

BOOSTING SUB SAHARAN AFRICA AGRICULTURE PRODUCTIVITY THROUGH INNOVATIVE FINANCE MECHANISMS

Leading Group Meeting
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NEPAD Planning and Coordinating Agency
Agence de Planification et de Coordination du NEP

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CAADP FRAMEWORK

- MAPUTO 2003
 - Increasing agricultural productivity by 6 % to end poverty and achieve food security
 - Allocation of 10 % of national budget to agriculture sector
 - Alternative sources of funding to increase investment in agriculture, including ODA, private sector (and informal finance) and innovative financing

AU/NEPAD PROPOSAL

- % contribution on fertilizer sales in G20 countries
- Be small enough not to affect sensitively the price to farmers : 0,1% tax on fertilizer can support 20% of fertilizer/other inputs used in SSA
 - Widely adopted by developed countries and co-financed by developing countries
 - Co-shared governance between G20 countries and African governments
 - Channelled to farmers through innovative pulling mechanisms

POOL MECHANISMS FOR EFFECTIVE INNOVATING FINANCE

- Reducing the level of risk faced by smallholder farmers
 - management tools including WI, WRS, and CEX
- Building/increasing resilience through social protection and regional food reserves
 - (ECOWAS)
- Promoting public-private partnerships and multi-stakeholders platforms (involvement of financial institutions, co-responsibility of farmers' associations and governments in targeting beneficiaries)

AFFM

Using existing mechanisms and institutions

- African Fertilizer Financing Mechanism = domiciliated at AfDB with set criteria for disbursement
 - National resource mobilisation
 - Innovative national institutions and mechanisms
 - Association of traditional financial institutions and of regional farmers' organisations
- Not functional as yet = shortfall of 4.5 M US\$

AU/NEPAD initiatives

- On integrating agriculture and food security risk management into CAADP investment plans
 - undergoing work in Southern and East Africa
 - Starting next month in West Africa
- CAADP principles based on inclusiveness, responsibility, transparency and accountability for effective implementation, impact and results.

THANK YOU FOR YOUR ATTENTION



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