five percent of Bank agriculture operations are climate proofed.	3. Production increase: 5% per annum

Source: Annex I

- ***Smallholder and market focus***: The Bank's pro-poor focus will be reinforced by this strategy through raising the productivity, revenue and income of smallholder farmers, including women, by facilitating their entry into market oriented farming. Through tailor-made capacity building packages within its interventions the Bank will also build the capacity of farmer institutions and organizations to help their members as they orientate themselves towards market modes of production. Through partnership arrangements and other initiatives, agriculture investment fund will be created to enhance smallholder's productivity and boost private investment in all sectors of the food industry.

- ***Stronger Partnerships***: Operational synergies will be enhanced by stronger partnerships with key actors in the Agriculture Sector, and the Bank will play a catalytic and convening role, in order to leverage enhanced access to greater financing for the sector. The main partners are the regional institutions (AU, ECA, and RECs), multilateral institutions (World Bank, IFAD, FAO, etc); specialized foundation agencies (AGRA, and Melinda Gates, WWF, International Union for Conservation of Nature (IUCN), etc, and institutions focusing on knowledge generation and dissemination (CGAIR, FAO, among others). The AgSS Action Plan (Annex V) gives an indication of the Bank's collaborative partnership.

- ***Gender focus***: The Bank supports the promotion of gender equality and empowerment of women and will further enhance its support to assist in the transformation of rural women and men small holder farmers into market-oriented agricultural development. (See Annex VII).

- ***Environmental accountability:*** Monitoring and auditing of the environmental effects of Bank operations will enable measurable progress to be made towards the goals of (i) climate proofing

[17] Prepared and secured necessary investments by 2014 for operations to develop 500,000 ha under improved water management and increase water storage capacity by at least 8.5 billion cubic meters.

Bank interventions in the sector; and (ii) contributing to carbon neutrality through the use of renewable energy sources and mitigation measures.

- ***Knowledge Generation and Accountability****:* The Bank will continuously build on and learn from successes and shortcomings of its operational activities in the agricultural sector, including adoption of other regional and international good practices**.**

5.4 Strategic Alignment

The AgSS is consistent with the priorities of the MTS 2008-2012 and the ADF-11 Deputies Report and aligned with the CAADP framework and the thrust of the 2008 African Food Crisis Response (AFCR) (see Box 7). It is also aligned with other Bank Group's existing policies and strategies, including those on Regional Integration; Private Sector Development; Higher Education; Science and Technology; Governance Strategic Directions; Fragile States; Updated Gender Plan of Action (2009-2011); Knowledge Development and Management; and Climate Change Risk Management. Synergies have also been built within the upcoming Infrastructure Strategy. The AgSS mainstreams critical cross-cutting issues, including capacity building, knowledge generation, gender equality, adaptation to climate change and environmental aspects.

5.5 The Two Pillars of the Agriculture Sector Strategy

5.5.1 The Bank will build on its comparative advantage and competencies. These include infrastructure-oriented agricultural interventions, which include the construction of rural roads, rural and urban commodity markets, irrigation projects, etc., and support to regional initiatives, especially in trans-boundary natural resource management. It will focus its agricultural operations on two pillars: agricultural infrastructure and support for natural resource management (NRM). These two AgSS pillars – infrastructure and NRM – will be mutually reinforcing as investments will be designed to be resilient to climate change and by their nature, investments in NRM contribute to the sustainability of investments in infrastructure.

Box 7: AfDB Response to the African Food Crisis

The Bank African Food Crisis Response (July 2008) provides a framework for accelerated support to Regional Member Countries (RMCs) affected by increased food prices. The AFCR is projected to inject into Africa's agriculture sector, about UA 496.57 million in the short term and UA 1.4 billion in the medium to long term.

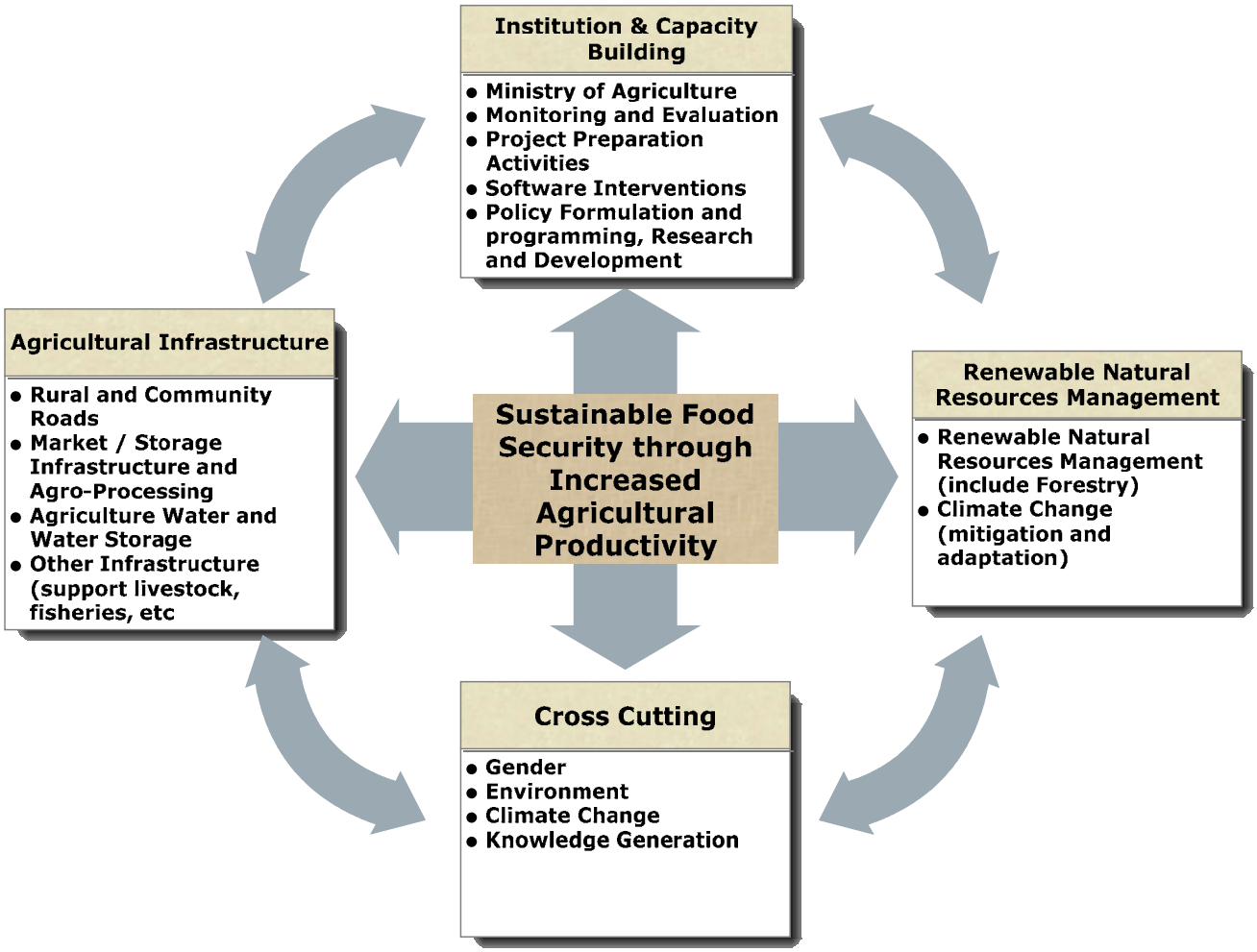
- The short-term response consists of: (i) portfolio realignment of agriculture projects and non-agriculture projects; (ii) budget and balance of payment support; (iii) allocations from the Bank's Surplus Account; and (iv) increased dissemination of NERICA rice seeds.
- The Bank's medium to long term responses focused on the following: (i) improved rural infrastructure; (ii) operationalising the African Fertiliser Financing Mechanism; (iii) increasing NERICA rice production; (iv) capacity building, policy dialogue and trade promotion; (v) scaling up private sector operations for food security; (vi) promoting agriculture research; and (vii) the establishment of the Crisis Response Facility

(www.afdb.org/en/topics-sectors/topics/food-production)

5.5.2 The two AgSS pillars are also aligned to Pillars I and II of CAADP (Annex IV) and therefore work coherently with country compacts, where they exist.

5.5.3 In addition, to improve investment performance and increase agricultural productivity, the AgSS also foresees providing direct support to institutions and agencies with greater comparative advantage than the Bank to provide institution and capacity building to design policy and programs, to monitor and evaluate programs, to undertake agriculture research, to use technologies, and to share good practices (Figure 2).

Figure 2: Agricultural Sector Strategy



5.5.4 Generally, while the approach and focus of the two pillars of the AgSS does not advocate for the Bank's direct indulgence in food production, they have an indirect multiplier effect on increased food production. The various interventions under the two Pillars, including water control management, construction and rehabilitation of rural roads, markets and storage infrastructure, agro-processing and reduction of post harvest losses would have considerable impact on increased food production and increased food security. Other interventions that will contribute considerably to increased food production under the AgSS include the medium to long term interventions under AFCR, the AFFM and CBFF. Other special initiatives under the AgSS, which will help increased food production, include support to selected research initiatives and a wide range of capacity building initiatives within the framework of projects/programmes executed under the AgSS.

5.5.5 Also, addressing policy and capacity gap is essential to effective implementation of agriculture projects and programs in RMCs. To this end support will be given to RMCs to develop and operationalize agricultural related policies, through appropriate technical assistance and support for analytical studies that would facilitate effective policy dialogue, formulation and implementation (see

paragraph 6.4 below and Action Plan (Annex V) for measures to address this gap at the Bank level. Also, land tenure issues and the complexities of land redistribution suggest the need for land reforms. The Bank will support a comprehensive land reform and measures to implement needed programs in the context of its policy lending programmes in RMCs. (cf: paragraph 6.8.1).

5.5.6 For farm research, extension, developing technologies, mechanization services and maintenance or provision of inputs where they are essential for valorizing investments, the Bank will use partnerships, SWAPs or similar arrangements. It will address micro-finance operations under the private sector window, and through other partners such as IFAD and AGRA.

Pillar I – Agricultural Infrastructure

5.5.7 The AgSS approach considers that the economic contribution of agriculture depends not only on producing more, but also on sustainably developing the production/distribution chain and making links with markets. This requires developing competitive and sustainable agro-industrial and agribusiness operations that generate strong backward and forward linkages, and promoting demand for and adding value to primary agricultural production. It also requires regional trade and export infrastructure, which will be provided to assist all sectors - agriculture, floriculture, horticulture, fisheries, livestock and forestry. Moreover, work with RECs in market information dissemination and facilitating trade will be particularly important to small countries.

5.5.8 Pillar I focuses on improving rural and community roads and agricultural infrastructure, including market/storage and agro-processing, agricultural water and water storage, and other infrastructure in support of livestock, fisheries and rural energy. Maintenance will be assured through promoting ownership by the community and RMCs and, long term, by ensuring that profitable returns permit re-investment by the beneficiaries. By developing agricultural infrastructure and operating within the framework of the NEPAD Regional Integration Strategy, the Bank's MTS and new Framework for Regional Operations will contribute to regional integration, which seeks to create markets and new opportunities for growth, more robust, competitive and diversified economies, and attract new sources of investment finance to the sector. Where applicable, the concept of Growth Corridors[18] will serve as a catalyst to attract the appropriate mix of public and private sector finance to achieve the necessary economies of scale for sustainable development.

