

IDEAS ON AFRICA

ECONOMIC DEVELOPMENT, FOOD SECURITY, HUMAN HEALTH
AND SPANISH DEVELOPMENT COOPERATION

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EXECUTIVE SUMMARY



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Gobelas 31, 28023 Madrid
Telf. +34 915 820 091
Fax. +34 915 820 090
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Authors

Report coordinators

Antonio Estella de Noriega
Josefa Calero Serrano

Report authors

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Manuel de la Rocha Vázquez
Sara Ladra Álvarez

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Rafael Fernández Sánchez

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Jesús Felipe and Arnelyn Abdon (sections 1, 3, 4 and part of section 8)
José Manuel Albares (sections 2, 5, 6, 7 and part of section 8)

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Antonio Santamaría

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Berta Mendiguren de la Vega
Ngoko-Zenguet

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Antonio Estella de Noriega

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Executive Summary

In July 2010 the IDEAS Foundation, the Spanish Socialist Party (PSOE) and the African National Congress (ANC) organised the conference “African Progress: the role and future of progressive policies in Sub-Saharan Africa”. The conference brought together more than a hundred leaders, politicians, strategists and thinkers from the progressive sphere from some twenty countries, mainly in Africa. The aim of the gathering was twofold: first, to forge a new Progressive Alliance with and within Africa; second, to contribute to the definition and development of the continent’s progressive agenda.

This IDEAS Foundation Report marks a further step on the path towards achieving the above goals, especially the latter. In this regard, the first point to be made is that this paper represents primarily a call to eschew preconceptions about Africa. The first such is that Africa is a homogeneous continent, with similar problems, the causes of which are roughly similar, and which therefore also need relatively similar solutions. Far from it, a more detailed analysis of the African reality, as presented in this Report, albeit within specific sectors, reveals that there is for example little connection in terms of development between countries such as Nigeria and countries like Ethiopia or Senegal. The first is heavily dependent on natural resources, which it possesses plentiful. The second is, meanwhile, a landlocked country, and this dictates to a great extent its development strategies. The third is a coastal country, with greater opportunities to connect to international markets, and where fishing has been the economic sector defining the country’s identity.

The same could be said with regard to food security. If, as stated above, Africa is not an equally impoverished continent, nor can it be stated that the inherent problems of food security affect it in the same way. According to a recent report published by the FAO, more than 20 African countries still need outside aid, although in contrast to the difficult situation being experienced by countries such as Zimbabwe, Benin and Burundi, other countries such as Malawi and Uganda have succeeded in reducing by more than one half the number of people affected by food insecurity.

We lastly turn to human health. Once again, the experiences of African countries are not precisely the same. There are countries where incipient health care systems, which are meanwhile of a public or semi-public nature, have had a degree of success, whereas in many other countries grassroots systems, such as bartering, continue to play an essential role in providing the tools for human health. These different realities are reflected in the paces at which such fundamental health indicators as the infant mortality rate have evolved. To give just one example: the rate in Mauritania is almost half that of neighbouring Niger and Mali, and thirty points lower than in Nigeria, which has a much higher per capita income than any of the other three countries.

What we find in Africa, then, is a disparate and heterogeneous reality, far removed from the typical images held about the continent, which tend to impose a uniform perspective preventing us from perceiving and understanding the differences which exist between African countries, and thus making the right choices in terms of the most appropriate tools to allow each to find its own way towards development, in general terms. This Report is based on just such a premise, and in this regard the overall question which we aim here to answer is as follows: how can development policies (in general, both international and domestic policies) achieve a greater impact in Africa? The answer, as will be seen in these pages, lies in the idea that, in order to generate progress in Africa, one must understand the heterogeneity of the continent, guaranteeing the food security and health of Africans and deploying industrial policies based on the tool which we present in this study: the “product space”.

And so within the context of economic development we here employ an analytical tool, the product space, which provides a much more specific and concrete snapshot of the economic reality of each African country, and above all its development potential. The product space is a graphic representation of the position occupied by a given country, or zone, within an imaginary space which classifies the products produced and exported within the zone, in this case Africa. The first task which the product space performs is to reveal the make-up of this imaginary space containing the products of the zone in question. The space may be made up of relatively unsophisticated products (fishing, or fruit crops) or by much more sophisticated products, such as computers or mobile phones. There may be intermediate products in terms of their sophistication, such as garments. Secondly, this graphic representation of the products which exist within a given space reveals a critical issue from the development perspective, namely the capabilities which a given country has in order to continue producing (and exporting) new products. The set of a country’s capabilities “speaks” to us of its development possibilities, since certain capabilities are much more “flexible” than others in their potential for re-use to produce other more sophisticated products within the product space. For example, it will be easier to “leap” into computer manufacturing if one has first built up the human and tech-

nological capital required to manufacture electrical and electronic goods, than if one only has in place the capabilities to develop the fishing industry.

