



## BRUSSELS POLICY BRIEFING N. 51

### Agriculture as an engine of economic reconstruction and development in fragile countries

Organised by CTA, ACP Secretariat, European Commission (DG DEVCO) and Concord

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#### 1. Background

'Fragile state' is commonly used but there is neither a globally agreed definition of fragility nor a common list of fragile states. Fragility has many dimensions and exists along a spectrum that ranges from fragility to resilience (stability). It commonly refers to situations in which the state is not able to perform basic state-related functions, such as securing control over territory, enforcing national laws and regulations, ensuring citizens' security, providing basic public goods such as access to justice. **The OECD defines fragility as *The combination of exposure to risk and insufficient coping capacity of the state, system and/or communities to manage, absorb or mitigate those risks. Fragility can lead to negative outcomes including violence, the breakdown of institutions, displacement, humanitarian crises or other emergencies.***<sup>1</sup>

Symptoms of state fragility include: (i) high poverty rates; (ii) large numbers of refugees and internally displaced persons (IDPs); (iii) low levels of internal tax revenue generation; (iv) dependence on external resources (ODA, FDI, and remittances); (v) high indebtedness; (vi) strong reliance on primary products; (vii) low degree of export diversification; (viii) low human development; (ix) endemic corruption, and (x) poor soft and hard infrastructure.<sup>2</sup>

Fragilities impose large costs and hardships on local populations that can spill over to neighbouring countries— directly through conflict, crime, and disease, but also through economic linkages. Those countries also face a heavy reliance on development aid. In 2017, almost 124 million people across 51 countries and territories faced crisis levels of acute food insecurity or worse and required urgent humanitarian action. In 2016 the population in need of urgent action was estimated at 108 million across 48 countries. Prolonged drought conditions also resulted in consecutive poor harvests in countries already facing high levels of food insecurity and malnutrition in eastern and southern Africa. North-east states of Nigeria, South Sudan, Somalia and Yemen have experienced significant acute food insecurity and malnutrition. Famine was declared in February 2017 in two counties of South Sudan.

In many countries, food insecurity is driven by multiple factors. In 2017, **conflict and insecurity** were the major drivers of acute food insecurity in 18 countries and territories where almost 74 million food-insecure people were in need of urgent assistance. Eleven of these countries were in Africa and accounted for 37 million acutely food insecure people; the largest numbers were in northern Nigeria, Democratic Republic of Congo, Somalia and South Sudan. Four countries affected by protracted conflict and with very high numbers of food-insecure people in crisis conditions or worse were in the Middle East: Yemen had 17 million food-insecure people in need of urgent assistance, while Syria, Iraq and Palestine together accounted for over 10 million.<sup>3</sup>

**Extreme climate events – mainly drought** – were also major triggers of food crises in 23 countries with over 39 million food-insecure people in need of urgent assistance in 2017. Two-thirds of these countries were in Africa, where almost 32 million people faced Crisis conditions of acute food

<sup>1</sup> OECD States of Fragility report, 2016

<sup>2</sup> European report on development 2009. Overcoming fragility in Africa. Forging a new European approach/ Robert Schuman Centre for Advanced Studies, European University Institute, San Domenico di Fiesole, 2009.

<sup>3</sup> FAO, WFP, IFPRI. FSIN Food Security Information Network. Global report on food crisis. 2018 [http://www.fao.org/fileadmin/user\\_upload/fsin/docs/global\\_report/2018/GRFC\\_2018\\_Full\\_report\\_EN.pdf](http://www.fao.org/fileadmin/user_upload/fsin/docs/global_report/2018/GRFC_2018_Full_report_EN.pdf)

insecurity or worse caused by climate shocks. Weather-induced crop production shortfalls in East Africa triggered sharp cereal price increases in Kenya, Ethiopia, Somalia, Sudan and Uganda.