5.5.9 **Agricultural Water and Water Storage:** Guided by the African Water Vision (AWV)[19] 2025 and CAADP-Pillar I (Sustainable Land and Water Management), and in line with the African Food Crisis Response (AFCR - July 2008), the Bank has developed a Water Business Plan (BP) that aims to develop an area of up to 500,000 hectares under improved agricultural water management (AWM). Necessary operations to achieve these targets will be undertaken in collaboration with other partners. The Bank will, therefore, channel its support to the following areas, (i) agricultural water development, (ii) increased water storage capacity, and (iii) institutional support and project preparation activities[20]. The Bank also aims to increase water storage capacity in Africa by at least 1 percent (additional storage of 8.5 billion cubic meters for multi-purpose uses, including irrigation domestic use, livestock watering, and fisheries).

[18] Fast Tracking Agricultural Growth Corridors in Sub-Saharan Africa, Summary Report of a meeting held in Davos, Switzerland, January, 28, 2009, YARA International ASA

[19] AWV calls for an increase in the development of the water resources potential in Africa by 25 percent by 2025.

[20] Mali: Irrigation and Swaziland: LUSIP are good illustration of successful water storage, water management and irrigation projects financed by the Bank the type of which will be replicated under this pillar – Annex XI provides other success stories of projects.

5.5.10 **Roads**: The Bank's engagement in rural feeder and community access roads will be through project financing, institutional support and capacity building, including the preparation of strategic plans on development and maintenance of these roads. (See Box 8). When investments in trunk roads are linked to investment in feeder roads that open up areas of high agricultural potential, it will maximize the benefits from both. Roads connect the rural population to their farms, local markets, and social services, hence increasing their income and improving their quality of life.

5.5.11 **Market / storage and agro-processing**: The Bank intervention will also involve investments in the following areas: (i) market infrastructure, (ii) storage infrastructure, (iii) agro-processing and added value, (iv) capacity building/software interventions, and (v) creation of an enabling environment for market-oriented agriculture.

Box 8: Linking Producers to Markets

Investments in ***rural infrastructures*** under CAIIP-1 are expected to enhance farmers' access to markets, attract competitive prices and increased incomes

Covering 26 districts of central and eastern regions of Uganda, CAIIP-1 will

- Rehabilitate and ensure annual maintenance of district and community access roads;
- Construct and rehabilitate rural agricultural marketplaces and promote agro-processing; and
- Supply and facilitate maintenance of electricity in the marketplaces.
- Enable participation of local communities in maintenance of physical infrastructure

Uganda – Community Agricultural Infrastructure Improvement Program (CAAIP – I)

5.5.12 A Bank-led initiative to prepare a framework paper on reducing post-harvest losses, in partnership with FAO and UNIDO, will detail investments in the area. Consultation with key stakeholders, including the Private Sector, will leverage their participation in storage infrastructure interventions within the framework of Public-Private-Partnerships (PPPs). For such costly interventions like cold storage infrastructure for export markets, the Bank will focus its support on providing utilities, i.e., water and electricity.

5.5.13 Building on the already significant fisheries portfolio in the sector, the Bank will support the following investment areas: provision of infrastructure, such as landing sites, marketing and storage facilities, as well as infrastructure for the monitoring, control and surveillance of marine resources.

5.5.14 Recognising the importance of livestock as a source of income, even in mainly crop based systems, Bank interventions will focus on increasing revenue through (i) provision of infrastructure, and (ii) regional disease and pest control.

5.5.15 Investments will be made to develop local, renewable energy sources to power rural infrastructure. Depending upon the local availability these will include solar, wind and hydro power.

5.5.16 Regional trade and export infrastructure will be provided and will assist all of the sectors, including agricultural, floricultural, horticultural, fisheries, livestock and forestry. Work with Regional Economic Communities (RECs) in market information dissemination and facilitating trade.

Pillar II: Renewable Natural Resources

5.5.17 NRM will focus on forestry, sustainable land management (SLM), and climate change mitigation and adaptation. Interventions will aim to improve the management of vital renewable natural resources. Table 2 illustrates the links between on- and off-site environmental problems linked to agricultural activities.

5.5.18 In forestry, the Bank will support reforestation/afforestation, rehabilitation of degraded lands, community based management of natural forests and planted woodlots, conservation of forest resources;

and watershed management especially around major river basins; and all other activities that mitigate the threats to the stability of the ecosystems.

5.5.19 The Bank strategy aims to contribute to extending the area under SLM by supporting interventions that will help in reversing land degradation trends and sustaining the productivity of the natural resource base; maintaining soil fertility; increasing productivity per unit of resource used and halting practices that utilize the resource base beyond its regenerative capacity.

Table 2: Agriculture's environmental problems onsite and offsite

	Onsite Effects	Offsite effects (externalities)	Global effects (externalities
Intensive agriculture (high-potential areas)	Soil degradation (salinization, loss of organic matter)	• Groundwater depletion • Agrochemical pollution • Loss of local biodiversity (natural agricultural)	• Greenhouse gas emissions • Animal diseases • Loss of situ crop and animal genetic diversity
Extensive agriculture (less-favored areas)	Nutrient depletion Soil erosion onsite effects	• Soil erosion downstream effects (reservoir siltation) • Hydrological change (e.g., loss of water retention in upstream areas) • Pasture degradation in common property areas	• Reduced carbon sequestration (storage) from deforestation and carbon dioxide emissions from forest fires • Loss of biodiversity

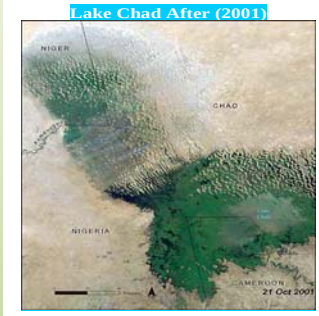
Source: World Development Report, 2008

5.5.20 In collaboration with concerned Bank's Departments, the AgSS will promote regional cooperation through sustained dialogue and collective action for the sustainable management of natural resources in the river and lake basins (through established river basins institutions) to ensure the equitable sharing of benefits following an Integrated Water Resources Management approach. Regional technical NRM institutions – including (ABN, OMVS, NBI, LTA, ACMAD, and COMIFAC --will be supported to encourage better governance of these strategic resources, to reduce conflicts and to ensure the sustainable use of these regional public goods. The Bank will support trade facilitation and capacity building programmes in RECs and RMCs, to harmonize environmental standards and regulation. Consistent with the pillars of the Regional Integration Strategy, capacity building and knowledge products as well regional establishment of regional warning systems to monitor specific risks and threats will also be supported[21].

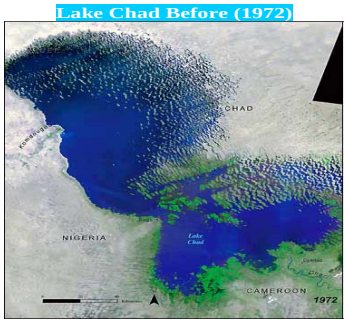
5.5.21 The Bank will support its own and other NRM initiatives with significant resources for human capital development, organizational strengthening, negotiations, and other institutional skills. It will give priority to approaches that promote decentralization and empowerment and work with transparent local institutions that have the confidence of the local population so as to promote grassroots environmental governance. Box 9 shows a typical NRM Bank intervention

[21] For example: climate variability; regional measures for improving food security; management of pollution, desertification, and other effects of climate change, and shared natural resources.

Box 9: Lake Chad Sustainable Development Program



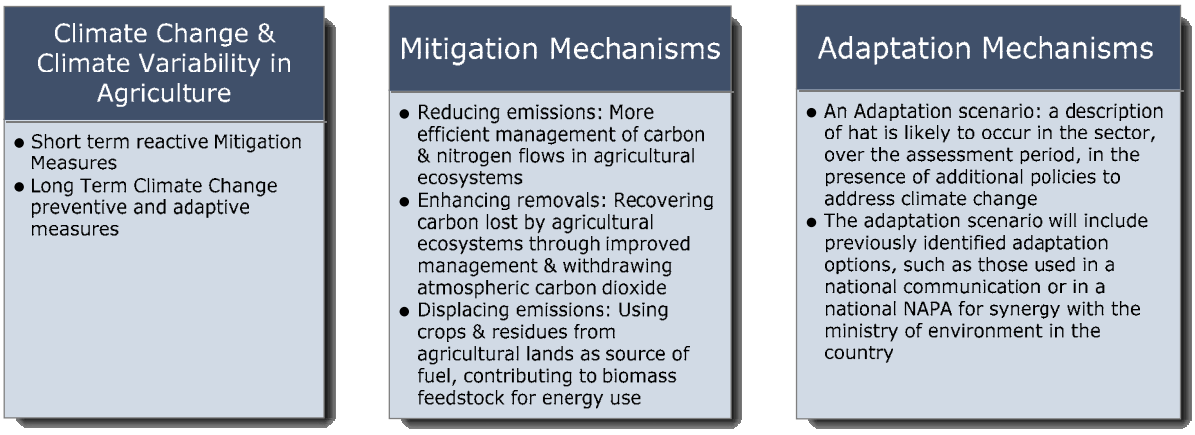
In response to the widespread degradation of the productive ecosystems and natural resources of lake Chad, the Bank has provided a UA30 million grant for soil and soil moisture conservation over 27,000 ha and fixation of dunes over 8,000 ha, regeneration of grazing-land ecosystems over 23,000 ha, control of invasive aquatic plants in water bodies, sustainable management of forestry, pasture and fishery resources,



community forest plantations agro-forestry among farmers over 30,000 ha, restoration of 12,000 ha of gazetted forests, demarcation of 1,500 km transhumance corridors combined with 44 watering holes, (f) optimal wood management based on indirect actions by extending the use of improved stoves and biogas digesters.

5.5.22 **Climate change and African Agriculture:** The African Development Bank is progressively mainstreaming climate change into its operations, especially in the agricultural sector in view of the importance of the sector in stimulating economic growth in the continent and its high vulnerability to climate change. The Bank also recognizes the importance of agriculture in any post-Kyoto climate change agreement. Although the agriculture sector is very vulnerable to climate change; it also is a major contributor to global warming in the continent. In this regard, the Bank emphasizes both adaptation and mitigation as responses to climate change in the sector (Figure 3).

Figure 3: Climate Change and Mitigation



Source: African Development Bank, Environment and Natural Resources Management Division

5.5.23 With respect to adaptation, the Bank seeks to increase and accelerate its investments by promoting in its operations adaptation options such as diversification of livelihoods, adjustment of farming systems, improvement of water harvesting systems, improvement of early warning systems, generation and use of climate-related information, etc. Considering the centrality of institutions to effective adaptation, the Bank is providing institutional support to strengthen the capacities of four (4) regional climate institutions – ACMAD, AGHRYMET, ICPAC and DMO to generate appropriate

climate-relevant information as well as build the capacities of selected policy makers in key sectors to use climate information in development planning. The ClimDev-Africa Special Fund will implement the ClimDev-Africa program, a joint initiative of the Commission of the African Union, the African development bank and the United Nations Economic Commission for Africa, which seeks to help Africa adapt to the adverse impacts of climate change (see Annex IX).

