



United Nations
Economic Commission for Africa

AFRICA CLIMATE POLICY CENTER (ACPC)

Africa Climate Talks (ACT)

Second session of the fourth Africa climate talks

Enhancing climate resilience for better human security in the Sahel region

Setting the Scene:

Food Systems Session: Food, Agriculture and Trade in West Africa



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Background

- In West Africa, the food economy is the largest economic sector, both in terms of employment and value creation in the region.
- It generates 35% of regional GDP and almost 100 million West Africans, or 2 out of 3 people employed, depend on it for their livelihoods.

Background (C'td)

- The number of acutely food-insecure people has increased over the past five years, mostly due to insecurity and large-scale displacement in conflict-affected countries.
- In parallel, chronic malnutrition persists. The prevalence of global acute malnutrition exceeds the threshold of 10% ("high" according to the WHO), especially in Sahelian countries. Nearly 1/3 of children in the region is stunted (27.7%). This increased by 3 million since 2000, reaching 17.8 million in 2019 (UNICEF et al., 2020).

Food, agriculture & trade System in West Africa

- In order to talk about Food, agriculture and trade System in West Africa, we need to analyse the economic, technological and social forces driving agricultural and agricultural growth, and structural change in the agri-food system in West Africa.
- How Agricultural production and food supply in the region have responded to those drivers; and the role that Agricultural trade has played over the past few decade both in terms of export performance and of the region's growing reliance on food imports.

Food, agriculture & trade System in West Africa

There are five major forces driving structural change in West African Agriculture:

- **(1)** demographic changes; **(2)** the region's uneven but ongoing structural transformation of its economy; **(3)** variations in income growth and its distribution (including changes in poverty rates, the rise of the middle class, and the evolving nature of food insecurity in the region); **(4)** continuing economic and political vulnerability due to recurring natural and human-created crises, environmental pressures including climate change, and price volatility; and **(5)** globalization and technological change.

Climate Change & West African Food Systems

- Food systems also have a considerable adverse impact on climate change. In West Africa, 23% of greenhouse gas emissions come from agriculture, (agricultural production stage) (USAID, 2019). Food systems are the largest driver of environmental degradation, biodiversity loss, water pollution and deforestation (OECD, 2020).
- Reversely climate change also poses significant risks to food system performance. This is likely to intensify. And will affect smallholder farmers and poor or marginalised communities, women and youth are facing greater risks from exposure to environmental shocks (FOLU, 2019).

