SUPPORTING EAC DEVELOPMENT THROUGH TRADE:
FOCUS ON AGRICULTURE AND CLIMATE CHANGE

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CUTS International Geneva organized this side-event shortly before the formal opening of the 8th WTO Ministerial Conference on the topic “Supporting EAC Development through Trade: Focus on Agriculture and Climate Change”. Climate change is going to be a formidable challenge for the EAC with its impacts on agriculture, food security and trade, and therefore there is urgent need to develop holistic approaches to deal with the impact of climate change on food security through trade in the East African Community. In this regard, the event was timely as it aimed to provide a forum for objective discussion among stakeholders on issues related to trade, climate change and agriculture and food security in order to outline a roadmap to deal with the issue.

Opening

Mr. Ramamurti Badrinath, Director CUTS International Geneva, greeted and expressed his warm appreciation to the participants consisting of representatives of, among others, international organizations (IGOs), parliaments, academia and non-government organizations (NGOs). After introducing the key speakers and discussants, the chairman turned to a brief overview of the research under CUTS International Geneva’s FEAD project which provides key analysis and lessons for the issues at stake. This project has focused on identifying key elements of an enabling environment for private sector-led, farmer-friendly agricultural development in sub-Saharan Africa, and produced two global studies as well as three country studies for Uganda, Tanzania and Kenya. These countries are members of the EAC and the research outputs can hence provide valuable inputs for a possible way forward. He remarked on the instrumental role of the project and how the lessons learnt have led to the implementation of a new project, entitled “Promoting Agriculture-Climate-Trade linkages in the EAC” (PACT EAC), and the need to deal with climate change issues. Trade, as the chairman suggested, holds the key in addressing problems pertaining to climate change.

Equitable Agricultural Development: Presentation by Julian Mukiibi

Mr. Julian Mukiibi, Programme Officer at CUTS International Geneva presented the key findings of the five FEAD Studies. He spoke on the need to facilitate equitable agriculture development (EAD) in the East African
Community by analysing the structure of the agro-sector, identifying how stakeholders’ roles and how they interact, as well as the challenges hampering their efforts in escaping poverty through agriculture.

Mr. Mukibi elaborated on the importance of the sector to the regions’ development against the current conditions faced by farmers, and especially smallholders. The studies recommend that both the government and other key stakeholders (i.e. farmers, investors, traders and NGOs) have a role to play in improving the agricultural sector in the region and provided some ways forward to be explored. These include the creation of stakeholder forums, improving marketing systems, sensitizing national campaigns that fit the needs of EAC as a region, introducing warehouse receipt systems, enhanced participation in WTO policy making and implementation etc. More generally, there is a need to prioritize agriculture by improving access to inputs, financial services and extension services among others.

Equitable Agricultural Development: Comments by Dr. Lunogelo

Dr. Lunogelo, Director Economic and Social Research Foundation, a Tanzanian NGO, was the first discussant to take the stand and started by acknowledging the importance of agriculture in the EAC region. He suggested that supply side constraints were to be dealt with if agricultural development is to be truly equitable. He recognized the need for farmer’s access to services such as electricity, irrigation systems, and storage facilities; and noted the Tanzanian government’s efforts to support the country’s agricultural sector by ensuring its agro-producers receive good returns on their goods.

In terms of food supply, Dr. Lunogelo explained how Tanzania’s production has been within the desired margins for the past ten years, and how the government’s strategy has therefore focused on producing just enough food to meet domestic demands. As a result, the Tanzanian government has banned food exports and adopted the ‘Kilimo Kwanza’ resolution which aims to mainstream the sector in the broader development strategy.

With increased levels of investment in agriculture in the past few years, Dr. Lunogelo questioned the interests behind this trend as to whether they would respond to the needs of EAC and international markets. In fact, he strongly believes that the production of export goods (e.g. bio-fuels) was more prevalent amongst investors than among other agricultural stakeholders. In the long run, Dr. Lunogelo believes that the role of the government was to ensure that proper safeguard measures (currently lacking) are put in place for the protection of the environment against such investments.

Tanzania’s weakness, he noted, is its tendency to start one pilot programme after another while failing to link research findings with practical action. For the future, Dr. Lunogelo called for more cooperation between small, medium, and large-scale farmers, in hopes that farm mechanization prevalent among large-scale farmers would rub-off on small and medium-scaled farmers; and that further cooperation among EAC countries was needed in addressing poverty reduction and sustaining food security.
Trade, Climate Change and Food Security: Presentation by Julien Grollier

Mr. Julien Grollier, Assistant Programme Officer CUTS International Geneva, spoke on the linkages existing between food security, climate change and trade in the East African Community, and provided an overview of the rationale behind the newly launched PACT EAC Project. After introducing the project, Mr. Grollier discussed on the major challenge ahead for the EAC: the serious food insecurity situation in the region will be aggravated by the wide-ranging impacts of climate change. He pointed to the emergency of implementing appropriate policies that harness the potential mitigating effect of trade, which in the short-term requires developing better understanding of how the three dimensions interrelate.