5.5.24 In partnership with other MDBs, the Bank, through the Pilot Program on Climate Resilience (PPCR) of the Climate Investment Funds (CIFs) supports the building of climate resilience in Niger, Mozambique and Zambia, particularly in the agriculture sector. While the PPCR support only 3 countries, the Bank will seek to replicate this initiative in other RMCs through its Regional Public Goods window. Specific watersheds that have been identified for support include the Nile Basin, the Zambezi River Basin and the Limpopo Watershed, in view of the severe water stress that will be induced in these basins as a result of climate change.

5.5.25 Considering the role that agriculture plays in greenhouse gas emissions and the vast potential for abatement in the sector, the bank will also invest in helping RMCs chart a low-carbon intensive development pathway. The Bank will promote the creation of carbon sinks through carbon sequestration using natural forests that will benefit RMCs while also enabling them to adapt to climate change. The Bank is hosting the Congo Basin Forest Fund which supports innovative and transformational approaches for developing the capacity of the people and institutions in the countries of the Congo Basin to enable them manage their forests; and reduce the rate of deforestation through new financial mechanisms and appropriate models. Curbing deforestation in the Congo Basin will provide a highly cost-effective way of reducing greenhouse gas emissions on a global scale.

5.5.26 The prospects of new markets for ecosystem services, and in particular the possibility of Reduced Emissions from Deforestation and Degradation (REDD) being eligible for carbon credits, creates new opportunities for the conservation of the forests, addressing desertification and other environmental benefits through REDD+. REDD plus covers practices such as conservation agriculture and other sustainable land use practices that will aide the combating of desertification, maintenance of ecosystems and have long term environmental benefits of water resources control and potentially reducing the frequency of droughts. These efforts will be complemented by the agricultural water infrastructure (Pillar I) that will also be aimed at adaptation to drought and flood control.

5.5.27 The Bank will assist RMCs to benefit from the innovative financing mechanisms emerging from the post-2012 climate agreement by promoting appropriate institutional capacity to access all new and existing funds. The Bank will also assist RMCs develop their Nationally Appropriate Mitigation Actions that will form the basis for their actions to reduce their greenhouse gas emissions and consequently chart a low carbon intensive development pathway, even in the agriculture sector.

5.5.28 **Gender Equality in the Agriculture Strategy:** In line with the Bank's Gender Policy and the Updated Gender Plan of Action 2009 -2011, the AgSS swill ensure that gender equality issues are considered when designing and implementing projects under the strategy. Of the estimated 75 projects, at least 50-60 will fully mainstream gender and at least 50% of the project beneficiaries will be women. Particular attention will be paid to ensure women's access to the areas of land with improved agriculture water management. As women play a significant role in processing agricultural produce, these interventions will address their participation in the agro-processing initiatives and their access to value addition and linkage to markets. Key gender studies in relevant areas will inform the development of projects. Consultations with men and women during the design phase will ensure that the different needs of female and male farmers in agriculture infrastructure development are taken into consideration. AgSS envisages that men and women are included in the community involvement and participation in NRM.

5.5.29 The Bank's Updated Gender Plan of Action 2009-2011 articulates the importance of the agriculture sector in reducing rural poverty and promoting women's economic empowerment in Africa. To this end, at least 50-60 of all projects under this strategy will fully mainstream gender where appropriate and use gender sensitive indicators. The design of Bank projects will consider the gender differentiated needs of farmers and promote equal access to improved agricultural infrastructure and markets. Attention will be paid to ensure appropriate skills mix in the Bank in the designing and monitoring projects on the ground. Female and male stakeholders or Bank stall will participate in project design. The Bank in cooperation with key partners will support gender to better inform policy formulation and project design.

5.6 Development Outcomes

5.6.1 The results of the AgSS will be measured using core sector indicators developed by OSAN and the Quality and Results Department (ORQR) and outcome indicators from the ADF-11 Results Measurement Framework. Specific, quantitative indicators have been developed to continuously benchmark progress (Annex 1).

5.6.2 Adequate and well-functioning infrastructure (good network of rural and community roads, storage facilities for crops, livestock and fish products and related processing and market facilities) will underpin agricultural development. Reduced input costs and increased productivity will increase returns on existing investments, while reducing the cost of future investment of, for example, small scale irrigation. The fluid movement of produce to the markets, storage and processing will enable efficient responses to both national and international market demand. Construction work will provide employment at local level, stimulating investment in farming and local markets. Good quality agriculture infrastructure will, in the short to medium-term stimulate economic growth, through higher output and employment, and also through promotion of domestic market activity and integration, hence contributing to poverty reduction.

5.6.3 Better management of land and water resources will lead to increased agricultural production and productivity of the RMCs. Combined with the spread of improved agriculture water management, these will help increase sustainable rural agricultural output, as well as contribute to increased food security and income. Conventional water control and land improvement will help overcome constrained posed by Africa's climatic variability and the inherent fragility of its soils on African agricultural production. Interventions under the Strategy will contribute to intensification of agricultural production, hence meeting targets for poverty alleviation, food security and economic growth across the continent. Agriculture water management interventions will also focus on smallholders, by developing community/private small-scale irrigation projects and areas under partial control of water in lowlands/flood plains and rainwater harvesting. Multiple purpose small dams will also be considered to ensure reliable domestic and livestock water supplies in rural areas, support small-scale irrigation, promote fishing, and regulate seasonal flows to provide reliable year-round flows.

5.6.4 Natural Resources Management initiatives including land management and conservation; as well as environmental and climate change adaptation/mitigation processes will also facilitate sustainable agricultural production with resultant increased food production. Other areas of focus of the AgSS; namely value addition and the enhancement of commercialization of agricultural production; as well as the promotion off-farm income generation activities, will be attributes to increased income levels among farming communities, thus facilitating improved food security. Support for reduction in post-harvest losses will contribute to additional food supplies.

5.7 Outreach

The Strategy will impact all areas of Bank operations in the sector. It will guide the scope and type of projects undertaken with the RMCs. It will promote close partnerships, cooperation, co-financing and synergy with other development partners. It will also effect beneficial change in the internal workings of the

Bank and the relationship between the various players within the Bank. The rural population of Africa will benefit from the increased productivity and economic well being emanating from the qualitative and results-focused investments that will be made under the strategy.

5.8 Risk and Mitigation Measures

5.8.1 An array of sector and non-sector risks could affect the implementation of the AgSS in addition to risks endogenous to the Bank and its RMCs. Chief among these are the fragmentation and duplication of efforts to marshal common African efforts and inter-agency cooperation, insufficient support of the CAADP advocacy and stakeholders' commitment, the likelihood of slippages in government implementation performance due to inadequate capacity, reduced public investment in agriculture because of slow growth in RMC economies and depressed tax revenue, an inadequate enabling environment for private sector participation, and the inability of RMCs to make adequate investments in the sector, etc. (See Annex I)

5.8.2 To mitigate these risks, the Bank will support thematic networks and policy coordination efforts at regional and continental level to foster greater understanding and cooperation, to disseminate the Strategy to build a collaborative framework for all stakeholders, have stakeholders validate the Strategy in a participatory process, ensure quality at entry of projects, support more analytical and sector work, provide support in collaboration with other partners to build the capacity of the RMCs, use appropriate financing instruments, designing more efficient business processes and improve the monitoring and evaluation of sector operations.

VI. IMPLEMENTATION ARRANGEMENTS

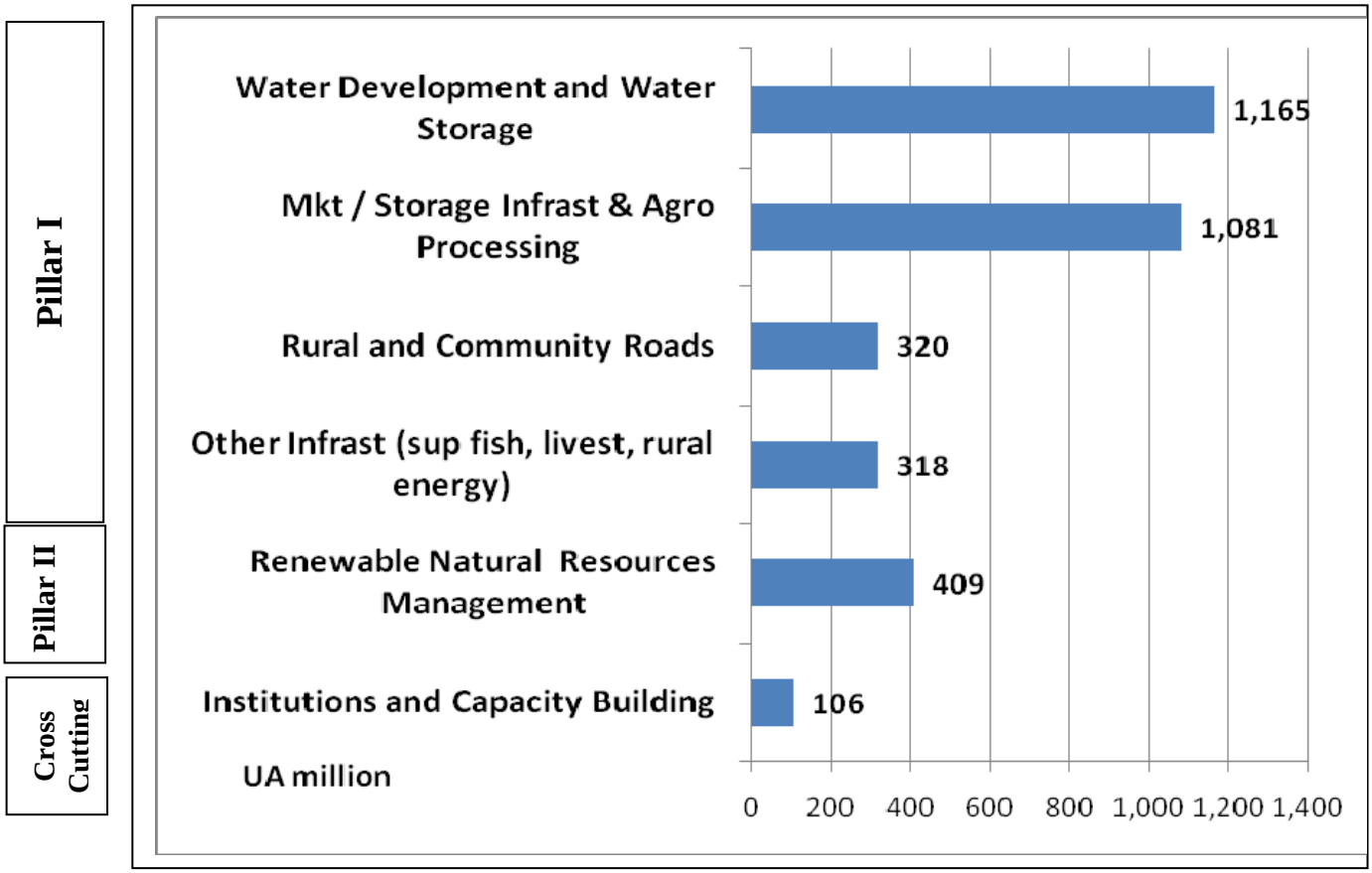
6.1 Action Plan for Implementation

The Bank has developed a preliminary Action Plan for the implementation of the AgSS for the period 2010 – 2014 (Annex V). A Mid-Term Review of the Strategy will be carried out in 2012 for the purpose of drawing lessons from the implementation experience that will serve to inform subsequent revisions. The Action Plan elaborates the thrust and orientation of the Bank's support under each of the pillars of the strategy, details of activities envisaged, financing and human resources requirements, as well as the monitoring and evaluation system. The Bank has also developed a specific Business Plan for Agricultural Water Development and Water Storage Enhancement, and is in the process of preparing one for post-harvest losses and capacity building in RMCs. The modalities of cooperation with Regional Organizations, and other development partners are outlined in the Action Plans. Moreover, the form and level of inter-Departmental collaboration at Headquarters and the Field Offices is clearly stipulated in the Action Plans. Annex V provides more details on the implementation framework and institutional arrangements for delivery of the AgSS, including, among others, the areas of business plan preparation, capacity building, investment preparation, resource mobilization and implementation, and mainstreaming crosscutting issues.