Regional Food Trade: AfCFTA

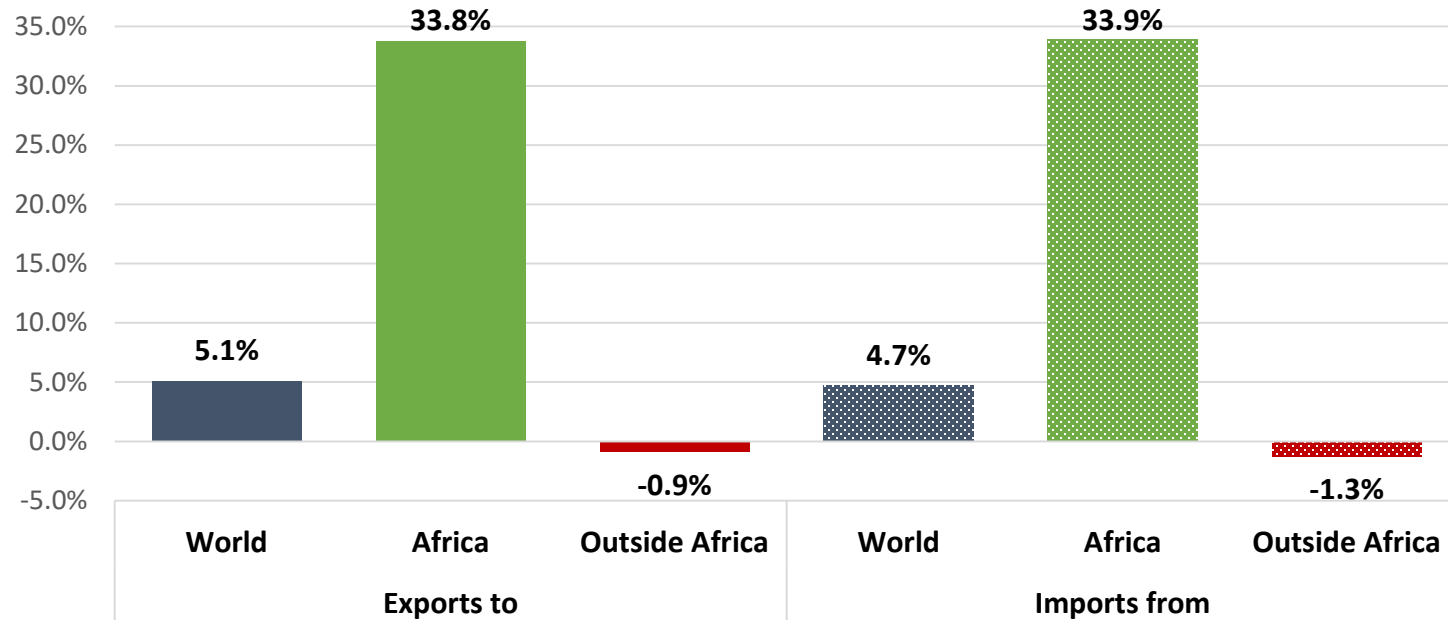
- **AfCFTA to Boost Intra-African Trade in Agriculture**
- Inter Africa trade in agricultural products as a percentage of Africa's total agricultural trade remains below 20%,.
- Total trade between African nations was only 2% in the period 2015–2017, compared with 67% in trade between European countries, 61 % in Asian countries, and 47%in the Americas, according to UNCTAD.
- One of the goals of AfCFTA is to extend intra Africa trade and reverse the secular Africa trade trends of exporting raw materials to, and importing manufactured goods from, the rest of the world..
According to UNCTAD's latest report, AfCFTA has created a 1.2 billion consumer market the world's largest free trade area.
- It mandated states to remove tariffs and non-tariff barriers in order to boost movement of goods and services between nations.

Regional Food Trade: AFCFTA

- Regional food trade is essential for agricultural growth and transformation, food and nutrition security, resilience to shocks and broader regional and continental integration.
- The size and importance of intraregional food trade in the region is greatly underestimated due to lack of data , but ECA/ATPC rates it at around 14% to 15% now..
- Relatively high food price differentials across the region point to inefficiencies within the regional food market and underscore existing opportunities. Despite these inefficiencies, regional integration through food trade is already a reality.

AfCFTA: Zoom on Africa's Exports & Imports

Change in Africa's exports/imports by main destination/origin with AfCFTA as compared to baseline (i.e. without AfCFTA) – % – 2045



Source: ECA&CIREM-CEPII's calculations based on MIRAGE-e

- Relatively moderate increases in Africa global exports/imports hide disparities across destination/origin;
- Gains from AfCFTA mainly concentrated in intra-African trade;
- AfCFTA to help somewhat reducing Africa's current trade dependence with RoW (today, about 85% of Africa's trade is with RoW).

AfCFTA: Focus on intra-African trade

Percentage change in intra-African trade, by main sectors with AfCFTA implemented in 2045 as compared to baseline (i.e. without AfCFTA)

41.1%

Agrifood

39.2%

Services

39.0%

Industry

16.1%
Energy/Mining

At sub-sectoral level, the most notable increases in intra-African trade, with positive output variations are to be found in:

Intra-African trade creation would also lead to an improvement in Africa's output.