As a consequence, the issue of capabilities is absolutely intrinsic to an analysis of the product space. Readers should not, however, expect generic recommendations in this field. Depending on its own position within the product space, each country will require specific, and therefore different, capabilities. While any given country may, for example, need substantial investment in human capital, and in particular in the training of engineers, other countries perhaps need to dedicate their efforts to the creation of technological capital, while others still will need to address physical capital. Education plays an important role in this sector, as one would expect. Not only in order to continue improving literacy rates, where substantial progress has already been made, but also to generate much more specific capabilities, from an early age. In this regard mention should be made of the work of the African Union, which has implemented a strategy to promote and develop vocational training, along with the efforts being made by many countries to integrate technical skills within the educational system. In an attempt to bring young people into contact with pre-employment skills, some countries such as Ghana, Senegal and Swaziland, are even incorporating basic professional skills into primary education.

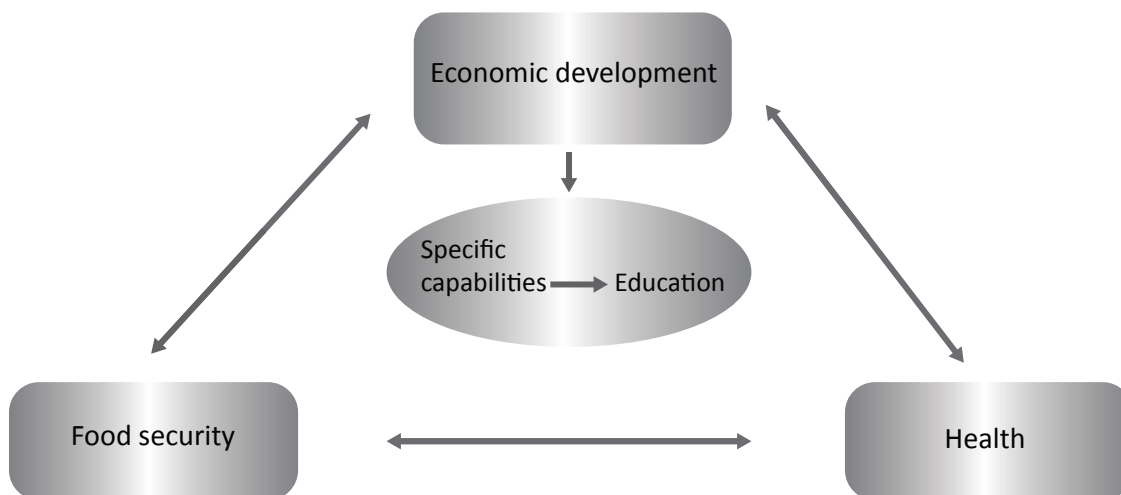
In general, the product space “*traces*” a path towards economic development. In the words of the tool’s own sponsors, it establishes a “stairway to development”. Based on the products which a country produces, one can establish a pathway which this country will need to follow in order to produce gradually increasingly sophisticated products, with a greater value-added, with greater comparative edge, and hence greater export potential. Progress along this imaginary path “traced” by the product space depends on each government, on each country, on the international aid it receives, on the synergies generated between the public and private sectors. In other words, the development capacity which a given country can deploy will not simply come out of the blue, but out of the concrete and specific actions of numerous actors, essentially governmental actors, who must develop industrial policies intended to assist the country in following the corresponding pathway. The product space is, in short, a call to public action (essentially in the field of industrial policy) and highlights the inability of markets to generate on their own economic development in an appropriate direction.

Just as we stated that Africa is a continent within which its constituent countries have their own specificities, this Report also adopts the view that we can likewise talk of “major” obstacles to development, specifically the following two: lack of food and lack of health. Without food security or health one can scarcely generate economic development. As Berta Mendiguren and Ngoko-Zenguet rightly state in the chapter on

human health in this Report, health is at the same time the cause and consequence of the often limited economic development seen in Africa. And the same could be said of food security. Both factors, food and health, represent causes and consequences, determining factors and outcomes, of the lack of economic development suffered by many African countries. And although the situation of the different countries which make up the African continent, above all Sub-Saharan Africa, is not the same, as mentioned earlier, from these two perspectives many do continue to reveal substantial problems in both fields. And so, as indicated in Figure 1, this Report aims to move from the specific to the general, and once again to cover the return path from the general to the specific, in order to present concrete recommendations of policies which could, for example, be incorporated within Spain's development cooperation policy in this part of the world.

In summary, the lack of economic development is not an inexorable reality in Africa, and nor are food insecurity or the shortcomings which still exist in many countries in terms of human health. Africa is in no way doomed to failure. It is a continent of opportunities. In order to realise them, though, we must make the right decisions in the tools we employ in analysing its specific reality. The right choices are also required in shaping new recommendations for the policies developed both outside the continent and, above all and fundamentally, within Africa.

Figure 1. Ideas about Africa: interrelationships between economic development, food security and human health



Source: produced by the authors

The text which follows presents a brief summary of the fundamental aspects of this Report, and its main policy recommendations.