6.2 Program of Operations

The indicative pipeline of projects and studies comprises 75 operations for financing from the different windows of the Bank during the period 2010 – 2014 (Figure 4):

Figure 4: Indicative Projects Pipeline by Pillars and Areas of Intervention



6.3 Internal and Institutional Arrangements

To effectively implement the AgSS, a properly restructured approach is required to ensure organizational effectiveness: clear roles and responsibilities for different Bank departments in collaboration with OSAN, which assumes overall responsibility. The interaction between OSAN and other Bank Departments and Units depends on the activities under each Pillar (Annex VI). Regional Departments prepare CSP and ESW; ECON and Operations Evaluation Department (OPEV) are responsible for knowledge generation and dissemination; the Water and Sanitation Department (OWAS) and the Infrastructure Department (OINF) coordinate work and establish linkages and complementarities in water and infrastructure projects; OPSM oversees private sector lending, Social and Human Development Department (OSHD), and Gender, Climate and Sustainable Development Unit (OSUS) ensure complementarities and cross-cutting issues in health, education, and gender. OSAN, in collaboration with OWAS and OINF, has already developed a Business plan (BP) for Agricultural Water Development and Water Storage Enhancement targets; the work program was jointly prepared by OSAN and OINF, in collaboration with OWAS/African Water Facility (AWF).

6.4 Human Resources Requirements

OSAN currently has a total of 100 professional experts and support at headquarters and in field offices, all of whom are required to implement the AgSS. Current staff and subsequent recruitments will cover all technical areas. OSAN will enhance its capacity in policy competence and dialogue and knowledge management processes so that it is well positioned to make distinctive contributions and support the continent-wide agriculture and rural development tasks. Changes in staff numbers or expertise will be made through the normal budget exercise. The Action Plan specifies the estimated number of staff and their specialities. OSAN has already made considerable progress in reconfiguring its skills mix, and increasing

the number of water and infrastructure specialists in. New NRM and Climate Change experts are being recruited. Staff have been trained in civil works cost estimation and M&E to improve skills in these areas. Continuous professional staff development will ensure that the skills mix reflects AgSS requirements.

6.5 Financing Requirements

6.5.1 Recent estimates of financing for the agriculture sector in Africa foresee the need for US$8.1 billion or an additional US$4.9 billion annually.[22] In line with the Bank's strategy of high selectivity in its Pillars of intervention at the country level, the Bank's continued support and commitment of resources to agriculture will depend on the RMCs' priorities articulated in their PRSPs and CSPs.

6.5.2 An indicative pipeline of projects and programs amount to UA 3.4 billion over the period 2010-2014. Depending on further assessment and the amount of resources to be made available, the decision on the lending instrument will be made.

6.5.3 The total cost of fertilizer and improved seeds required to achieve an agricultural growth rate of 7.5 percent is estimated at more than US$ 9 billion a year. Given the current level and trend in fertilizer and seed use, the incremental cost of these inputs amounts to about US$ 6.8 billion per year. The Bank will play a catalytic role in contributing to the African Fertilizer Financing Mechanism (AFFM) to promote its use.

6.6 Financing Instruments

6.6.1 The Bank can finance all AgSS activities outlined above through instruments that are already in use. Its heightened capacity for resource mobilization and delivery, as evidenced by the response to the rising food prices and the financial crisis, makes it possible to channel part of the resources pledged globally to support the sector.

6.6.2 In this regard, the breadth of current grant facilities (including NEPAD- Infrastructure Project Preparation Facility Fund (IPPF), Enhanced Private Sector Assistance Facility (EPSA), Middle Income Countries grants (MIC), Project Preparation Facility (PPF), country resource allocations and other Trust Funds managed by the Bank will be used to finance knowledge and capacity-building activities for the national and sub-regional institutions, studies, ESW, and project preparation activities. The RMCs will also use the AWF to provide financial resources for the same purpose. However, RMCs will need greater allocations of financial resources to operationalize the AgSS and other envisaged technical support. Dedicated resources will be required to finance analytical work and country capacity.

6.6.3 AgSS investment project/programs will be financed by public sector loans from the ADB window and loans/grants from the ADF window, and possibly the private sector lending window in addition to equity participation and guarantees in some cases. Policy-based lending instruments will be used where appropriate, to encourage the creation of an enabling environment for private sector operations.

6.6.4 Within the framework of the its policy-based lending, the Bank will employ General/Sector Budget Support Loans/Grants to support agriculture development sector programmes agreed with other partners in RMCs, to cover development capital expenditure. This will guarantee the availability of resources to facilitate the implementation of both poverty reduction strategies and national/sectoral development plans.

6.6.5 SWAps offer an efficient framework for coordinating financing from various donors for a given sector. Where appropriate, the Bank has used and will continue to use this type of lending instrument to finance demand-driven operations in RMCs in association with its development partners.

[22] IFPRI Policy Brief 3 (June 208), Investing in Agriculture to Overcome the World Food Crisis and Reduce Poverty and Hunger by Shenggen Fan and Mark W. Rosegrant

6.6.6 Lines of Credit will be used whenever appropriate to strengthen the resource base of national and sub-regional financial intermediaries for on-lending to smallholder farmers.

6.6.7 The Bank will also encourage private equity investors and work closely with other International Financial Institutions to ensure joint financing and leverage.

6.7 Partnerships

6.7.1 The Bank will enhance its participation in Agriculture Donor Working Group at country level. Partnerships will be developed through the CAADP compacts developed by the RMCs, and further refined in the CSPs, which will be the main framework from which interventions under the AgSS will be derived. Bank's Regional departments will collaborate with the sector departments in dialogue with respective RMCs to identify the priority projects/programs for financing. Strong country offices will enable the Bank to be instrumental in aligning its support with other actors in order to fulfill the goals outlined in the compacts. The existence of CAADP-Compacts or another national creditable consultation process (CAADP like) will be instrumental in this dialogue. It is important to note, however, that agreeing to areas of the Bank support usually stems from an inclusive consultative process, on the condition that it demonstrates strategic coherence and it is of the scope consistent with the Bank's related policies and strategies including the Agriculture Sector Strategy.

6.7.2 At the continental level, the Bank will step up its role of helping to deliver priorities and programs agreed upon by Africa's Heads of State and in helping to provide the analysis needed to make informed decisions. It will up-scale its partnership with the AU Commission, the NEPAD Heads of State Implementation Committee, the APRM, RECs, and the UNECA. Bank partnerships with the RECs will be important for multinational regional operations, building on their increasing effectiveness and efficiency. Sustained efforts will be made to enhance Bank partnerships with sub-regional development banks, as these becoming increasingly important regional actors.

6.7.3 Through strategic frameworks specifying areas of comparative advantage, complementarity, sharing workloads and knowledge, the Bank will maintain and strengthen its relations with traditional and new technical and financial development partners, such as, the World Bank, IFAD, AGRA, USAID, FAO, the EU, the Global Donor Platform for Rural Development, and others. Partnership with these agencies will reflect a clear division of labour based on comparative advantages.

6.7.4 The Bank will deepen its role in structuring Africa's partnerships with specialized vertical funds, as well as with emerging and non-traditional donors including China and India and development foundations. This will ensure that continental needs and interests are respected and best practices observed, in the delivery of Global commitments for increased resource flow to agriculture.

6.7.5 The Bank will support interventions in agribusiness and agro-processing, rural community empowerment, microenterprise development and renewable energy, as envisaged in the 2008 cooperation agreement with IFAD. The agricultural sector strategy will serve as a vehicle for delivering some of the embodiments of the Memorandum of Understanding (MoU), including agribusiness and microenterprise development.

6.7.6 The priorities of the AgSS are in line with the Bank's vision for private sector development which is founded on a conceptual framework that links entrepreneurship, investment, and economic growth with the Bank's ultimate goal of poverty alleviation. The Bank's Private Sector Strategy articulates the following focal priorities for its interventions: (i) improving access to finance through extending lines of credit and providing technical assistance to banks and microfinance institutions active in agriculture as well as supporting Small and Medium Enterprises linkages; (ii) investment in private equity funds focused on agriculture and in periods of liquidity crisis, and supporting trade finance to facilitate trade in agricultural commodities;(iii) encouraging Public Private Partnership in Agriculture by leveraging public resources to entice private sector operators to invest in agriculture in low income countries; and (iv) encouraging of new

investors to venture into the agricultural sector and develop partnerships with key international agribusiness groups. These priority areas for intervention will be fully integrated into the activities of the two pillars of the AgSS. Improved access to finance will facilitate a wide range of farmers, including smallholder farmers. Active collaboration with key partners investing in agriculture, at the continental and regional level, is envisaged to enhance productivity. In the context of partnership with AFD, IFAD and AGRA, an African Agriculture Investment Fund was established, with a contribution from the Bank's Private Sector. Another initiative launched with the Cooperation (BMZ/KWF), aimed at establishing the Africa out-grower development fund to boost private investments in all sectors of food industry.

6.8 Knowledge Generation and Dissemination

6.8.1 To enhance its knowledge management and dissemination and analytical and policy-dialogue capacity, the Bank will work primarily through partners who have strong knowledge institutions in Africa and elsewhere. This will make it possible to move ahead more quickly and effectively than if it was to build capacity exclusively in-house. In this regard, it will work collaboratively with key partners and RMCs to carry out analytical studies on complex issues such as land tenure and land reform processes; climate change, water resources management, etc; that would facilitate effective policy dialogue and formulation. OSAN will undertake key analytical and sector work and retrospective sector reviews in collaboration with ECON and OPEV, to enrich project designs and learn lessons from operational experience.

6.8.2 Joint diagnostic and policy work, as well as technical assistance studies will be undertaken with a view to (i) generating new knowledge for development, enhance measurement tools, and strengthen capacity development in support development effectiveness, (ii) enhancing collaboration and partnerships, and (iii) ensuring and expanding effective knowledge dissemination within the Bank and Regional Member Countries (RMCs). The work of ECON, ORQR and OPRC will enrich delivery of the AgSS and the periodic refinement of its rolling work program. Staff will be encouraged to apply new knowledge products in programme design and participate more actively in knowledge and dissemination actions (ESW, studies, seminars, conferences, etc).Bank support to research development and dissemination of good practices and appropriate technologies will be enhanced within the framework of AgSS. In this regard, the Bank will provide direct support to CGIAR activities focusing on scientific research and research-related studies in the fields of agriculture, forestry, fisheries, policy, and environment. OSAN will work closely with ESTA to build capacities in RMCs to improve agricultural statistics, in line with the Global Strategy to Improve Agricultural Statistics.