Cereals and crops, milk and dairy products, sugar, processed food



Tourism and transport



Wood and paper, chemicals, rubber, plastic and pharmaceutical products, vehicles and transport equipment, metals, other manufactured products



Refined oil

Expected benefits in refined oil need to be analyzed carefully, in light of environmental concerns associated with CO2 emissions from fossil fuels

Source: ECA (https://uneca.org/sites/default/files/keymessageanddocuments/en_afcfta-infographics-11.pdf)

AfCFTA: Focus on intra-African trade

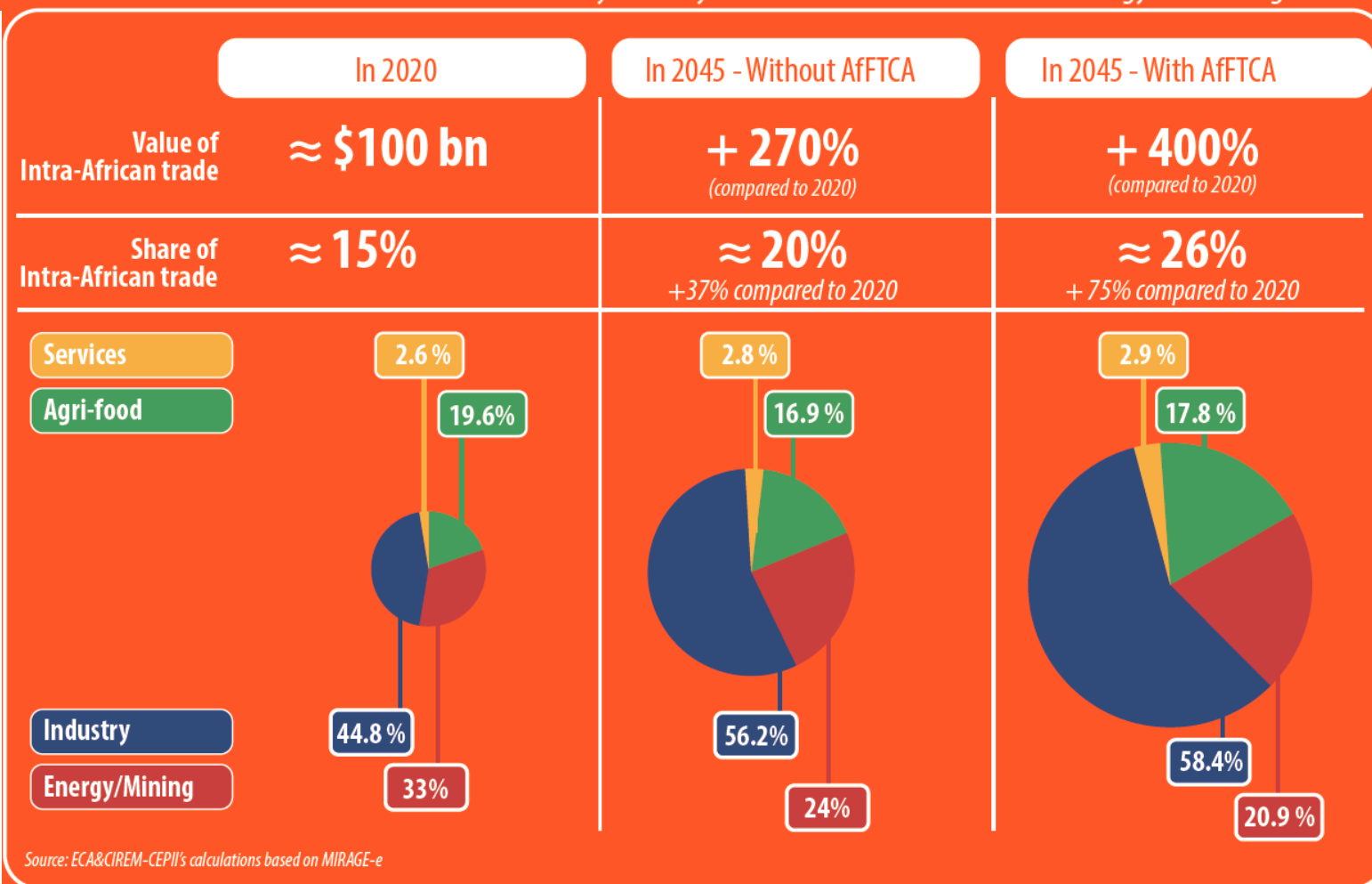
The AfCFTA provides an unprecedented opportunity for Africa's transformation, competitiveness and development.