A significant number of the 52 million children with wasting live in countries where cyclical food insecurity and protracted crises exacerbate their vulnerability. Extremely high rates of acute child **malnutrition** in countries or areas affected by conflict including north Darfur in Sudan (28%), South Sudan (23%), the Lac region of Chad (18%), Somalia (13.8-17.4%), Northern Nigeria (10-16%), Central African Republic (12%), the Diffa region of Niger (11%), Democratic Republic of Congo (8-10%). The high burden of acute malnutrition is also seen in areas or countries affected by drought or floods, including Haiti, Ethiopia, northern Kenya, Madagascar, Sindh province in Pakistan, Somalia and Zimbabwe.

## 2. Policy engagement in favour of resilience

Fragile states showed slow progress in achieving the majority of the MDGs<sup>4</sup> (OECD). In this context, the international community is developing forms of engagement that stress peacebuilding, social cohesion, and statebuilding. They incorporate recognition of the need for sustained engagement, a willingness to take calculated risks in uncertain environments, fuller attention to the political economy of reforms and capacity constraints, and coordination of donor efforts.

The 2008 Third High-level Forum on Aid Effectiveness in Accra, Ghana, marked an important step towards a new approach to fragile states. Donors and fragile and conflict-affected states launched the International Dialogue on Peacebuilding and Statebuilding (IDPS), which for the first time gave fragile states an equal voice. The emergence of the g7+, in the wake of the 2008 High-level Forum in Accra, a group of seven of the world's most fragile and conflict-affected developing countries – Afghanistan, the Central African Republic (CAR), Côte d'Ivoire, the DRC, Haiti, Sierra Leone and Timor Leste – started to advocate for a major change in the way donors engage with them and called for support to country-led and country-owned pathways for their transition from fragility to resilience.

The European Union (EU) recognizes the specificities of fragile states and the challenges of conflict-affected context. It launched in 2011 **the New Deal for Engagement in Fragile States**<sup>5</sup>, an initiative that focuses on building resilience and peacebuilding at the core of EU interventions in such contexts. In 2017 the EU addressed the issue of fragile states in a joint communication from the Commission and the Council entitled **A Strategic Approach to Resilience in the EU's external Action**<sup>6</sup>. It highlights the importance of bridging the gap between humanitarian interventions and development cooperation. It recognises the need to move away from crisis containment to a more structural, long-term, non-linear approach to vulnerabilities, with an emphasis on anticipation, prevention and preparedness.

The OECD has published [a report on Fragile States](#) every year since 2005 to monitor aid to [a list of countries](#) that are considered most fragile.

## 3. Investing in agriculture and rural development to address fragility

Most of the world's poor are concentrated in fragile states<sup>7</sup> and, in Africa, most of these people depend on agriculture and the rural economy for their livelihoods<sup>8</sup>.

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<sup>4</sup> OECD. Fragile States 2013: Resource flows and trends in a shifting world/ International Network on Conflict and Fragility (INCAF), OECD 2012.

<sup>5</sup> <http://www.newdeal4peace.org/new-deal-snapshot/>

<sup>6</sup> The High Representative of the Union for Foreign Affairs and Security Policy and the European Commission. Joint Communication to the European Parliament and the Council. A Strategic Approach to Resilience in the EU's external action. 2017. [https://ec.europa.eu/europeaid/sites/devco/files/joint\\_communication\\_-\\_a\\_strategic\\_approach\\_to\\_resilience\\_in\\_the\\_eus\\_external\\_action-2017.pdf](https://ec.europa.eu/europeaid/sites/devco/files/joint_communication_-_a_strategic_approach_to_resilience_in_the_eus_external_action-2017.pdf)

<sup>7</sup> Blatton, C., Ralston, L. (2015). [Generating employment in poor and fragile states: Evidence from labor market and entrepreneurship programs](#), World Bank White Paper

<sup>8</sup> Messer, E., Cohen, M. J. (2004), [Breaking the link between conflict and hunger in Africa](#), IFPRI Policy Brief

Agriculture can play a transformative role in supporting resilience for fragile and conflict affected countries. Important factors which underlie fragility, conflict and insecurity are linked to food and its production, and rural communities are disproportionately affected by and exposed to conflicts, weather and climate risks. This relationship between agriculture and resilience goes beyond food security – it is also key to other areas of economic opportunities, social development and growth. Accordingly, up to two-thirds of employment and one-third of GDP in countries in protracted crises, is linked to agriculture.<sup>9</sup> Given the profile of agricultural production in developing countries, particularly in Africa, those acutely affected by the breakdown in agricultural systems as a result of fragility are women and youth, in terms of lost livelihoods and reduced food and nutrition security.