6.8.3 It is important to track progress on developing and implementing land policies in most RMCs using appropriate tools and indicators. The Bank will therefore support the AU and the ECA in collaboration with the RECs and RMCs to develop appropriate indicators for tracking progress on this issue.

6.9 Business Processes

A number of measures will be instituted to improve business processes that will facilitate increased investments to the sector. The most pertinent among them are the following:

- Adapting the sector operations to country-defined strategies, to align with priorities enshrined in CSPs with predetermined operations; improving coordination with the Country Departments; and using Country Teams optimally for quality at entry and review functions.

- Full integration of the Bank field office staff into the work of OSAN; and the posting of more international staff to the field offices in line with the Bank's decentralization strategy. This will allow the gradual delegation of more portfolio management activities including project supervisions to the

Field Offices, leading to increased disbursement, improved procurement and better portfolio performance.

- Build synergies to maximize the development effectiveness in the Bank's operations, especially in the area of agriculture infrastructure development, sector budget support operations, and agricultural education and vocational training.

- Promote the Bank's knowledge management agenda by emphasizing the importance of ESW as a conduit towards improvement of its pipeline of lending programs/projects. This will be complemented by impact assessments so that lessons are generated for future interventions.

6.10 Results Monitoring and Evaluation

6.10.1 The Bank will ensure that the proposed interventions under the strategy are results-oriented throughout all the stages of the implementation. The interventions include baseline studies to refine project objectives and targets, build strong M&E systems, and improve the capacity in RMCs in M&E systems.

6.10.2 In line with the Paris Declaration principles and more particularly the imperative to enhance country systems, M&E will be increasingly performed through existing structures within the RMCs and local capacities will be supported. Progress reviews for establishing and institutionalizing M&E within projects will be made 3 and 6 months after project start-up, and additional support and capacity building provided if necessary. In circumstances where capacity is lacking, the option to contract out local private providers will be considered while at the same time enhancing capacities of national agencies. OSAN will collaborate with ESTA to strengthen the capacity for M&E in Bank-financed agricultural projects through the use of appropriate methodologies and tools to foster results measurement. The first of such efforts will be the training of M&E experts that will start in the first quarter of 2010.

6.10.3 The Agricultural Sector Strategy Results Framework is aligned with the country and regional targets as well as with the ADF Result Framework. Monitoring will be undertaken through the Bank's normal reporting mechanisms, including supervision, mid-term review and completion reporting on the agricultural sector projects and programs at the country level. The decentralization process undertaken by the Bank and the resulting increased proximity with its clients, are expected to enhance the quality of operations supervision and to facilitate the monitoring and reporting of results. The Strategy itself has a results based logical framework (Annex 1) and will be subject to a mid-term review in 2012, the lessons of experience of its implementation will form the basis for any subsequent revisions. Annex 2 presents a framework with which to measure the outcomes of Bank support to RMCs under this strategy; this will be developed further as detailed action plans are developed.

VII. CONCLUSIONS AND RECOMMENDATION

7.1 Conclusions

7.1.1 The AgSS builds on the experience of past interventions in the sector, several sectoral and thematic strategic frameworks, including the MTS (2008 – 2012), CAADP, Regional Integration Strategy and the outcome of the Joint Evaluation of the AfDB/IFAD agricultural policies and operations in Africa. Future Bank interventions, within the overall framework of the AgSS during the period 2010 – 2014 will focus on agriculture through infrastructure, in alignment with its comparative advantage and strategic direction. Natural resources management and other cross cutting issues will also feature prominently in the Bank's interventions.

7.1.2 The interventions and activities envisaged under the AgSS will be carried out in close collaboration with other relevant Departments and Units of the Bank as well as development partners. They will be guided by its commitment to quality and results, the principles of country ownership and alignment,

selectivity and complementarity of investments, stronger partnerships, knowledge generation and dissemination, a gender focus and environmental accountability.

7.2 Recommendation

The Board is hereby requested to approve the Agriculture Sector Strategy, 2010 - 2014.

AgSS RESULTS-BASED LOGICAL FRAMEWORK
Agriculture Sector Strategy 2010 – 2014
Result-Based Matrix

HIERARCHY OF OBJECTIVES	EXPECTED RESULTS	BENEFICIARIES	PERFORMANCE INDICATORS / SOURCE & METHODS	INDICATIVE TARGET / TIMEFRAME	RISKS and ATTENUATION MEASURES
I. GOAL:	**LONG TERM**				
1.1 Contribute to poverty reduction and sustainable food security in rural areas to promote Agriculture-led growth in Africa (*as stated in the MDG and CAADP goals*)	**IMPACT** 1.1.1 Improved purchasing power of rural population 1.1.2 Decreased proportion of people who suffer from hunger 1.1.3 Increased efficiency and effectiveness in Adaptation to Climate Change (ACC)	Populations of RMCs estimated to be 963.70 million people of which 44 % are women	1.1.1.1 Proportion of rural population living below poverty threshold in RMCs 1.1.2.1 Proportion of rural Population below minimum level of dietary energy consumption 1.1.3.1 Proportion of African countries that have main-streamed ACC(*) into development policies and plans. **SOURCE: (i) MDG progress report and (ii) ECA Climate Change Progress Report**	1.1.1.1.1 Proportion of rural population living below poverty threshold in RMCs is reduced by 2.5% by 2020. 1.1.2.1.1 Proportion of rural population below minimum level of dietary energy consumption decreases by 5% by 2015 1.1.3.1.1 Proportion of countries that have integrated ACC into development policies and plans shifts from less than 10% in 2009 to 30% and 75% by 2015 and 2020, respectively.	**Assumption**: Anticipated population growth and increasing demand for economic response will not overwhelm efforts to meet MDGs **Risk**: The prevailing unstable economic and financial environment may shift priorities from agricultural public investment. **Attenuation Measure**: The wide advocacy of the Strategy, sensitization and support for capacity building and efficient planning provide a coherent framework for effective action.
II. PURPOSE OF THE STRATEGY:	**MEDIUM TERM**				
2.1 Increase agricultural productivity and food security in a sustainable manner.	**OUTCOME** 2.1.1 Effective Agricultural Growth 2.1.2 Natural resources management is consistent with sustainable agricultural growth	Farmers and rural populations of RMCs estimated to be 580.15 million people of which 50.2 % are women	2.1.1.1 Change in adoption rate of technological packages disseminated 2.1.1.2 Crop yields index yields 2.1.1.3 % Change in crop productions 2.1.1.4 % Change in post-harvest losses 2.1.2.1 Change in rate of deforestation and land degradation **SOURCE: FAO Annual Statistical Report**	2.1.1.1 Adoption of disseminated technological packages increase from less than 50% in 2009 to at least 60 % and 80% by 2014 and 2018 2.1.1.2 Crop yields are increased by 5% and 10% in 2014 and 2020, respectively 2.1.1.3 Crop productions are increased by 2% by 2014 2.1.1.4 Post-harvest losses are reduced by 0.25% and 5% per year from 2014 and 2018 2.1.2.1 Reduce current rate of deforestation and land degradation by 2 % and and 5% in 2014 and 2018, respectively	**Assumption**: Ownership of the Strategy by all stakeholders and consistent level of donors coordination are effective **Risk**: insufficient support of the CAADP advocacy **Attenuation Measure**: Dissemination of the Strategy to built a collaborative framework for all stakeholders
III. INPUTS / ACTIVITIES:	**SHORT TERM (2010-2014)**				
3.1 PILLAR I: DEVELOPMENT OF AGRICULTURAL INFRASTRUCTURE					
3.1.0 Improve water resources management to induce sustainable agricultural development	3.1.0.1 Agriculture water management improved as a result of management practices		3.1.0.1.1 Size of area under sustained water land and water management	3.1.0.1.1.1 Investments mobilized for increasing area under improved agriculture water management by 300.000 and 500,000 ha in 2012 and 2014, respectively	

HIERARCHY OF OBJECTIVES	EXPECTED RESULTS	BENEFICIARIES	PERFORMANCE INDICATORS / SOURCE & METHODS	INDICATIVE TARGET / TIMEFRAME	RISKS and ATTENUATION MEASURES
3.1.1 Improve water availability for economic development	3.1.1.1 Improved water availability through multi-purpose storage.	Farmers and rural populations of RMCs estimated to be 580.15 million people of which 50.2 % are women	3.1.1.1.1 Volume of water mobilized for mulit-purpose including agriculture	3.1.1.1.1.1 Investments mobilized for increasing water storage by 3 and 8.5 billion cubic meters in 2012 and 2014, respectively	**Assumption**: Commitment of all stakeholders to the Strategy actions **Risk**: Insufficient commitment of stakeholders **Attenuation Measure**: the Strategy is to shared among stakeholders and its validation will be based on a participatory process
3.1.2 Increase access to all year round farm access roads	3.1.2.1 Improved feeder roads network		3.1.2.1.1 Number of km of feeder roads constructed	3.1.2.1.1.1 5,000 and 10,000 km of feeder and access roads constructed by 2012 and 2014, respectively.	
3.1.3 Increase access to markets and value addition	3.1.3.1 Improved market infrastructure 3.1.3.2 Increased incomes through agro-processing		3.1.3.1.1 Numbers of RMCs with market access incorporated in CAADP compacts	3.1.3.1.1.1 3 and 10 RMCs with market access incorporated in CAADP compacts by 2012 and 2014, respectively.	
3.1.4 Promote development of fisheries infrastructure	3.1.4.1 Improved fisheries infrastructure		3.1.4.1.1 number of RMCs with aquatic MCS structures in place 3.1.4.1.2 number of RMCs with improved fisheries services	3.1.4.1.1.1 At least 1 and 3 RMCs with aquatic MCS structures in place by 2012 and 2014, respectively. 3.1.4.1.1.2 At least 1 and 3 RMCs with improved fisheries services by 2012 and 2014, respectively.	
3.1.5 Promote development of Livestock infrastructure	3.1.5.1 Livestock infrastructure provided 3.1.5.2 livestock services improved 3.1.5.3 Regional pest and disease control improved		3.1.5.1.1 Number of RMCs with IGAD regional projects 3.1.5.2.1 number of RMCs with improved livestock services 3.1.5.3.1 number of RMCs with improved Regional pest and disease control	3.1.5.1.1.1 At least 1 and 3 RMCs with IGAD regional projects by 2012 and 2014. 3.1.5.2.1.1 At least 1 and 3 RMCs with improved livestock services by 2012 and 2014. 3.1.5.3.1.1 Number of RMCs with improved Regional pest and disease control increases from 6 in 2009 to 8 and 12 in 2012 and 2014, respectively.	
3.1.6 Promote utilization of renewable energy resources	3.1.6.1 Solar, wind and hydro power developed		3.1.6.1.1 Number of schemes elaborated	3.1.6.1.1.1 Number of schemes elaborated increases by 3 and 10 by 2012 and 2020, respectively	
3.1.7 Capacity Building	3.1.7.1 Creation of capacities for improved policy, planning, programming and monitoring.		3.1.7.1.1 Number of people trained in policy and planning.	3.1.7.1.1.1 15,000 and 50,000 professionals trained in good agricultural practices by 2012 and 2014, respectively.	
3.2 PILLAR II: PROMOTE RENEWABLE NATURAL RESOURCES					
3.2.1 Improve forestry interventions to promote sustainable and impro-ved land management	3.2.1.1 Major ecosystems and biodiversity in RMCs are preserved	Farmers and rural populations of RMCs estimated to be 580.15 million people of which 50.2 % are women	3.2.1.1.1 Size of protected areas in the RMCs delimited 3.2.1.1.2 Size of community forest plantations created	3.2.1.1.1.1 Size of protected areas in the delimited in the RMCs increases from 150.000 ha to 500,000 and 1.5 million ha by 2012 and 2014, respectively. 3.2.1.1.2.1 Size of community forest plantations created in the RMCs increases from 18,000 ha to 25,000 and 50,000 ha in 2012 and 2014, respectively.	**Assumption**: All stakeholders commit to work together to address the challenges in Natural resources Management of climate change. **Risk**: Fragmentation and duplication of efforts in marshalling common African efforts and inter-agency cooperation **Attenuation Measure**: support to current thematic networks and policy
3.2.2 Improve resilience to climate	3.2.2.1 On-going Bank climate resilience		3.2.2.1.1 Number of Bank climate resilience agriculture	3.2.2.1.1.1 About 3 and 5 Bank climate resilience initiatives are successfully	