Chapter 1

Product space, economic development in Sub-Saharan Africa and Spanish development cooperation

An analysis of the economic growth of the Sub-Saharan region over the last 50 years reveals that, while the region has seen short episodes of steady growth in income per capita, there have been long periods of stagnation and contraction, which set it apart from the world's other developing regions. From the late 1990s onwards, Sub-Saharan Africa again experienced steady growth which, before the financial crisis struck the world in 2008, had led to a significant increase in per capita income by 2009, while still lagging far behind the average for other developing regions.

The positive growth in per capita income over the period 2000-2008 undoubtedly gives grounds for optimism among many experts in terms of Sub-Saharan Africa's growth potential. Most authors hold that the long period of stagnation and economic contraction is essentially the result of poorly designed policies, in particular those which have restricted African countries' foreign trade.

The Report highlights three essential challenges to be met in order to advance the continent's economic development: **the consolidation of human security , the strengthening of the systems of governance and improvements in the attitude and transparency of private-sector activities and accounts, and more specifically the extractive industries which exploit the natural resources of Sub-Saharan Africa.**

The **private sector must play a leading role in the region's economic development**, given its capacity to create employment and economic opportunities in African countries, to improve their productivity, to catalyse economic growth and contribute to poverty reduction. However, thus far few African states have given serious consideration to improving the investment climate and the diversification of their economy as a priority in developing the local business fabric and attracting foreign investment. Nor have traditional donors focused their efforts on supporting this sector.

Structural transformation and product space

The product space is an analytical framework employed in interpreting the opportunities for growth and structural transformation of Sub-Saharan Africa. This chapter

analyses the economic development of sub-Saharan Africa through the evolution of the region's productive structure and the prospects for greater diversification and higher value-added products. **Development also demands structural transformation, in other words the accumulation of the capabilities required to raise the level of production (through the transfer of resources), evolving towards activities associated with higher levels of productivity.**

Within this analytical framework, the product space provides a network representation of all the products exported in the world. Central to the construction of the product space are two ideas: (i) that the ability of a country to export a new product is dependent on its ability to export similar products; and (ii) that commodities requiring similar capabilities are more likely to be exported together.

This chapter analyses the product structure of sub-Saharan African countries, classified into three mutually exclusive groups according to endowment and location: (i) natural-resource intensive (11 countries); (ii) non-natural resource intensive, landlocked (10 countries); and (iii) non-natural resource intensive, coastal (17 countries).

The conclusions drawn from the analysis are as follows:

- **The export structure of resource-rich countries barely changed during the last 45 years.** They remain exporters of very few products, all of them in the periphery of the product space.
- **Landlocked countries have managed to jump into new products in the periphery, but have not successfully exported (except for a few) well connected products in the core.**
- **Coastal countries, on the aggregate, have acquired revealed comparative advantage in a significant number of new non-peripheral products, particularly in the garments sector;** and have also successfully ventured into some products in the core of the product space. However, the jumps into the core are mainly driven by South Africa. The result is a product space that resembles that of the landlocked economies.

In short, **the sparse productive structure of Sub-Saharan Africa has significant implications for its diversification prospects.** At present, most sub-Saharan African countries find themselves caught in what is known as the “low-product trap”. In other words, their export basket **lacks diversification and is mainly made up of peripheral products which are very common or exported by many other countries and have little value-added** (raw materials, for example), implying the *standardness*

of inputs or capabilities required in their production. Africa is without doubt the region with the least diversified export structure, but this has not always been the case. Up until the early 1980s, the sophistication of Sub-Saharan Africa's exports was similar to that of East Asia and the Pacific regions. However, the trend for the two regions began to diverge in 1982: East Asia's export sophistication has caught up and exceeded that of Latin America, while that of Sub-Saharan Africa is now lower than that of South Asia.

The low sophistication and the standardness of African exports are a reflection of the region's low presence in the core of the product space. As a result, the key challenge for sub-Saharan Africa over the coming decades lies in diversifying and upgrading its productive structure. This will be no easy task, as it involves venturing into the production of new, more sophisticated and less standard products.

This chapter proposes the implementation of certain policies which, positioned within the specific context of each Sub-Saharan country, will help escape from low-value-added product traps. For **those countries in the low-product-trap, an emphasis is placed on the importance of accumulating new capabilities**. This will require human capital to acquire skills, technology and knowledge; a higher drive to diversify and to increase sophistication by embracing a realistic industrial vision; and the improvement of organizational capabilities. Meanwhile, **countries in the middle-product-trap should focus on increasing the number of products exported with relative comparative advantages in the core of the product space**.

Opportunities for growth and diversification

Sub-Saharan Africa is not doomed from the outset to suffer low rates of growth. The results of the analysis performed reveal that for 26 of the 36 countries in sub-Saharan Africa included in the sample, the average growth rates predicted for 2010-2030 are higher than their respective average growth rates for 1990-2007.