The increases in relative terms for agrifood, industry and services will not lead to equal increases in absolute terms, because intra-African trade is currently dominated by industry.



Effective implementation of the AfCFTA would therefore not only boost intra-African trade but also help Africa industrialize and diversify away from energy and mining.



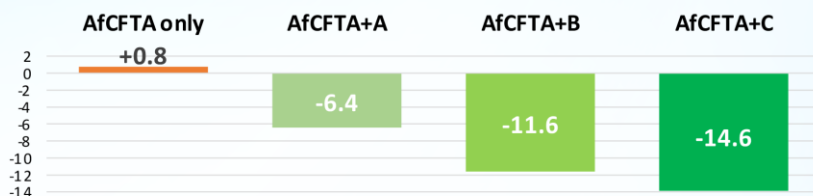
The AfCFTA & Africa's climate objectives are not incompatible

Several climate policy options envisaged in AfCFTA context:

- A. African countries to reach 50% of their unconditional NDCs by 2030
- B. African countries to reach 50% of their unconditional NDCs + 25% of conditional NDCs by 2030
- C. Abatement induced by a USD 25 carbon price reached by 2030 for all African countries (IMF ICPF proposal for LICs)

Implementing the AfCFTA wouldn't threaten climate change and climate policies can help easing the burden

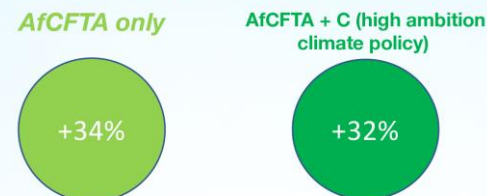
% change in Africa's CO2 emissions in 2045
(as compared to absence of AfCFTA)



Source: ECA & CEPII/CIREM (forthcoming)

Greening the AfCFTA Agreement wouldn't undermine intra-African trade gains

% change in intra-African trade in 2045
(as compared to absence of AfCFTA)

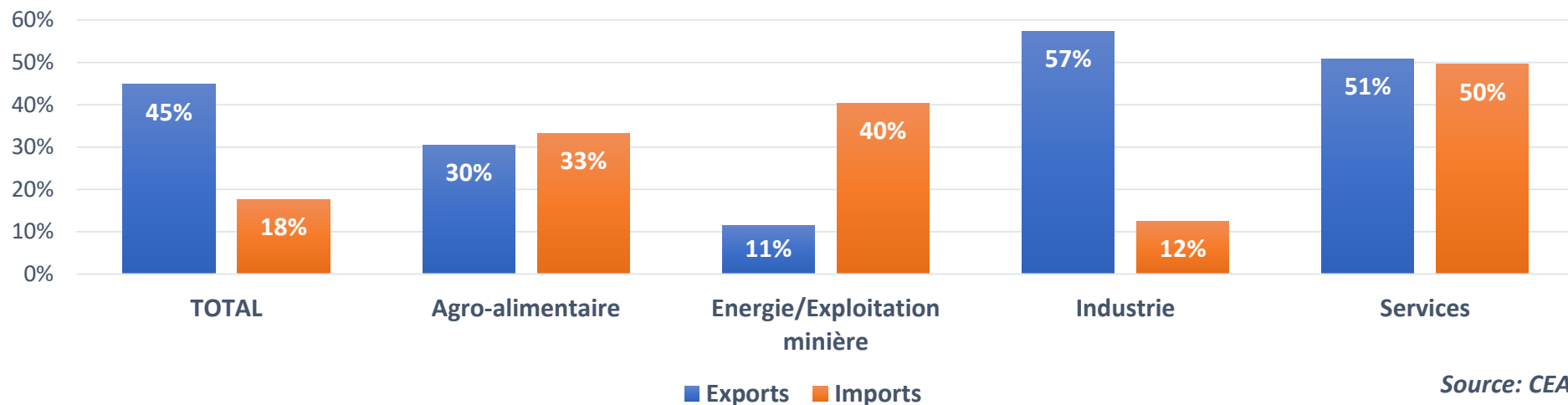


Source: ECA & CEPII/CIREM (forthcoming)