The Sustainable Development Goals (SDGs) recognise the importance of achieving food security and sustainable agriculture, and the promotion of peaceful and inclusive societies for sustainable development in the eradication of poverty in all its forms under the 2030 Agenda for Sustainable Development.<sup>10</sup> In fragile countries, opportunities and successes which promote the contribution of agriculture towards resilience and stability often do not get sufficient support or recognition – often due to the necessary prioritisation of conflict cessation, humanitarian responses and crisis management. A growing body of practice is recognising that agriculture can also be part of the areas of intervention in fragile countries, and successful cases, partnerships and tools are demonstrating the value of this approach in building long term resilience and helping to overcome fragility.<sup>11</sup> Responses to crises have been dominated by short-term interventions and focus on food availability (food aid and immediate agricultural recovery measures) rather than on the access and stability dimensions of food security<sup>12</sup>.

While humanitarian interventions are a crucial part of providing first response and support to populations affected by protracted conflicts, their focus on short-term needs often neglects the long-term implications and causes of violent conflict, food insecurity and other issues of management of natural resources. It is therefore crucial that while countries are living moments of open conflict or post-conflict situations, the livelihoods of their citizens are supported through integrated and targeted interventions.

Research has shown that in times of violent conflict support to rural producers can ensure that agricultural production basis is supported and maintained, that food production is not disrupted and that conflicts do not put an end to productive activities. Moreover, investing in agricultural production systems is also crucial to provide employment opportunities for the rural youth. In fact, settling people into labour-intensive farming is thought of as a good way to start building markets and civil society, because farming probably requires the least capital investment and infrastructure<sup>13</sup>. Access and ownership rights on land and productive resources remain key to preventing conflict and promote farmers' investments in productive inputs, increasing productivity and food security.

**Private sector development faces peculiar challenges in fragile states**, as the running of both state and civil society institutions is often halted by the context. The only economic activity that survives is often agriculture. **Agriculture, in fact, remains crucial to access foodstuff and remains one of the few economic activities that can still contribute to the local economy.** The agricultural sector is crucial to build and maintain population resilience.

### 3.1. Lake Chad Basin crisis

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<sup>9</sup> FAO. 2016. "Peace and Food Security: Investing in resilience to sustain rural livelihoods amid conflict" <http://www.fao.org/3/a-i5591e.pdf>

<sup>10</sup> Transforming our world: the 2030 Agenda for Sustainable Development <https://sustainabledevelopment.un.org/post2015/transformingourworld>

<sup>11</sup> FAO, IFAD, UNICEF, WFP and WHO. 2017. The State of Food Security and Nutrition in the World 2017. Building resilience for peace and food security. Rome, FAO. <http://www.fao.org/3/a-l7695e.pdf>

<sup>12</sup> Alinovi, L., Hemrich, G. and Russo, L. (2007), [Addressing Food Insecurity in Fragile States: Case Studies from the Democratic Republic of Congo, Somalia and Sudan](#), FAO ESA Working Paper No. 07-21

<sup>13</sup> Messer, E., Cohen, M. J. (2004), [Breaking the link between conflict and hunger in Africa](#), IFPRI Policy Brief

So far more than 17 million people have been affected by the violent Lake Chad crisis which is touching communities in Chad, Niger, Cameroon and Nigeria with over 10 million currently needing humanitarian assistance (FAO, 2017). This comes as competition for natural resources is heating up, in an already fragile and violent environment.

Some 7 million people risk suffering from severe hunger in the Lake Chad Basin, which incorporates parts of Cameroon, Chad, Niger and north-eastern Nigeria. In the latter, some 50,000 people are facing famine. While fighting and violence have caused much of the suffering, the impact of environmental degradation and climate change including repeated droughts, are exacerbating the situation.

**Agriculture including livestock and fisheries can no longer be an afterthought. It is what produces food and what sustains the livelihoods of about 90 % of the region's population.**

In addition to providing an immediate response to the acute needs of affected populations, it is crucial to promote and support longer-term sustainable agriculture practices and policies to adapt to climate change and the increasing scarcity of natural resources.