However, the projected growth in per capita income will not come like manna from heaven. The crucial assumption in achieving such growth is that these countries must be able to use their existing capabilities to gain revealed competitive advantage in sets of new, more sophisticated products, and not simply continue exporting more of the same. Unfortunately, given their starting conditions, this process will be more difficult for most Sub-Saharan countries than for other middle-income countries.

The chapter presents a detailed analysis of the revealed comparative advantages of four countries: Nigeria, Ethiopia, Senegal and Mozambique.

The analysis performed reveals that while Nigeria has the highest number of products in its opportunity set, these are “far” when compared with the products in the opportunity sets of Ethiopia, Senegal and Mozambique.

First, the clear similarity in the current productive structures (exports) of the four countries (first product space, with products marked in black) is to be found in the peripheral product zone, similar to the region as a whole, meaning that the “nearby” products likewise correspond to peripheral products.

Second, Ethiopia, Mozambique and Senegal have some presence in the garments cluster, which is closer to the core. The garments sector is typical of the development of countries that have undergone structural transformation.

Third, the products that matter most for growth, that is, those that are highly sophisticated and are closely linked to the rest of the space, are not *nearby*.

What does the product space say about the opportunities for growth and structural transformation of Sub-Saharan Africa?

The conclusion reached by this study is that the countries in the region are trapped in the export of products that are not sophisticated, standard, low-value-added and are poorly connected in the product space. The product space representation of the region reveals the concentration of most countries in peripheral products, and shows a sparsely populated core. The current capabilities of the region are not enough to jump into more sophisticated and better connected products.

The products that are nearby are also products in the periphery and, therefore, relying on shifts to these products will do little to improve Sub-Saharan Africa’s growth prospects.

Meanwhile, long-term growth forecasts for the region show that Sub-Saharan Africa is far from doomed to slow growth. However to jumpstart and, more important, to sustain growth, governments must implement policies and provide public inputs that will give incentives for the private sector to invest in new and more sophisticated activities.

The potential for genuine development in Sub-Saharan Africa will arise once the countries in the region become less reliant on natural resources exports and succeed in upgrading and diversifying their export basket.

Opportunities for Spanish Cooperation in Sub-Saharan Africa

Spain has over recent years made a strategic commitment to Sub-Saharan Africa. The 1st Africa Plan 2006-2008, passed during the previous legislature, served to shape Spain's foreign policy strategy on the African continent, based on an understanding of its reality and potential and the principles of far-reaching solidarity and joint responsibility in response to the phenomenon of migration.

On the political level, **Spain has made considerable efforts to intensify its dialogue with Sub-Saharan countries**, succeeding in achieving an unprecedented level of trust and communication. There exists a shared agenda with the continent, with the aim of offering a joint response to such global challenges as climate change, poverty, migration flows, illicit trafficking and terrorism.

Spain's diplomatic and institutional presence in the region has also been underpinned through the creation of six new embassies, three in the world's poorest countries, Sudan, Mali and Niger, and the other three in Guinea Conakry, Guinea Bissau and Cape Verde, along with two permanent diplomatic outposts in Gambia and Liberia/Sierra Leone, and a number of technical cooperation offices and sectoral attachés. Spain has also made **particular efforts to contribute towards the agenda for peace, democracy and security on the continent**, taking part in a number of peace missions in countries within the region while contributing 30 million euros to the African Union's Agenda for Peace over the next three years.

This effort in terms of planning and diplomacy has been accompanied by a **record increase in the volume of official development assistance (ODA) channelled towards Sub-Saharan Africa**, increasing from an annual average of 150 million allocated to the region between 2001 and 2004 to over 1.4 billion euros today, thus becoming the main recipient region of Spanish ODA. The priority sectors for Spanish Cooperation in Sub-Saharan Africa are **basic social services** (health, education and access to water and sanitation), followed by the **economic sector**.

The 2nd Africa Plan 2009-2012 renews Spain's commitment to building an overall policy of commitment towards, and above all with, Sub-Saharan Africa, making progress in underpinning actions in the field of democratic governance and institutional strengthening, peace and security, the fight against poverty, the promotion of economic and commercial relationships, migration and development, all features which define Spain's foreign policy in Africa.

The region of West Africa has been established as the priority region for Spanish foreign policy, as set out in the 2nd Africa Plan and in the Spanish Cooperation Steering Plan 2009-2012 (*Plan Director de la Cooperación Española*). Within the

context of this greater commitment to the region, on 22 June 2009 a high-level Spain-West Africa meeting was held in order to discuss, among other issues, consolidation of the rule of law, democratic governance and institutional development; public policies to achieve the Millennium Development Goals (MDGs); support for investments in energy and infrastructure; and the promotion of tourism and trade. Issues of human rights, gender equality, environmental sustainability and adaptation to climate change are transversal objectives in the Spanish Government's overseas action on the African continent.

