

Nigeria's Agricultural Policy: Seeking Coherence Within Strategic Frameworks

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NIGERIA is the most populous country in Africa, with an urban population growing at an exponential rate. The government's objective of achieving food self-sufficiency is a major challenge. In this country that is experiencing relatively rapid economic growth, this goal is not unrealistic but will require a great deal of effort.

Recent Trends: From Interventionism to Liberalisation. Agricultural policy in Nigeria has evolved considerably since the country's independence. The 1960s were characterised by strong public intervention in agriculture, with development guidelines and plans established at the federal level¹ and implemented in the states. The government's priority at the time was to boost domestic production, particularly of cash crops. This strongly interventionist period pushed Nigeria to the position of the world's top producer of rubber, groundnuts and palm oil, and the world's second-largest cocoa producer.

The 1970-1986 period, which coincided with intensive petroleum exploitation, was marked by policies' lack of interest in supporting agriculture. The strong decline in domestic agricultural production reduced the country to growing dependency on imported foodstuffs. In the wake of the major food crisis in the country in 1976, programmes such as "Feed the Nation" (1976-1979) and "Green Revolution" (1979-1983) were set up. These programmes focused on strengthening agricultural production, providing subsidised inputs, community development, and access to credit. However, they were implemented without a transparent framework to structure action, and the successive

1. Four National Development Plans (NDPs) were deployed successively in 1962-1968, 1970-1974, 1975-1980 and 1981-1985.

WHILE NIGERIA HAS MANY SINGULAR FEATURES, the country is no exception when it comes to agricultural policy in the region, caught between enormous potential, immense ambitions, and still-insufficient concrete results.

governments at the head of the country did not ensure continuity. The enactment of the Land Use Act in 1978 marked an historic turning point for land use management in Nigeria.

The movement was reversed in 1987 with the structural adjustment programmes (SAPs) that sought to reduce the national economy's dependency on oil and promote the private sector as the engine driving growth.

In 1998, the Nigerian government once again turned its attention to the agricultural sector. It adopted an agricultural policy that had the objective, among others, of ensuring food security for the population by developing local production.

Agriculture at the Heart of Nigeria's Current Strategic Frameworks.

Since the reference document "Agriculture in Nigeria: The New Policy Thrust" was issued in 2001, the government has assigned the agricultural sector an ambitious role in its strategic planning frameworks. The strategic document for reducing poverty in Nigeria, "National Economic Empowerment and Development Strategy" (NEEDS II 2008-2011) emphasising economic development driven by the private sector, and the "7-point Agenda", the framework guiding economic reform in the country that was adopted in May 2007, are the medium-term policy documents intended to help the country achieve the Millennium Development Goals for 2015 and its own "2020 Vision" plan. The latter aims to make Nigeria one of the top twenty economies in the world by 2020. For agriculture, this means increasing current domestic production sixfold.

The *National Food Security Programme (NFSP)* issued in August 2008 by the federal Ministry of Agriculture and Water Resources is designed to attain food security by ensuring that all Nigerians have access to good-quality food while making Nigeria a major exporter of foodstuffs. The programme

designates priority crops (cassava, rice, millet, wheat) for achieving food security and outlines objectives for all stages of these supply chains. The aim is to create more value in production, particularly downstream in the chain, by improving storage, processing, and access to agricultural markets. The programme also plans the creation of irrigation schemes (450,000 ha).

The strategic frameworks in NEEDS II and the 7-point Agenda have been translated into short-to-medium-term programmes. The federal Ministry of Agriculture and Water Resources has drawn up a "5-point Agenda" for agriculture, a detailed roadmap of steps to be implemented to attain the objectives listed for agriculture in the 7-point Agenda.

Olusegun Obasano's government also launched Presidential Initiatives in 1999 for seven agricultural products (cassava, rice, vegetable oil, sugar, livestock, cultivated trees and dry grains). The aim of these initiatives is not only to boost Nigeria's agricultural exports by taking advantage of preferential agreements in the framework of the World Trade Organization (WTO) and the Economic Partnership Agreements between the European Union and the Africa-Caribbean-Pacific countries but also to make the most of the potential regional market made up of neighbouring countries. Although these measures have shown that investment in the agricultural sector can have concrete results in terms of increasing domestic production, their overall outcomes have been mixed in that only the "intensification of production" segment has been taken into account, ignoring the downstream segments of the value chain (such as product processing).

Support for agricultural inputs has been a central element of Nigerian agricultural policy since the 1950s. This support consists primarily of attributing public subsidies so that farmers can more easily acquire inputs (fertiliser,

improved seeds, phytosanitary products). The level of federal subsidies has followed a spiky path,² with highs and lows, and methods of implementation have been highly variable. In addition to federal subsidies, each state allocates its own subsidies for fertiliser. These vary greatly from one state to another in both amounts (50 to 150 kg per farmer) and subsidisation rates (from 10% to 50%). Even so, many farmers still find it difficult to obtain good-quality inputs at an affordable price and at the time they are needed. The government has not yet managed to set up an effective regulation and monitoring system to address quality issues and the diversion of subsidised inputs to

2. The federal subsidy level for inputs stood at 75%-85% in the late 1970s, dropped to 30%-40% in the mid-1980s (under pressure from the World Bank), rose to 70%-80% during the 1986-1998 period (to counter steep devaluation of the national currency), and fell back to around 25% during the 1999-2009 period.

outside the country. Some states have been testing the distribution of input subsidy vouchers since 2008.³

ECOWAP and Regional Integration: Where Does Nigeria Stand?