ZLECAf: Focus sur la République du Bénin

- Like Africa as a whole, Benin would see gains in GDP, output, and trade; with a strong concentration of benefits on its trade with its African partners

Différences relatives des exportations/importations du Bénin à destination/en provenance du reste de l'Afrique, en 2045, après mise en œuvre de la ZLEACf en comparaison à une situation sans ZLECAF



- In absolute terms: Nearly 2/3 of Benin's export gains to the rest of Africa following the implementation of the FTAA would be concentrated in industry; the main beneficiary subsectors would be rice (agribusiness), textiles/clothing/leather, chemicals/rubber/plastics/pharmaceuticals (industry), and business, transportation, and communication services (services).
- Benin's customs revenue would decline modestly by 3.5 percent (or US\$0.1 billion) in 2045, while Benin's welfare would increase slightly.

Food security in Africa needs urgent and serious attention.



In 2020, more than one in five people in Africa faced hunger - more than double in any other region.

282M
people were undernourished in 2021, due to a combination of:



Projected food assistance needs by Oct. 2022:
East & Southern Africa
63.5M
West Africa
28.5M

Food security declines by 5-20% with each flood or drought.

Africa remains a net food importer, and the food import bill will continue to rise without action.

\$43B → **\$110B**
2019 2025

Progress towards international commitments are off-track.



- **7 countries** are on track to reduce childhood stunting
- **12 countries** have met the commitment to invest 1% of GDP to agricultural research and development



- **4 countries** in the AU are on track to achieve Malabo Declaration by 2025
- **9 countries** are on track for women's empowerment through agriculture

Climate change impacts are stalling progress towards food security.

A 3°C scenario by 2030 will be catastrophic.



Income for the poorest 40% of Africans will be **reduced by 8%**



350M Africans will be undernourished by 2050

Adapting Africa's food system to climate change is **NOT** a choice.

A 1.5°C scenario provides better options, but frequent shocks are still expected:



- Extreme droughts will double



- More heavy rainfall and intense flooding will continue



- Leading to unavoidable effects on productivity

Leading adaptation options for food systems are cost effective, well defined, and build on evidence and experience.

Priorities for public sector investment for food value chain and livelihood solutions:



- Increase water-use efficiency in conveying and distributing irrigation water in the field
- Improve water harvesting and water storage during the rainy season

Adaptation cost:
\$6.1B
Inaction cost:
\$90.7B



- Create robust research functionalities
- Design agile research services to rapidly respond to emerging risks
- Gain better understanding of impacts from climatic extremes

Adaptation cost:
\$3.9B
Inaction cost:
\$71.2B



- Scale up sustainable soil, land, and forest management practices to deliver climate co-benefits
- Reduce degraded landscapes
- Implement long-term land use planning

Adaptation cost:
\$3.4B
Inaction cost:
\$26.8B



- Design practical logistics and infrastructure for food storage to prevent spoilage
- Develop cold storage facilities
- Build transport routes to enable rural connectivity and facilitate market access

Adaptation cost:
\$2.1B
Inaction cost:
\$12.6B



- Develop early warning systems and seasonal weather forecasts to anticipate and manage natural disasters, pest outbreaks and yield failures
- Scale up investments in institutional and technical capacity

Adaptation cost:
\$0.1B
Inaction cost:
\$0.5B

Investing in climate adaptation costs less than a tenth of doing nothing.



\$15B
adaptation costs
\$201B
inaction costs

Trade between African nations in agricultural products improves food security and facilitates more efficient allocation of resources in agricultural production.



Given the unpredictability of climate change, investments should build on ongoing adaptive capacity over one-off investments.



THANK YOU!

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Ideas
to
Action