Among the **commitments reached at the high-level Spain-West Africa meeting**, Spain undertook to allocate 240 million euros over the next three years to support national and regional policies and programmes, such as the West African Agricultural Policy (ECOWAP) and the regional offensive for food production and against hunger. The Spanish Government likewise committed to support technical and professional training programmes in West Africa, the regional health policy to combat malaria, the Development Unit for the design of ECOWAS (Economic Community of West African States) infrastructure projects, and, within the context of the Casa África's activities, to host a Spain-ECOWAS business meeting to promote commercial relationships and consolidate cultural and tourism exchanges between West Africa and Spain.

According to the author, **Spain needs to consider supplementing its current system of cooperation with support for the private and industrial sector in Africa**, in those economic segments which are compatible with the economic structure of such states. The product space methodology could prove a valid tool in deciding, on a country-by-country and case-by-case basis, what those sectors are.

In addition, Spanish Cooperation initiatives must serve **to eliminate the obstacles checking the development of the private sector in these countries**, both political (practical absence of the rule of law, scant regulation, bureaucratic rigidity, insecurity and corruption), and structural (poorly developed or non-existent infrastructure and services, weakness of the legal/commercial system, etc.) and aspects of the investment climate.

In concrete terms, this Report proposes in connection with this sector the following specific recommendations:

1. Use of the product space analytical tool in the field of development cooperation, in particular that of Spain. This means taking on board the idea that industrial policies must be implemented to promote the development of African countries, on the basis of the specific position which each country occupies within its respective product space, and that starting out from

this point they should follow the most appropriate pathway towards their own development. As the position of each country is different, the specific development strategy will likewise be specific and different.

2. Refocus development cooperation policy, and specifically ODA (global, Spanish) in the field of economic development, towards the promotion of public policy (industrial policy) to encourage the development of the country in question. The market on its own will not provide these countries with sustainable development.
3. Incentivise the refocusing of the public development policies of African countries towards the promotion of an industrial policy consistent with the economic reality of each country. Establish synergies between such policies and the development cooperation policy of donor countries.
4. Incentivise the involvement of companies and private individuals in the design and implementation of public economic development policy, in particular in the field of industry, in the countries in question. Forge a Grand Public-Private Alliance for the Economic Development of Africa.
5. Coordinate and create synergies between 2, 3 and 4, in other words: developed countries' development cooperation policies and ODA in the field of the economic development, the industrial policies of African countries and the Public-Private Alliance for the Economic Development of Africa must work in the same direction in each African country.

Chapter 2

Strategies for food security in Sub-Saharan Africa

Over the past three decades food production has increased substantially worldwide, with major achievements in the field of food security. Despite this progress, we still need to address the challenge of eradicating hunger and malnutrition, which still affect more than 850 million people in the world, concentrated above all in Southeast Asia and sub-Saharan Africa.

The chapter, focusing on an analysis of the food security situation in the region of Sub-Saharan Africa, highlights **the impossibility of applying a one-size-fits-all strategy or model when tackling the problem of food insecurity in the region**. The reality of agriculture in Sub-Saharan Africa, where two thirds of the population live in rural areas, is a complex one.

The specific characteristics of African farmers, such as the level of productive capacity (small, medium-sized), their type of activity (subsistence, non-agricultural or commercial), the land ownership system, the level of access to markets or the sector of the population involved in farming activities; and the external factors which they face in developing their activity, such as weather conditions, the level of soil preservation and exhaustion of the biological environment or access to regular sources of water, will inevitably shape the type of public policy in the field of agriculture and rural development which will be most successful in guaranteeing the food security of the population.

Reports on the population suffering food insecurity in Africa conclude that much of the rural population belongs to a group which would in general be defined as small farmers, including most of the poor population. These farmers produce only for their own consumption and are prey to a multitude of external factors which are difficult to control (restrictions of land, weather, exhaustion of the biological environment, access to sources of water and common land, etc.). With the progressive disappearance of common land and the deterioration of production conditions for traditional subsistence agriculture, most small farmers face a growing crisis of survival.

These small and medium farmers cultivating for their own consumption while marketing any surplus represent a key sector in laying the local foundations of food security, while also generating wealth and employment. However, their activity depends directly on the evolution of the prices of agricultural inputs and imports competing with their own products. **In order for initiatives addressing this group of farmers to be sustainable, they must facilitate the supply of agricultural inputs and adapted technologies, improve market access conditions, facilitate affordable funding sources, provide training and management programmes, and control unfair competition of imports.**

Medium farmers wishing to claim a stake in the profits generated by major production chains for exports must in turn consider the risks involved in this. “Contract farming”, as this type of activity is known, remains a form of leasing land and manpower for a specific period at an agreed price, irrespective of the evolution of market prices. Meanwhile, the level of dependence on demand from the major chains is absolute. **African governments must, in addition to fostering the development of the export sector in order to attract investment from multinational companies, promote the development of civil society organisations which, either as farmers’ cooperatives or workers’ organisations, can establish basic social conditions.**