According to the Global Hunger Report, **Burundi** is the country with the lowest food security score, with levels worrying even when compared to the situation in the 1990s.<sup>14</sup> Over the period covering from October to December 2017 2,6 million people are living a humanitarian crisis. Burundi has a level of malnutrition against the worst in the world: 6 out of 10 children aged less than 5 years old (56%) are suffering from slow growth. In 2016 alone, more than 50,000 people have been displaced in the country due to flooding. In the absence of a viable solution to the problem, malnutrition will cost Burundi an estimated 92 million euro per year, double the entire budget of the Burundian Health Ministry in 2012<sup>15</sup>. Importantly, the important **population density** coupled with the very low number of skilled youth creates significant pockets of unemployed youth. Burundi is also highly vulnerable to the effects of climate change because in the small and often poorly managed farmlands, extreme weather quickly leads to lower crop production and higher food prices.

The agricultural sector still accounts for nearly 40% of GDP and the level of urbanization is one of the lowest in Africa (12%). Approximately 1.2 million households farm on small plots (on average 0.5 ha per household) and mostly for subsistence, due to lack of alternatives. They produce little for the market, and yields are often not enough to meet their own needs.

However, research in Burundi shows that production of many crops can be tripled with efficient and well-integrated farming methods. Crucial here is that farmers - and especially women farmers - are encouraged to invest through mutual cooperation and knowledge-sharing in sustainable land management and higher-value food crops. For this, it is first necessary to improve access to fertilizer, improved seeds, (market) information and micro-financing, and support the formation of cooperatives.<sup>16</sup>

While considerable progress has been made following decades of internal conflict, through efforts to improve economic stability, political dialogue, human rights, and social services, **Chad** is once again facing significant external and internal pressures, which add to its fragility. Surrounded by countries in crisis, Chad hosts over 750,000 people who fled violence in Sudan, Central African Republic, Libya and the Lake Chad Basin. This places a significant burden on national and community resources – Chad itself situated 184th on the Human Development Index. Chad also remains extremely vulnerable to climatic variations, with natural disasters affecting some 1 million people annually, and an estimated 2.4 million people suffering from food insecurity in 2015. A landlocked country, Chad's economic development suffers from its geographic remoteness, lack of infrastructure and industrial underdevelopment: about 85% of the population still depends on subsistence agriculture.

### **3.2. East and Horn of Africa**

Drought in East Africa damaged already strained livelihoods, destroyed crops and pushed up food prices, particularly in Ethiopia, Somalia and Kenya. Lack of rain in 2016 in Uganda led to increased food insecurity in early 2017, at a time when the country was already facing high food insecurity due to an influx of refugees.

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<sup>14</sup> Global Hunger Report, IFPRI, 2014

<sup>15</sup> UNICEF, Analyse de la malnutrition des enfants au Burundi, 2013

<sup>16</sup> WUR 2017. <https://www.wur.nl/en/project/Supporting-Agricultural-Productivity-in-Burundi-PAPAB.htm>

In the wake of the multiple droughts that hit the Horn of Africa over the past year, countries in the region will face rise in hunger and further decline of local livelihoods in the coming months, while also dealing with the growing number of refugees (FAO). East Africa and the Horn of Africa are confronting a humanitarian crisis that may worsen in 2018. Armed conflict and severe drought are causing extreme levels of hunger. Up to 35 million people are in need of urgent food assistance across the region

Nearly 12 million people across Kenya, Somalia, and Ethiopia face harsh food conditions, and are in need of emergency assistance. Families in the region also experience rising debt, low cereal and seed stocks, and low milk and meat production. Farmers need urgent support to recover from consecutive lost harvests and to keep their breeding livestock healthy and productive.

Poor rains, livestock losses and people abandoning their homes to escape drought and conflict have wrecked livelihoods and created widespread food insecurity in **Somalia**. Following warnings of the risk of famine in early 2017, emergency food assistance has reached roughly 2.5 million people a month since April 2017, greatly mitigating food consumption gaps.

