Introduction to Agenda for a Technical Convening on Input Policies to Support Agricultural Productivity Growth in Africa

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Context for convening

Convergence of factors provide a *unique opportunity* to improve the policy environment for sustainable intensification of agriculture:

- Strong interest by many African countries to improve input policies
- Large body of evidence on what works and what doesn’t since the Abuja Declaration
- AU 2014 Year of Agriculture and CAADP@10 provide window of opportunity for high level political endorsement of improved policies
Challenge for convening

• Policymakers need policy recommendations and approaches that are:
  – Technically sound (in a broad sense)
  – Fiscally responsible
  – Practical (implementable)
  – Meet their constituents needs and aspirations

• Agenda for this meeting is to bring the best experience and analysis to craft useful and credible recommendations
Steering Committee Members

Richard Mkandawire and Justin Scarpone, AFAP
Chance Kabaghe, ReNAPRI
Justin Rakotoarisaona, AFSTA
David Atwood, USAID/BFS
Steve Joyce, TRG
Kimberly Smith, Africa Lead (DAI)
Peter Heffernan, Kofi Debranah and Maria Wanzala, IFDC
Greg Traxler, Bill & Melinda Gates Foundation
John Nash, World Bank
Richard Jones, AGRA
Thom Jayne, MSU
What do we mean by policy?

• Formal definition: “Policy consists of laws, treaties, regulations, statements, administrative actions and funding priorities. Policy includes the approaches, implementation processes and activities that guide government actions and enforcement.”

• Informal definition: “Rules of the game that establish who can do what and subject to what conditions”

• Focus of convening is the policy environment that enables public-private partnerships, programs and projects to thrive - not their content or design specifications
Agricultural Intensification: Determinants and Impacts

Effects on national income (economic net benefits)

Effects on government budget

Effects on environment

REVENUES = Yield \times Price

COSTS

NET RETURNS

- Credit
- Risk mitigation
- Extension

Farmer practices

- Physical environment

Potential demand

- Transport costs
- Size of market (economies of scale)

Output markets

Research and development

- Seed
- Fertilizer
- Labor
- Other

Costs of supply

- Input production costs
- Import policies/practices

Physical environment

- Credit
- Risk mitigation
- Extension

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Agricultural Intensification: Determinants and Impacts

Factors affecting revenue:
- Yield
- Price

Factors affecting costs:
- Seed
- Fertilizer
- Labor
- Other costs
- Costs of supply
- Input production costs
- Import policies/practices
- Transport costs
- Size of market (economies of scale)

Net returns:
- Revenue - Costs = Net Returns

Impacts:
- Effects on national income (economic net benefits)
- Effects on government budget
- Effects on environment
What do we mean by successful input policy?

“Successful policies lead ultimately to significantly greater numbers of smallholder farmers benefiting in visible ways from access to and use of high quality seed and fertilizer, in ways that maximize the impact of scarce government resources and that maximize use of private sector for purposes of sustainability, innovation, and saving government resources”
Approach to the challenge

• Review of examples of successful models and approaches
• Establish a set of principles that characterize successful models
• Identify those which will have the largest impact and acceptance by policymakers
• Vet recommended approaches in light of diversity of country, subregional and continental seed and fertilizer situations.