In general, the food security policies promoted by African governments and regional organisations must achieve an **appropriate balance between initiatives focusing**

on subsistence farmers (who, in the short term, do not generate revenue for the State, but do guarantee the food security of the most vulnerable populations) **and initiatives intended to promote the export capacity of commercial farmers.**

In a little over three decades the proportion of the African population living in urban settings has reached 35%, a percentage which could over the coming decade rise to 60%. This growing urbanisation has not gone hand-in-hand with minimum employment opportunities, meaning that much of the urban population subsists through the informal sector or urban and peri-urban farming, in which more than 130 million inhabitants of Africa's cities are engaged. **Improvements in the land ownership system, the use of sustainable irrigation systems, supply of agricultural inputs, access to local markets and the institutionalisation of farmers' associations and consumers' cooperatives are some of the strategies proposed by the authors in order to guarantee food security in urban settings.**

The public policies of African governments addressing agriculture, rural development and food security must respond to the various challenges faced by African farmers, in accordance with their own specific situation. Some of the government policies pointed out by the authors would in particular include: **agrarian reform programmes, the implementation of effective early warning systems and increased investment in agricultural research, development and innovation, led by universities and at all times taking into consideration the reality of local communities, their practices and customs, and their capabilities and procedures.**

Other important actors in drawing up food security strategies in African countries are local NGOs, the private sector, regional organisations and international donors. In this regard it would be helpful to analyse the processes currently taking place within the continent's regional bodies.

Within the new institutional framework provided by the African Union we have the NEPAD programme (New Partnership for Africa's Development), a pan-African initiative intended to respond to the major challenges faced by the African continent, such as poverty, development and a poor representation at the international level, and which champions increased coordination among States, the private sector and international cooperation. As part of this programme, agricultural policies focus on the CAADP, the Comprehensive Africa Agriculture Development Programme. On the basis of the CAADP, African states, following coordination, approval and adhesion by civil society, the private sector, donors and farmers' organisations, and the regional economic communities (RECs), are drawing up their own national and regional plans for agricultural investment.

It is specifically in this process that Spanish cooperation is most actively involved. In January 2005, the members of ECOWAS drew up a common agricultural policy, known as ECOWAP, the general objective being “to ensure on a sustainable basis economic and social development, reduction of poverty, employment generation, especially for the youth, for the preservation of human dignity, regional and world peace, food, health and freedom for all”. In order to achieve this, the common agricultural policy aims to improve the efficiency and effectiveness of family crops, to create a favourable environment for involvement and investment by the private sector in agriculture and to achieve an increase in productivity, diversifying the productive base and improving the competitiveness of African products on regional and international markets.

On 12 November 2010 the Spanish Government, acting on behalf of the donor community as a whole, signed the Regional Partnership Compact for the implementation of the Common Agricultural Policy (ECOWAP), taking the lead in coordinating all technical and financial partners involved in the ECOWAS agricultural policy. At the national level, Spain has also funded the drafting of National Agricultural Investment Plans (NAIPs) led by West African countries, on a bilateral basis through technical support, or multilaterally through contributions to the World Bank’s Global Food Crisis Response Programme (GFRP) and the Global Agriculture and Food Security Programme (GAFSP).

These initiatives fall under the aegis of the agreements established at the recent high-level Spain-West Africa meeting, at which the **Spanish Government undertook to allocate a total of 240 million euros over the next three years to support the implementation of the common agricultural policy and the regional and national priority programmes, along with the emergency programme for the regional offensive for food production and against hunger.**

In concrete terms, this Report proposes in connection with this sector the following specific recommendations:

1. Propose within the NEPAD programming the consolidation of regional initiatives to support living resource strategies and facilitate access by the poor population to natural resources, through the consolidation of government policies intended to protect communal areas, with a view to adopt an International Compact for the protection of communal areas in Africa, signed by donor States and African countries.
2. Allocate 20% of the Spanish ODA overall to food security, with the specific aim of achieving long-term improvements in productive capacity of both organic and chemical agriculture in a sustainable manner.

3. Deploy the “H₂O Campaign” in Sub-Saharan Africa, focusing on two aspects: security of regular sources of water and guaranteed access for small and medium farmers, especially for production on the outskirts of cities.
4. Creation of an international network to coordinate early warning networks for food crises, climate crises and pests and diseases. This network would link up international bodies in the fields of food security, climate change, early warning of pests and diseases, with national agencies in developed countries and African countries, coordinating all these bodies.
5. Consolidate a specialist network for research in the field of rural development and food security in Africa, through specially adapted research programmes which would link up research at universities in Spain (and other developed countries) and Africa with research based on the experience of cooperation.

Chapter 3

Health, disease and healthcare and social protection systems in Africa

Africa is home to 11% of the world’s population, but suffers 24% of the global burden of disease, while having access to only 3% of the healthcare workers in the world, figures which provide a concise but illuminating snapshot of the health problems facing the continent.