However, despite the challenges the country has faced over the last 30 years, livestock and crops remain key sources of economic activity, employment and exports. Agriculture makes up 75% of the country's GDP and 93% of total exports. Around half (49%) of Somalia's population lives in rural areas and 46% of employed people work in agriculture. There is an increasing demand and a broader opportunity to invest in agriculture, and stimulate a private agribusiness sector in Somalia.

#### 4. The way forward

Agriculture must play a central part in boosting fragile countries' economies and alleviating poverty (World Bank and FAO). Many factors (weak institutions, insecurity, a persistent insurgency, destroyed infrastructure, environmental degradation and climate change) contribute to severe decrease in crop yields. Investing more in agriculture<sup>17</sup> would ensure moving from emergency to resilience and long-term development.

There is a need to mitigate risks to the population by investing in local capacities for early warning, preparedness and response. Coherence between humanitarian and development strategic frameworks as well as donor's coordination still needs improvement.<sup>18</sup> Development partners need to agree on approaches driven by national strategies and based on harmonized needs assessment and planning. Linked to this is the need to identify funding solutions that will enable flexible, rapid and predictable funding for countries emerging from crisis.

Smallholder farmers are among the most vulnerable to climate shocks and weather-related disasters, poor governance, conflicts and market fluctuations. Access to inputs and knowledge, ICTs to quickly share information and extension/advisory services will contribute to the resilience of agricultural livelihoods. Appropriate and enabling policies, institutional structures, capacities and finances for disaster risk reduction and crisis management must be in place at local, national, regional and global levels to reduce increasing levels of threats from multiple types of shocks affecting the agriculture sectors and related food security. It is also important to monitor and to predict crisis and disaster risks and their likelihood of occurrence and effects as much as possible on agriculture sectors. Such risk monitoring must be coupled with timely alerts to trigger accurate decision-making at institutional and community levels.

Reducing the root causes of vulnerabilities of individuals and communities with livelihoods depending on crop, livestock, fish, trees and other renewable resources is fundamental. Crisis and disaster risk protection, prevention and impact mitigation through the application of risk sensitive technologies and good practices, risk transfer and social protection are crucial to strengthen agriculture livelihoods and lessen, or even cancel the effects of a potential shock on them and enable them to bounce back better.<sup>19</sup>

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<sup>17</sup> FAO. World Bank. *Rebuilding resilient and sustainable agriculture in Somalia*. 2018.

<http://www.fao.org/3/i8842en/i8842EN.pdf>

<sup>18</sup> Centre for EU Studies (CEUS), Ghent University. 2017. "Improving European coordination in fragile states". Practitioners' Network for European development cooperation. Authors: Jan Orbie, Sarah Delputte, Yentyl Williams, Lies Steurs, Joren Verschaeve. <https://www.afd.fr/sites/afd/files/2017-12/improving-european-coordination-in-fragile-states-main-report.pdf>

<sup>19</sup> FAO. *Increasing the resilience of agricultural livelihoods*. 2016



National ownership and international commitment are needed to reduce fragility fragile states have untapped opportunities to pursue development. Capitalising on them will require national ownership, international commitment and innovation.<sup>20</sup>

**Objectives of the Briefing:** To improve information sharing and promote networking, CTA, the DG DEVCO from the European Commission, the ACP Secretariat, Concord and various media organise since 2007 bimonthly briefings on key issues and challenges for agriculture and rural development in the context of EU/ACP cooperation.

**Target group:** Around 150 ACP-EU policy-makers, civil society groups, research networks, development practitioners, private sector representatives and international organisations based in Brussels.

**Outputs:** A short report and a Reader in printed and electronic format will be produced shortly after the meeting. Input and comments before, during and after the meetings will be included in the Briefings Website: <http://brusselsbriefings.net>.

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<https://reliefweb.int/sites/reliefweb.int/files/resources/a-i5615e.pdf>

<sup>20</sup> OECD-DAC. States of Fragility 2015 Meeting Post-2015 Ambitions. <https://www.oecd.org/dac/conflict-fragility-resilience/docs/FINAL%20States%20of%20Fragility%20Highlights%20document.pdf>