The pan-African action framework for agricultural development policy and strategy is provided by the Comprehensive African Agriculture Development Programme (CAADP)⁴ adopted in 2002. This programme aims to attain average annual growth of agricultural productivity of at least 6%, and sets a target for public investment in agriculture equal to at least 10% of national budgets. ECOWAS adopted a regional agricultural policy for West Africa in January 2005 (ECOWAP) and

3. See article page 27.

4. The CAADP is the agriculture segment of the New Partnership for Africa's Development (NEPAD), a comprehensive development policy adopted by African countries to close the gap between Africa and the rest of the world.

established a regional action plan for 2006-2010. The plan calls for drawing up National Agricultural Investment Programmes (NAIPs) in each country, to be adopted by all stakeholders in the agricultural sector via the signature of a pact, and a Regional Agriculture Investment Programme (RAIP).

In Nigeria, the ECOWAP/CAADP "pact" was signed in late 2009, and the elaboration of the NAIP led to a Medium-Term Sector Strategy (MTSS) for Nigeria for the 2010-2012 period covering investments funded by the federal government and partnership programmes initiated by international funding agencies. The agriculture policy measures in the "5-point Agenda" comply with the major orientations outlined in the CAADP.

Policies Still Lacking in Coherence.

Nigeria's agricultural policy has its limitations: a general lack of coherence, issues of programme continuity, issues in relation to other sectoral policies, and implementation issues at various institutional levels. ➔



Public Agriculture Financing in Nigeria: Key Figures

Public Investment in Agriculture Is Fairly Low...

In 2008, Nigeria devoted 4.6% of its federal budget to agriculture. This amount is far below the 10% objective set in the Maputo commitments signed in 2003.

... But Capital Expenditure Is Far Higher than Operating Budgets

In the last ten years, funding allotted for capital expenditure has been on average six times greater than the budgets allotted for operating expenses, at both the federal and state levels.

Breakdown of the Funding Provided by the Federal, State and Local Governments, and Funding Agencies

Funding agencies provide only 7% of total expenditures in the agricultural sector. Most of their financing focuses on producer support services (infrastructures, processing, financing).

The remainder of expenditures in the agricultural sector comes from the federal government (57%) and the state governments (43%). Therefore, raising federal funding will not be enough to improve agriculture financing in the country. Local governments also fund agriculture but, in the absence of statistical data, their contribution cannot be assessed. Problems persist in coordination of funding efforts between the federal level, the thirty-six states and 774 local governments.

The proportion of the budget allocated to agriculture increases with the degree of decentralisation: the states devote more of their budgets to agriculture than the federal government does.

Expenditure in the Agricultural Sector Is Highly Concentrated

Out of 179 line items for agriculture in the federal budget, three items account for 81% of funding. These items are: (i) fertiliser supply and distribution markets (43%); (ii) the food security segment of the National Food Security Programme (NFSP) (22%); and (iii) purchases of grain for national stockpiles (16%).

Budgets are often poorly evaluated at the outset. It is very surprising to note that identical budgets are allocated for each value chain under the Presidential Initiative.

Available capital funds are not always fully disbursed. For the 2000-2008 period, the average disbursement rate for capital expenditure in agriculture was only 62% (and only 24% in 2007).

Nigeria's agricultural policies were for a long time opportunistic and not coordinated among each other. Critics regret the absence of continuity in policy, and the fact that the successes, failures and lessons learned in preceding programmes have not been analysed. Strategies have not always been transposed into action in the field. The absence of indicators makes it hard to track and evaluate policy implementation. In terms of cross-sector policy coherence, little has been done to link agricultural policy with rural development policy, support for small and medium-sized enterprises, and management of

water and natural resources. Finally, at the institutional level, roles are not clearly divided between the various administrative offices responsible for agricultural development. The sharing of responsibilities between the federal, state and local governments does not appear to be optimal, either in terms of areas of intervention or resources allocated. Generally speaking, while agricultural programmes managed by the states seem to be more effective than federal programmes, many observers deplore that agricultural policy is elaborated from the top down, with little participation by stakeholders. ■

Development Driven by Local Communities: A Sustainable Instrument to Alleviate Poverty in Nigeria

SINCE 1985, IFAD has innovated with Community-Driven Development (CDD) programmes in Nigeria. A pilot CDD programme was first set up by IFAD in the 1980s in the states of Sokoto and Katsina. The success of this programme gave rise to an agricultural and rural development programme in 2003, followed by a natural resources management programme in 2005, both community-driven and supported by IFAD. The same approach was used in the "roots and tubers" development programme that lifted Nigeria to the position of top-ranking producer of cassava worldwide.

The CDD approach breaks with the conventional "top-down" approach that has never had a sustainable impact on beneficiaries' living conditions. Instead, it develops a more democratic and inclusive "bottom-up" approach. CDD gives control over decisions and resources to the true agents of change in rural communities, i.e. traditional

organizations, peer groups, women's groups, producers' unions organised by crop, etc. This approach allows stakeholders to freely decide what action to take, and take responsibility for initiatives that affect their lives. CDD has taught communities how to set infrastructure priorities (drinking water supply, healthcare centres, roads and schools) and how to achieve these goals in a cost-effective, transparent and sustainable way. According to the beneficiaries, these programmes have helped them find jobs, pay their children's school fees, and feel that they are useful to their community by contributing to its development. State and local governments and the communities and villages that have benefited from this approach would like to see this initiative extended to other regions.

By Abdoul Wahab Barry, International Fund for Agricultural Development (IFAD). The full version of this article is available online _____