Because of climatic, geographical and social conditions, the region experiences a high level of “risk and vulnerability”, making disease part of a vicious circle of underdevelopment and threats to health. Infectious diseases and maternal and infant conditions are particularly prevalent on the continent (malaria, ARI, diarrhoea), causing a million deaths per year in the Sub-Saharan region. **Malaria, a disease which can be easily prevented, represents an average loss of 1.3% of economic growth in countries with high transmission rates, while also accounting for up to 40% of public health expenditure.** This is without even taking into account the social and opportunity cost of those unfit for work, the after-effects of disease or the huge number of orphans on the continent.

Tropical endemic diseases go hand-in-hand with others which have been eradicated or substantially controlled elsewhere in the world, with a particular impact from HIV/AIDS. **It is, for example, estimated that HIV/AIDS reduces the growth of a country suffering an epidemic by between 0.5% and 1.5% over a period of from 10 to 20 years; 72.2% of worldwide victims of the disease in 2009 were African.**

Clearly, **the greatest problem facing the region is not disease itself, but the poverty and structural factors which make disease difficult to deal with.** The impact of the endemic conditions inherent in tropical regions and infectious/contagious diseases, such as tuberculosis and HIV, combine with poor hygiene conditions, malnutrition and the physical and financial inability of the population to access both medical services and treatments, along with difficulties derived from cultural customs.

The health of African populations is more heavily impacted by the effects of the current rise in food prices and climate change, bringing drought, flooding and changes to ecological cycles. It is important to stress other factors affecting African health, such as non-communicable diseases which have an increasingly substantial impact. As in developed countries, coronary and vascular disease, cancer and diabetes are the main causes of premature mortality, but in Africa there is no efficient care and no prevention programmes are implemented to reduce their impact. Lastly, when referring to the causes of mortality we must point out at the impact of violence and road accidents, which are the tenth most significant cause of death in the region.

The predominant system for dealing with diseases in the continent is biomedicine, defined by common elements shared by Sub-Saharan health systems, namely: the weight of colonial heritage and international institutions, the centralised structure of the health care pyramid, the growing presence of private structures, tension between primary and hospital care, a programmatic tendency, dependency on budgetary resources, and the absence of a social health safety net to offset the cost of healthcare.

In other words, the precarious situation of the population combines with **limited state capacity to generate a sustainable public health system. African countries dedicate on average 5% of their gross domestic product (GDP) to health. States as such cover 51% of the cost, a public expense which is broadly borne by international cooperation transfers.** African health systems, aside from their intrinsic inability to deal with epidemiological challenges, have been affected by the consequences of external economic impacts, which have led to the widespread employment of cost recovery systems (CRSs) whereby health costs are ultimately, to a greater or lesser extent, borne by the patient, accounting for as much as 49% of health expenditure according to the World Health Organisation (WHO), and as much a 60% according to other sources.

In many cases the capacity and the will of African States to establish and fund their health care systems and public health policies have been undermined by the emergence of vertical funds, focusing on specific diseases, and not always aligned with the establish priorities and systems.

The issue of health care staff is particularly significant, as Sub-Saharan Africa, which bears 24% of the global burden of disease, has only 3% of healthcare workers (WHO/HIV/2006.05). According to the UN, in order to achieve the health MDG by 2015 the number of healthcare professionals would need to be trebled.

Another major problem is access to **medication, on average 650% more expensive than the international benchmark price in the private sector, while in the public sector (where patients pay for medication) the average cost is 250% higher than the international benchmark price (CEA, 2005).**

At present no Sub-Saharan country has a national health service model, although substantial progress has been made in some countries towards establishing a public system. Meanwhile mutual or community disease insurance systems have emerged as an alternative, based on solidarity, and on occasion providing examples of successful co-development initiatives, although they offer very limited coverage.

All in all, although the challenges are enormous, considerable advances have likewise been made, at least in recognising health as a human right, which must therefore be guaranteed by each State. In short, **health is included in all government programmes through long-term health care plans in line with international health policies. The region's commitment to health care policy was established as an international accord in 1978 through the Declaration of Alma Ata, reinforced by means of the 1983 Bamako Initiative, and since reasserted at all levels.**

Conclusions regarding development cooperation to improve health conditions in Africa

As a human right, health cannot be subject to the assaults of the market, nor left in the hands of vertical programmes addressing specific issues, but requires a global vision and universal focus.

The region suffers huge problems in coordinating different health care programmes, many of them funded externally. State programmes do not always succeed in coordinating with vertical intervention plans dealing with specific illnesses, leading to the overlapping of efforts and limited coordination in initiatives. There is no criticism of the good intent of the various programmes, but there is a lack of coordination which wastes effort and does not serve to maximise the benefits derived from investments, undermining the long-term effectiveness of the aid.

Coordination among agents involved in improving health conditions in Africa is an essential prerequisite in order to achieve the Millennium Development Goals and so fulfil the Accra Agenda undertakings. This is a particularly urgent issue within the context of reductions in the funds allocated to cooperation by many donors. It is essential to make spending effective, above all given that, according to calculations performed by the World Health Organisation's Commission on Macroeconomics and Health, the cost of a medical care programme would require an annual public expenditure of only 25 dollars on health per inhabitant. This means that proper administration of such a limited budget per person could prevent between 80% and 90% of premature deaths, with the consequent reduction in the associated costs for development.