HIERARCHY OF OBJECTIVES	EXPECTED RESULTS	BENEFICIARIES	PERFORMANCE INDICATORS / SOURCE & METHODS	INDICATIVE TARGET / TIMEFRAME	RISKS and ATTENUATION MEASURES
change	initiatives are successfully implemented		operations.	implemented by 2012 and 2014, respectively.	coordination efforts at regional and continental level will foster greater understanding and cooperation
3.2.3 Capacity Building	3.2.5.1 Existing local capacities suitable for the natural resources management in line with good practices and the implementation of the climate adaptation		3.2.3.1.1 Number of Bank-funded projects and programs with training program on NRM	3.2.3.1.1.1 At least 5 and 10 operations and programs with training programs on NRM by 2012 and 2014, respectively.	
3.3 IMPLEMENTATION AND SUPERVISION OF THE STRATEGY					
3.3.1 Implement the Bank agriculture and agro-industry strategy to generate significant sector results	3.3.1.1 The Strategy is fully implemented and supervised in a coherent manner as planned	Farmers and rural populations of RMCs estimated to be 580.15 million people of which 50.2 % are women	3.3.1.1.1 Preparation of Business and Action plans 3.3.1.1.2 Preparation of Country specific action plans	3.3.1.1.1.1 Framework Paper and Business Action Plans for water mobilization, post harvest losses and capacity building, prepared by 2010. 3.3.1.1.2.1 Country specific Action plans prepared by 2010.	
3.3.2 Create a suitable environment for the implementation of the strategy	3.3.2.1 the Strategy is implemented in line with the existing policy and institutional framework		3.3.2.1.1 Number of projects / programs with co-financing or partnerships with other actors 3.3.2.1.2 Number of projects / programs in sector portfolio with gender mainstreaming 3.3.2.1.3 Number of projects / programs with climate proofing	3.3.2.1.1.1 7 to 18 projects / programs with co-financing or partnerships with other actors by 2014. 3.3.2.1.2.1 15 and 60 projects / programs in sector portfolio with gender mainstreaming by 2012 and 2014, respectively. 3.3.2.1.3.1 5 and 16 projects / programs with climate proofing by 2012 and 2014, respectively.	
3.3.3 Monitor the implementation of the strategy to ensure timely generation of deliverables	3.3.3.1 Strategy implemented in line with good practices		3.3.3.1.1 Number of projects / programs with MTR 3.3.3.1.2 Number of projects / programs with PCR 3.3.3.1.3 Number of projects / programs with ESMP audits	3.3.3.1.1.1 15 and 35 projects / programs with completed MTR by 2012 and 2014, respectively. 3.3.3.1.2.1 25 projects / programs with completed PCR in 2014. 3.3.3.1.3.1 5 and 25 projects / programs with ESMP audits in 2012 and 2014, respectively.	

Short-termSources of Information

- ADF 12 review process
- Quaterly Progres Report
- MTR and Post Evaluation of Ag SS
- Bank Reporting (ESW, Annual Report, CPPR, SPIP, etc.)
- Bank Group Gender, Poverty and Environmental Indicators Report
- The Annual Africa Competitiveness Report

(*) ACC: Adaptation to Climate Change

AgSS RESULTS MESUREMENT FRAMEWORK

EXPECTED RESULTS				RESULTS OBTAINED			
Strategy Results Statement	**Performance indicators**	**Baseline Indicators**	**Indicative Targets Timeline**	**Results Obtained**	**Gaps between targeted results and results obtained**	**Gap analysis, lessons learned, corrective measures**	**Anticipated risks for next period**
SHORT-TERM RESULTS (OUTPUTS)							
MAIN TARGETED OUTPUTS 1. Agriculture water management improved as a result of management practices 2. Improved water availability through multi-purpose storage. 3. Improved feeder roads network 4.1. Improved market infrastructure 4.2 Increased incomes through agro-processing 5. Major ecosystems and biodiversity in RMCs are preserved 6.1 Solar, wind and hydro power developed 7.1 Creation of capacities for improved policy, planning, programming and monitoring. 8.1 On-going Bank climate resilience initiatives are successfully implemented 9.1 Existing local capacities suitable for the natural resources management in line with good	**OUTPUTS INDICATORS** 1.1 Size of area under sustained water land and water management 2.1 Volume of water mobilized for multi-purpose including agriculture 3.1 Number of km of feeder roads constructed 4.1.1 Numbers of RMCs with market access incorporated in CAADP compacts 5.1 Size of protected areas in the RMCs delimited Size of community forest plantations created 6.1 Number of schemes elaborated 7.1 Number of people trained in policy and planning. 8.1 Number of Bank climate resilience agriculture operations. 9.1 Number of Bank-funded projects and programs with training program on NRM	**ASSESSMENT**	**PROGRESS ANTICIPATED**	**PROGRESS ACCOMPLIS-HED**	**MEASURE OF GAP** **Annual:** **Cumulative:**	**GAP ANALYSIS** **LESSONS** **CORRECTIVE MEASURES**	**IDENTIFICATION AND EVALUATION OF RISKS (High, Medium and Weak):** **MITIGATION STRATEGY:**

EXPECTED RESULTS				RESULTS OBTAINED			
Strategy Results Statement	**Performance indicators**	**Baseline Indicators**	**Indicative Targets Timeline**	**Results Obtained**	**Gaps between targeted results and results obtained**	**Gap analysis, lessons learned, corrective measures**	**Anticipated risks for next period**
practices and the implementation of the climate adaptation 10.1 The Strategy is fully implemented and supervised in a coherent manner as planned 11. The Strategy is implemented in line with the existing policy and institutional framework 12. Strategy implemented in line with good practices **BENEFICIAIRIES**	10.1 Preparation of Business and Action plans 10.2 Ratio of Country specific action plans 10.3 Preparation of Country specific action plans 11.1 Number of projects / programs with co-financing or partnerships with other actors 11.2 Number of projects / programs in sector portfolio with gender mainstreaming 11.3. Number of projects / programs with climate proofing 12.1 Number of projects / programs with MTR 12.2 Number of projects / programs with PCR 13.3 Number of projects / programs with ESMP audits						
MEDIUM-TERM RESULTS (INTERMEDIATE OUTCOMES AND OUTCOMES)							
1 Effective Agricultural Growth:	1.1 Change in adoption rate of technological packages disseminated 1.2 Crop yields index 1.3 Growth rate of crop productions						

EXPECTED RESULTS				RESULTS OBTAINED			
Strategy Results Statement	**Performance indicators**	**Baseline Indicators**	**Indicative Targets Timeline**	**Results Obtained**	**Gaps between targeted results and results obtained**	**Gap analysis, lessons learned, corrective measures**	**Anticipated risks for next period**
2 Natural resources management is consistent with sustainable agricultural growth **BENEFICIAIRIES**	2.1.% Change in post-harvest losses 2.2 Rate of deforestation and land degradation						

INDICATIVE PIPELINE OF PROJECTS AND STUDIES, 2010-2012

REGION	PROGRAM / PROJECT NAME	AMOUNT Million UA	SOURCE
ORCE	Support to Rural Infrastructure Development Project	30	ADB Public
OREB	Agriculture and Rural Sector Support Project	10	ADF Grant
ORNA	West Delta Project - Phase II	20	ADB Public
ORNA	Costal Protection Project	20	ADB Public
ORNA	Pumping Stations Rehabilitation Project	100	ADB Public
ORNA	PDAI II - Projet de Developpement Agricole Integré II	15	ADB Public
ORSA	Agriculture Infrastructure project	30	ADB Public
ORSA	TANDJIESKOPPE GREEN SCHEME PROJECT	30	ADB Public
ORSA	Zhove Small holder irrigation project	15	ADB Public
ORWB	Agriculture Sector Rehabilitation Project	12	ADF Grant
ORWB	Projet Sucrier de Markala	20	ADF Loan
Multinational	AMELIORATION DU REVENU DES FILIERES AGRICOLES PHASE 1	40	ADF Loan
Multinational	Mano River Union Forest Conservation Program	32	ADF Loan
Multinational	Projet de sauvegarde des écosystèmes dans le bassin du fleuve Sénégal OMVS	20	ADF Loan
ORCE	Projet d'infrastructures rurales, pastorales et de transhumance	15	ADF Grant
ORCE	Projet d'appui à la sécurité alimentaire	10	ADF Grant
OREA	Agric Infrastructure Dvpt Project	60	ADF Loan
OREA	PATTEC II - Creation of Sustainable Tsetse and Trypanosomiasis Free Areas in East and South Africa	40	ADF Loan
OREA	PADEBL II - Projet d'Appui au Développement de l'Elevage Bovin Laitier II	20	ADF Grant
OREA	AGRICULTURE MARKETING SYSTEM DEVELOPMENT II	40	ADF Loan
OREA	COMMUNITY AGRICULTURAL INFRASTRUCTURE IMPROVEMENT PROGRAMME III (CAIIP III)	40	ADF Loan
OREB	Support to Fishery Sector	15	ADF Loan
OREB	Agriculture sector Support Project	13	ADF Loan
OREB	ASSP 2 - Agriculture Sector Support Project II	40	ADF Loan
OREB	RUFIP 2 - Rural Finance Intermediation Support Project	35	ADF Loan
ORNA	Piseau III - projet d'investissement dans le secteur de l'eau III	18	ADB Public
ORNB	Programme de renforcement des infrastructures des oasis du sud marocain	20	ADB Public
ORSA	Brukkaros green scheme project	30	ADB Public
ORSA	Lower usuthu smallholder irrigation project II	13	ADB Public
ORSB	Artisanal fisheries project extension	20	ADF Loan
ORSB	Programme sectoriel agricole	18	ADF Loan
ORSB	Cofamosa	25	ADF Loan
ORSB	Livestock infrastructure support project	20	ADF Loan
ORWA	Projet d'appui a la gestion durable des ressources naturelles	35	ADF Loan
ORWA	Programme de réhabilisation du secteur agricole	30	ADF Grant
ORWA	Capacity building for agriculture ministries	100	ADF Loan
ORWA	Programme de développement agricole	40	ADF Loan
ORWB	Small holder commercialization scheme	21	ADF Grant
Multinational	Barrage sambangalou volet irrigation	40	ADF Grant
Multinational	Barrage fomi-taoussa volet irrigation	60	ADF Grant
Multinational	Amélioration du revenu des filières agricoles phase 2	40	ADF Loan
Multinational	Programme riz	35	ADF Loan
Multinational	Lake Edward and albert fisheries devpt project ii	30	ADF Loan
Multinational	Programme intégré de dvpt durable du bassin du niger (pidd/bn) abn ii	50	ADF Loan
ORCE	Rural infrastructure project	30	ADF Loan
ORCE	Projet de réhabilitation des infrastructures de production agricole	10	ADF Grant
ORCE	Projet d'appui aux infrastructures rurales	60	ADF Grant
OREA	Agricultural sector development program II	50	ADF Loan
OREB	Water sector dev program	30	ADF Loan
ORNB	Programme de développement des infrastructures d'irrigation	150	ADB Public
ORSA	Agriculture infrastructure development project	20	ADF Loan
ORSA	Northern communal and rural infrastructure development project	30	ADB Public
ORSA	Agric sector dvpt program	20	ADB Public
ORSA	Dande smallholder irrigation project	40	ADB Public
ORSA	Rural infrastructure project	20	ADB Public
ORSB	Bas mankogy ii	10	ADF Loan
ORSB	Integrated natural resource management	25	ADF Loan
ORSB	Agriculture infrastructure development project	20	ADF Loan
ORWA	Projets d'aménagement des massifs forestiers (phase ii)	10	ADF Loan
ORWA	National programme for food security	70	ADF Loan
ORWA	Programme de relance des activités de développement agricole	20	ADF Grant
ORWB	Programme de développement irrigation phase ii	10	ADF Grant
ORWB	Gestion durables des ressources naturelles	15	ADF Loan
ORWB	Projet d'appui aux exportations agricoles	20	ADF Loan