Mr. Grollier noted that the East African Community is heavily dependent on agriculture sector for revenue, food security employment. In fact, 80% of the region’s population rely on agriculture for their living. In addition, the region in increasingly dependent on cereal imports due to increasing focus on producing export crops like coffee and tea. The EAC is well endowed in arable land and has the potential to produce enough food for its population and even surplus for exports, but paradoxically, 4 in 10 East African are still undernourished. Part of the explanation lie in that food trade at both the national and regional levels is inadequate due to lacking rural infrastructure, trade facilitation constraints etc. It is noteworthy that regional trade only account for about 10% of total trade by EAC member countries, whereas it could contribute to better regional food security. Other factors include the low levels of agricultural productivity (due to land fragmentation, low levels of technology adoption by smallholders etc.); variability in production due to climate change, leading to food shortages and food insecurity; and the high volatility of food prices on international markets.

In moving on to the expected impact of climate change in the region, he summarized the situation by saying that global warming will change the pattern and magnitude of precipitation, leading to changing patterns of production and, hence, of trade. The number of extreme weather events will increase and higher sea levels will change the ecology of coastal areas and the ecosystems of lakes, leading to less fish catches and consumption. In addition, the conditions for the production of current staple food crops will be less supportive, and lower levels of production will lead to increased prices, more imports and less exports.

He then highlighted some challenges and opportunities from trade for securing food access in the face of climate change. In fact, trade can increase the availability and affordability of staple food, generates revenue for purchasing food imports, and create new livelihood opportunities. However, it can also lead to immediate increase in imports rather than exports or disproportionately affect subsistence farmers. In addition, he pointed out that the linkages between trade and climate change are little understood and need to be further investigated if we aim at implementing meaningful policies.

Finally, Mr. Grollier acknowledged the work undertaken so far by the East African Community, including the creation of the EAC Common Market, the adoption of the EAC Climate Change Policy, and the adoption of the EAC Food Security Action Plan (2011-2015). However, he believes that the EAC secretariat has limited capacity to address all three issues in consultation with all relevant stakeholders and noted that no regional policy addresses these issues in an inclusive manner.
Trade, Climate Change and Food Security: Comments by François Munyentwari

Mr. Francois Munyentwari, Director ACORD Rwanda, acknowledged the importance of addressing climate change and food security issues as he felt they were problems affecting ordinary people, and elaborated on this by using 2011 FAO statistic figures revealing that about 925 million people in the world have no access to food. Out of these, over 200 million of the people are located in sub-Saharan Africa, with 30 million of them residing in the EAC region. In Rwanda, for instance, around 40 per cent of the population has no access to food, and about 60 per cent of the people live below poverty line.

In addressing food security, he believes that farmers have two options: either buying or producing their own food. For successful food production, he noted, accessibility to land and water are vital elements – both of which are in shortage supply within the EAC region. Besides not knowing when to plant and climate change effects (i.e. land degradation, floods, etc.), poor budgetary allocations to the agricultural sector have also been a great source of constraints to food production, with none of the EAC members reaching the Maputo Declaration goal requiring 10 per cent of national budgets be designated to the agriculture sector. The second option of food buying is also challenging as it requires substantive incomes.

DISCUSSIONS

The chairman then opened the floor for questions and comments from the session’s participants.

Members of the Parliament of Kenya requested further clarification on ways of improving contract farming and value addition amongst farmer, and noted that the biggest challenge facing the EAC is climate change adaptation and food security. They stressed the importance of accessing inputs, extension services, and financial services, and pointed to the potential role of Aid for Trade (AfT) in linking the three dimensions at the policy level. It was also suggested that focus should be on promoting staple food production in the region. One member also raised the idea of cutting down middlemen in food marketing so as to allow consumers to buy from farmers directly. This would allow better prices for smallholders’ products and could be achieved through leveraging farmer organisations. Another MP expressed his concerns on the lack of extension services that have considerably decreased over the past years, and was interested in knowing how Kenyan farmers were expected to cope without these. He also contemplated on how the world is in one hand promoted to be a small village, and on the other hand allow protectionist acts like that of food ban from Tanzania against its hunger-stricken neighbours such as Somalia and Kenya.

A participant noted the little use of scientific methods in EAC agriculture among small and medium-sized farmers, and how farm mechanization was only prevalent in large-scale farms. According to him, this affects the prospects of value addition and makes smallholder farmers remain small. He also questioned whether smallholders could afford the costs of such machinery if given. With regard to climate change, he described the situation in the equatorial regions where the effects of heavy rains are dramatic enough to destroy a large field in a matter of an hour. This concern was echoed by a representative of an international organization, who recalled
the 2010 coffee losses (by 80 per cent) resulting from heavy rains in Kenya. On the other side of the coin, water shortages in the same region also prevail – leaving farmers with only two options, either to “adopt or die”. Lack of value addition and storage facilities also lead to losses on perishable goods.

The relevance of involving smallholder farmers in negotiating and implementing agricultural policies was also as they are usually the ones equipped with the direct know-how on such matters.

Mr. Clement Onyango, Director CUTS Arica Resource Centre, Nairobi, believed that further cooperation and knowledge sharing amongst the EAC countries was in dire need, and that in addressing food security issues, governments need to invest more on food production systems and deal with land issues affecting the region, especially in Kenya where land fragmentations are uneconomical. In central parts of Kenya, several coffee farms that have been turned into real estate – the government has to take control and do something to correct this he said.
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