- **With regard to Spanish Cooperation, health is undoubtedly one of the traditional priority sectors for action**, as revealed by the ODA figures and reflected in the strategic documents (Cooperation Steering Plan, Spanish Cooperation Annual Plans and Spanish Cooperation Health Strategy, along with the Africa Plan 2009-2012) and the presence of Spanish Cooperation in Africa. The region currently receives 17% of ODA funds, 21% of multilateral cooperation and 70% of the budget allocated to humanitarian aid. According to the 2010 Annual International Cooperation Plan, health and reproductive health services were to be allocated an average of 14.2% of ODA for all countries included in the "broad cooperation" category, with figures ranging from a minimum of 2% for Cape Verde to a maximum of 38.7% for Ethiopia and Niger. The plan for 2012 is to dedicate at least 25% of overall ODA to basic social services, in particular health care, along with 15% for reproductive health and gender programmes.
- **One aspect which will require priority attention will be an improvement in the coordination of Spanish Cooperation given the multiplicity of Spanish institutional levels and actors operating on the continent:** the AECID (Spanish International Development Cooperation Agency), autonomous, regional and provincial authorities, local bodies, universities, trade unions, non-governmental development organisations (NGDOs), etc. This is one of the key analysis issues for the health and knowledge working group set up by the AECID, headed by the Instituto de Salud Carlos III, under the aegis of the Spanish Cooperation Health Harmonisation Board (Mesa de armonización de salud), which is meanwhile a signatory to the European Council Communication on the European Union Role in Global Health.
- **The international community has achieved major progress for the health of the people of Africa which must serve as an example on which to build new cooperation policies.** One of the most significant results of international action is the reduction in contagion of the human immunodeficiency virus, thanks to

which 800,000 new cases have been prevented over the last 9 years. Access to antiretroviral treatments has also improved, with levels increasing from 2% in 2003 to 44% in 2008. It is important in this regard to stress the launch of the WHO 2.0 Treatment Platform, which seeks to foster and accelerate access to such treatments using flexibility clauses included in trade-related aspects of intellectual property rights (TRIPS) agreements.

Despite the challenges which still remain, the unquestionable progress achieved in the fight against HIV/AIDS and on behalf of sufferers represents a clear example of the possibilities for improvement through the proper coordination of actors and a multiple approach on a range of fronts, an example which should be extended to health policies in general.

- **The Millennium Development Goals agenda has already set out a clear line for structural action.** There can be no doubt that progress in the various aspects of human development has a direct impact on improved health. Ongoing support and reinforcement of the mechanisms serving to achieve the MDGs by the agreed deadlines will therefore ultimately help improve the quality of life of Africans.

In concrete terms, in connection with this sector this Report proposes the following specific recommendations:

1. Focus national strategies and the international strategies of developed countries for fostering human health in African countries on the strengthening of health care systems, in particular in prevention, rather than combating specific diseases.
2. Commit, in accordance with the WHO goals, to a threefold increase in the healthcare staff in Africa over the next ten years.
3. Incentivise a healthcare staff brain gain in Africa, through measures such as the following:
 - a) Recruitment of local staff for health programmes, including budgets for their proper training.
 - b) Numerous regional trade agreements with Africa include specific clauses to incentivise the exodus of professionals towards the countries of the North, thereby undermining efforts to retain the staff trained in their countries of origin, in particular in the health sector. Collaboration must therefore be achieved on establishing a Global International Code on the flow and recruitment of health care

professionals, including clauses governing both the so-called brain drain and the recruitment of expatriate health care workers from developed countries to work in Africa.

- c) Support for the establishment of competitive public employment measures in the health sector, which could include subsidies for the payment of salary supplements.
 - d) Implementation of incentives to attract professionals to rural areas, including subsidies for the payment of salary supplements.
4. Encourage the domestic production of quality medication. To this end, Spain could play a more vocal role in promoting the elimination of Article 31 of TRIPS, which stipulates that countries securing compulsory licences for the local manufacture of antiretrovirals can do so only if they are predominantly used on their domestic market, restricting the possibility of exports to other countries without manufacturing capacity, as is generally the case in Africa.
5. Creation of a Global Health Fund, financed by:
- a) A voluntary contribution from airline tickets on travel to Sub-Saharan Africa.
 - b) The Financial Transactions Tax.
 - c) The implementation of incentives for private companies wishing to make donations.
 - d) Voluntary contributions from public or private institutions.
 - e) The allocation of a sum of any illicit financial flows uncovered.

This Report likewise proposes to explore the possibility of establishing supplementary taxes:

- a) On the global arms trade.
- b) On the luxury goods trade.
- c) On non-essential medication sold in developed countries.