CAADP / AgSS Pillars – ADB Interventions with Other Partners

CAADP Pillars / Areas	General Areas	AfDB	Development Partners
Pillar I: Extending the Area Inder Sustainable Land Management and Reliable Water Control Systems	Land and Forestry Management	Other infrastructure (including Forestry, fisheries, rural energy, etc)	World Bank, IsDB, BOAD, OPEC Funds, Kuwait Funds, Saudi Funds
	Water Control System	Agricultural Water and Water Storage	World Bank, IsDB, BOAD, OPEC Funds, Kuwait Funds, Saudi Funds
	Improved Water Quality Management		World Bank, IFAD, IsDB
	On-Farm Management	Renewable Natural Resources management / Climate Change	World Bank, IFAD, FAO, UNCCD, IUCN, EU, GEF Secretariat, OPEC Funds, IsDB, BICEC, WMO, UNECA, AU, ACMAD, ICPAC , SIDA, CIDA, AGRA, EU
Pillar II: Improving Rural Infrastructure and Trade Related Capacities for Market Access	Rural Infrastructure Development	Improvement of Rural and Community Roads	World Bank, IsDB, BOAD, AGRA, OPEC Funds, Kuwait Funds, Saudi Fund
	Market Access	Market / Storage Infrastructure and Agro-Processing	World Bank, IsDB, BOAD, AGRA, OPEC Funds, Kuwait Funds, Saudi Fund

CAADP / AgSS Pillars – ADB Interventions with Other Partners

CAADP Pillars / Areas	General Areas	AfDB	Development Partners
Pillar III: Increasing Food Supply and Reducing Hunger	Agricultural Inputs	SI (AFFM)	IFAD , IsDB
	Rural Financing/ Risk management	Private Sector	World Bank, IFAD , IsDB
	Crop Development / Special Food Production Initiative	SI (NERICA)	World Bank, IFAD, IsDB
	Safety Net Programs		World Bank, IFAD
Pillar IV: Agriculture Research, Technology Dissemination and Adoption	Breeding and Multiplication and Extension Services	Support CGIAR only	IFAD, FAO
Others	Livestock/ Fisheries	Infrastructure only	IsDB
	Information for Agricultural Strategy Formulation and Implementation		World Bank, IMF
	Capacity Strengthening for Agriculture and Agri-business	Special Initiative	IFAD
	Gender Mainstreaming/ HIV	Direct Role	World Bank, IFAD, IsDB

African Development Bank AgSS Action Plan: 2010 – 2014

What the Bank will do

A.	Operations - 2010 – 2014		Time Frame	Estimated Loan / Grant (UA m)	Development Partners (leading / contributing or supporting)
A1	**Indicative Lending Operations**				
	Pillar I	Provide support for improvement of rural and community roads	2010-14	320	AfDB / World Bank, Opec Funds, IsDB, BOAD, Kuwait Funds, Saudi Funds,
		Provide Support for Market/Storage Infrastructure and Agro Processing	2010-14	1081	AfDB / World Bank, Opec Funds, IsDB, BOAD, Kuwait Funds, Saudi Funds, AGRA
		Provide Support to Agriculture Water and Water Storage	2010-14	1165	AfDB / , World Bank , Opec Funds, IsDB, BOAD, Kuwait Funds, Saudi Funds
		Provide Support to Other Infrastructure	2010-14	318	AfDB / , World Bank Opec Funds, IsDB, BOAD, Kuwait Funds, Saudi Funds
	Pillar II	Support Renewable Natural Resources Management / Climate Change	2010-14	399	FAO, IFAD, UNCCD, IUCN, EU, GEF Secretariat, World Bank, Opec Funds, IsDB, BICEC, SIDA, CIDA, AGRA
		Climate Change	2010-14	10	World Bank, WMO, GEF, UNECA, AU, ACMAD, ICPAC, EU
A2	**Non-Lending Operations**				
	ESW	Agricultural studies and reviews to inform design and for knowledge	2010-14		
	TA	Capacity Building and Policy Advice for Agricultural Governance & Trade	2010-14	72.8	RMCs Min of Agric / OSAN
	SW	Support for agricultural research, science and technology (CGAIR, etc)	MT		FARA/ CGAIR/ ASARECA/ FANR
		OSAN Will Develop detailed Work program - Pillar I and Pillar II	2010		OSAN/ OWAS/ OINF/ OPSM/ RMCs
		Agricultural Water Development and Water Storage Enhancement	2008-10		OSAN / OWAS
		Reduction of Post harvest losses	Medium Term		OSAN/ FAO/ UNIDO NEPAD
		Continental Capacity building for Ministries of Agriculture and Related Agencies	2010		OSAN
		Increase Rice Self Sufficiency in Africa	2017		CARD/ AGRA/ WARDA/ CAADP/ FARA
		Policy Dialogue to honor commitment to Maputo	Medium Term		RMCs/ RECs
B	**Resource Mobilization**				
		Additional resources through co-financing, technical cooperation arrangement and partnership, meetings, missions, budget support	2010-14		ORRU/ OSAN
		Supplementary resources for natural resources management operations	2010-14		GEF/ REDD/ Carbon Trust Fund/ ClimDev
		Project Preparation facilities (SEIA, ESIA, detailed designs)	2010-14		OSAN / Others
C	**Mainstreaming of Cross cutting issues in New Projects**				
		Ensure pro-poor gender, climate change and environment are mainstreamed in all projects	2010-14		OSAN/ OSUS

African Development Bank AgSS Action Plan: 2010 – 2014						
		Ensure monitoring and auditing of the environmental impact	2010-14		OSAN/ OSUS	
D	**Internal Capacity**					
		Enhanced own capacity for policy analysis, dialogue and knowledge management processes - training, recruitment, portfolio management	2010-14		OSAN / Field Offices	
		How the Bank will do it				
						WHO / LEAD / SUPPORT
2a	**Ensure Selectivity and Complementarity**					
		Due consideration to AgSS pillars and areas of focus during preparation and review of Country Strategy Papers, programming, resource allocation among sectoral priorities				Regional Depts.
2b	**Ensure Knowledge Generation and Dissemination**					
		Enhanced economic and sector work to build on and learn from successes and shortcomings of its operational activities ion the agricultural sector				OSAN / ECON
		OPEV will continue to provide relevant lessons of experience to the Agriculture Department to enhance the development effectiveness of the Bank Group supported agricultural operations				OPEV/ OSAN
2c	**Country Ownership and Alignment will be ensured**					
		The above program will be aligned to priorities of the RMCs as outlined ion national and sub-regional development plans, poverty reduction strategy papers, and sector strategies				Regional Depts. / OSAN / RMCs/ Field Offices
		The program will support agricultural development in RMCs through existing CAADP Compact at the country level, using the channel of the country strategy paper anchored on national development plans				Regional Depts. / OSAN / RMCs/ Field Offices
		The program will explore the viability of increased funding through the SWAP modality, consistent with the Paris Declaration on Aid Effectiveness				Regional Depts. / OSAN / RMCs/ Field Offices
2d	**Ensure Stronger Partnership**					
		At country level through CAADP compacts, and country strategy paper preparation; regional level; with traditional technical and financial development partners; and with specialized vertical funds as well as emerging and non-traditional donors.				OSAN/ RMCs / Regional Depts., Field Offices/ AU / NEPAD/ APRM/ RECs / UNECA / WB/ IFAD/ FAO
						EU / IsDB/ BOAD/ Opec Funds / China / India Devt Foundations
		The Bank is currently an associate member of the Global Donor Platform for Rural Development and will accede to full membership in 2010.				OSAN
2e	**Monitoring, Supervision and Results focused interventions will be crucial**					
		Bank will enhance portfolio management through regular monitoring and supervision of projects under implementation, and strengthen Field and Regional Offices with agriculture experts as deemed necessary				OSAN / Field Offices
		Participate in regional and international donor meetings, regional network and workshops, on current and emerging issues in agricultural development for best practices and exchanges				OSAN / Field Offices/ Others

Implementation Framework and Partnership Arrangements

Activity	Action Plan / Description	Internal/ External Partners
Business Plans	The AFCR document of 2008 spelled out targets covering the area of water storage mobilization, expansion of area under improved agriculture water management as well as the reduction of post harvesting losses. As these areas coincide the new strategic orientation of the Bank and {more justification is needed}. Specific action/business plans will be developed to ensure the attainment of these targets.	
	OSAN already developed the Business plan (BP) for Agricultural Water Development and Water Storage Enhancement targets. This undertaking followed a demand driven approach and the work program was jointly prepared by OSAN and OINF and in collaboration with OWAS/AWF. The necessary investments for the period FY 2009-2013 was also estimated. The BP work program has taken account of the country and Bank strategies, and CSPs. Planned preparation activities for the BP work program operations will include the assessment of their economic and financial viabilities in addition to adequately addressing the environmental and social issues.	**OINF, OWAS, AWF**
	Similarly, in the area of Post harvesting losses (PHL), the FAO through its Investment Centre Division (TCI) and Rural Infrastructure and Agro-Industries Division (AGS), and UNIDO with its Agri-Business Development Branch is supporting the Bank (OSAN) in the preparation of a Framework Paper on PHL in Africa to provide evidence concerning needs and opportunities to invest in PHL reduction and to mainstream PHL in the ADF XII replenishment. This will be followed by a PHL- BP based on the Framework Paper on PHL which is expected to be ready within 9 months of the strategy approval.	**FAO, UNIDO**
Capacity Building	Addressing the manifestation of policy and institutional gaps in the agriculture sector in Africa will entail the need to critically review and expand the capacity building program in support of the agriculture sector and training institutions in Africa. This need is further justified by the recent calls to increase investments in agriculture on the continent and the apparent inability to take advantage of the already available resources. Development of the capacity building programs which will be of regional character and will require reviewing Bank's policy and strategy towards capacity building in general and for agricultural institutions in particular. The Bank will also prepare a detailed capacity building program including the provision of seed money, in the form of a grant, to assess the capacity needs of the agriculture sector in the RMCs. This will include analysis of agricultural ministries/institutions capacity constraints in the planning and supervision of rural infrastructure activities, financial management, procurement of goods, services and works, monitoring and evaluation of agricultural development programs based on which the appropriate interventions will be formulated for possible support by the Bank or other donor partners. The proposal for this capacity building plan and estimated resources requirements will be ready within 6 months of the strategy approval.	**EADI**
	The Joint Evaluation recommends that the Bank should enhance their own capacities in the domains of policy	**ORC, ONRI,**

Activity	Action Plan / Description	Internal/ External Partners
	competence, capacity for dialogue and knowledge management processes, in order to be in a position to make distinctive contributions to the continent-wide agriculture and rural development task. The Bank will, therefore, work in close collaboration with ORPC and ONRI to enable RMC Governments fill the existing huge policy, institutional and leadership gap through its institutional support program.	**RMCs**
Investments preparation, resources mobilization and implementation	Concerned Regional departments will ensure due consideration to AgSS pillars and focus areas during preparation and review of the Country strategies, programming of activities in respective countries, allocation of country resources among sectoral activities. Additionally, sectoral identification missions will identify suitable projects/programs and studies to be included in the Bank's pipeline of projects. Concerned sector departments will reach out for the various Bank instruments supporting project preparation activities, including feasibility studies, Strategic Environmental Impact Assessment (SEIA), Environmental and Social Impact Assessment (ESIA), and detailed project designs. Additionally, as appropriate, GEF resources and others such as those devoted to REDD and Carbon Trust Funds would be approached to supplement the budgets allocated to Natural Resources management operations. Subsequently, OSAN in collaboration with sector department will prepare, appraise, and subsequently supervise implementation of projects/programs related to the AgSS work program.	**Regional Departments**
	Quality at entry will be scrutinized through the ORQR-integrated readiness reviews in the program/project approval processes. Meanwhile, OPEV will continues to provide relevant lessons of experience to the Operations Complex is expected to enhance the development effectiveness of Bank Group supported operations.	**ORQR, OPEV**
	ORRU will be critical in mobilizing additional financial resources and technical skills and inputs, through co-financing, technical cooperation arrangements and partnership agreements that can supplement the Bank Group's resources in designing and financing development activities in RMCs, including those envisaged by the strategy, in accordance with the Bank's mandate and strategic vision.	**ORRU**
Mainstreaming Crosscutting issues (gender, climate change and environment)	OSUS and OSAN will collaborate in initiating key activities such as studies and the mainstreaming of pro-poor gender, climate change and environment into Bank interventions under the AgSS. The Bank will also provide its support to RMCs in the following areas: (i) identifying and assessing the potential environmental and social risks and benefits of increased agriculture productivity, developing an enabling environment (policies, laws and regulations) with expertise and competence to carry out effective environmental and social due diligence, and (iii) building robust analytical tools to enhance upstream environmental and social analysis that informs effective design of agriculture operations through Economic and Sector Work (ESW). Additionally and since climate change impacts on agriculture encompass others areas such as water and infrastructure, the AgSS implementation will build on recommendations from these sector studies, including OWAS and OINF. It will also build on the work of OSUS on climate proofing and on the Bank's strategy on Climate Risks management and Adaptation. The activities of ClimDev-Africa will also support this strategy through the provision of relevant climate data and information and in enhancing the integration of climate information into decision-making processes in the continent.	**OSUS, OWAS, OINFOSUS, OWAS, OINF**

Gender in the Agricultural Sector Strategy

1. Gender inequalities in access to productive resources, opportunities and services limit agricultural productivity and undermine sustainable and inclusive development in the sector. For example, in Kenya women contribute 80% labor to food production, account for 70% of the agriculture workers and manage 40% of the smallholder farms and yet they receive less than 10% of the credit allocated to small holders, hold less than 10% of the registered land titles and receive less than 5% agricultural credit[23]. Many of the policies and interventions designed without a clear focus on the gender issues have failed to produce their intended results of reducing rural poverty. Weak institutional capacity and low investments in key areas relevant to increasing women farmers' productivity and income are some the challenges in the sector. Likewise lack of gender statistics in the agriculture sector and low institutional capacity hinder the gender responsive development planning and results monitoring. Due to rural women's subordinate position in society, their views and needs are not often included in the planning of agricultural and rural development interventions such as agricultural infrastructure (land and water management, market infrastructure, roads, energy and water development).

2. The African Development Bank recognizes the importance of addressing gender inequality in Africa as a means to reduce poverty and promote inclusive growth. The Bank's Updated Gender Plan of Action (2009-2011) articulated the importance of the agriculture sector to reduce rural poverty and promote women's economic empowerment in Africa. To this end, at least 50-60 of all projects under this strategy will have fully mainstreamed gender where appropriate; this will include gender sensitive indicators. The designing of Bank projects will take into account the gender differentiated needs of farmers and promote equal access to improved agricultural infrastructure and markets. Attention will be paid to ensure appropriate skills mix in the designing and monitoring of projects on the ground. Project design will be informed by full participation of female and male farmers. The Bank in cooperation with key partners will support gender studies in relevant areas to better inform policy formulation and project design. The Bank will strengthen its capacity to promote gender sensitive monitoring during implementation and mid-term reviews to measure progress on gender equality targets and outcomes. The ultimate outcome of these initiatives will be improved income of female and male farmers through enhanced access to irrigated land, agriculture infrastructure, markets and natural resources management that are crucial to improve their productivity and their income.

Increasing Women's Access to Rice land in the Gambia

In the Gambia, rice production is the domain of women and yet they have limited access to it. The AfDB/IFAD project Lowlands Agriculture Development Program (LADEP), in negotiation with community leaders ensured women are 90% of those who gained access to 8,075 hectares of the reclaimed and developed land.

Source: World Bank, FAO and IFAD: Gender in agriculture source book, 2008.

3. Building on these experiences, the Bank will create regional forums to highlight the importance of economic and social value of addressing gender equality in agriculture and rural development. In recognition of the challenge the lack of gender statistics poses in development effective interventions, the Bank will encourage data collection at the project level. Gender sensitization and skills development activities will be supported to improve Bank institutional capacity and that of RMCs in mainstreaming gender into projects under this strategy.

4. The staffing and resource implications for ensuring that this is achieved will be developed during the development of the Action Plan and the normal Bank budgeting processes.

[23] World Bank, 2007: Gender and Economic Growth in Kenya

THE PERFORMANCE OF THE BANK'S AGRICULTURE PORTFOLIO OVER THE PAST THREE YEARS

1. This is an overview of the portfolio over the past 3 years, with focus on potentially problematic projects (PPP) and problem projects (PP); the disbursement rates; the supervision ratios; the audit reporting; and the project completion reports (PCR).

2. The OSAN portfolio comprised 200 projects in 2006, 235 projects in 2007 and 224 projects in 2008 for a total commitment of UA 1.5 billion in 2006, UA 2.43 billion in 2007 and UA 2.16 billion in 2008. The OSAN Department has currently an active portfolio of 228 projects, representing a total commitment of UA 2.48 billion. Table 1 below shows the key performance indicators of the portfolio over the past 3 years compared with their current status.

Table 1 : Overall performance status of Projects

	2006		2007		2008		2009 As 30/06/09	
Number of Supervisable Projects	156		164		168		166	
Satisfactory Projects	69	44%	82	50%	89	55%	82[24]	59%
Potentially Problematic Projects	48	31%	60	37%	65	39%	48	35%
Problematic Projects	39	25%.	22	13%	9	6%	8	6%
Number of supervisions/ratio	201	1.29	227	1.38	207	1.23	138	0.83

3. The supervision ratios are still below the Bank's target ratio of 1.5 and a number of steps are being taken by OSAN to substantially increase this ratio to a satisfactory level during 2009.

4. There has been a net improvement in the compliance rate over the past 3 years (Table 2). The increased use of disbursement suspensions for errant operations and the involvement of the field offices in RMCs have begun to bear fruit.

Table 2. – External audit reports status

Number of projects	Status as at end 2006	Status as at end 2007	Status as at end 2008	Status as of 30 June 2009
Ongoing	194	198	247	
Qualified for external Audit reports	109	132	165	155
Received Audits for 2007/2006	91	106	125	135
Outstanding reports	20	26	32	20
Compliance rate	84%	80%	76%	87%

5. The disbursement rate has notably increased from 24% in 2006 to 42% in 2007 before falling slightly to 38.55% in 2008.The cumulative rate of disbursement as of 30 June 2009 stands at 40.74% for OSAN's operations.

[24]The number of satisfactory projects, potentially problematic projects and problematic projects were estimated on the basis of 138 projects supervised as of 30 June 2009 and rated in the SAP.

CLIMDEV AFRICA FUND

The Fund to be hosted by the Bank will avail financing for RMCs to:

- Generate and widely disseminate reliable and high quality climate information in Africa. Activities that can be supported include: i) upgrading of observation networks and infrastructure in order to enhance the provision of essential data for climate services; ii) capacity building to collect and manage climate and hydrological data; iii) quality monitoring of greenhouse gases, air quality, inland lakes, African oceans, coastal environments and glaciers; iv) development of early warning systems and seasonal forecasts that could integrate indigenous knowledge systems; v) development of long-term continental, sub-regional and further downscaled climate projections and scenarios; vi) strengthening of North-South collaboration for exchange of climate change data; vii) appropriate packaging and dissemination of climate information for all climate-sensitive sectors and users. Efforts shall be made to support the provision of information that addresses the gendered dimensions of climate change. The main beneficiaries shall include but are not limited to Africa's climate, weather and water organizations, universities and research institutions.

- Enhance the capacity of African policy makers and policy support institutions to integrate climate change information into developmental programs. Activities to be supported include: i) development of knowledge management systems for shared information, knowledge, experience and best practices; ii) risks, vulnerability and impacts/cost-benefit analyses and assessments; iii) development of decision-support tools for policy making and adaptive management; iv) policy reviews identifying policy areas for improvement; v) development and compilation of best practices for climate change preparedness at all levels; vi) capacity building and knowledge support to policy makers to mainstream climate change adaptation into development plans; vii) capacity building and knowledge support to African negotiators; viii) training and awareness raising on climate change in local communities. The main beneficiaries of this component are Africa's policy makers, policy support organizations such as the Regional Economic Communities (RECs) and River Basin Organizations (RBO), climate, weather and water organizations, universities and research institutes. Other beneficiaries will include the Civil Society Organizations (CSO), the Non-Governmental Organization (NGOs), vulnerable communities and population groups.

- Implement adaptation practices that demonstrate the value of mainstreaming climate information into development. While coping with climate change is not new in many African communities, the frequency and magnitude of extreme events have rendered current coping capacities and practices inadequate. Many countries and communities are increasingly requesting support to effectively design and implement projects and programs that will enable them adapt to both short-term climate variability and long-term climate change. The bank will support the implementation of pilot adaptation projects so as to provide lessons to African countries and communities. Activities that will be supported include: i) support the integration of climate change resilience into country strategy papers; ii) train RMCs to use the Bank's CRMA tools to identify projects that are at risk of climate change; iii) implement pilot adaptation practices that are climate resilient; iv) support the identification of best adaptation practices that can be replicated.