

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



Original: English

OIC/ICAM-5/2010/SG. REP

REPORT:

**OIC ACTIVITIES ON
AGRICULTURAL DEVELOPMENT AND FOOD SECURITY**

submitted

BY

THE OIC GENERAL SECRETARIAT

to

**THE FIFTH OIC MINISTERIAL CONFERENCE
ON FOOD SECURITY AND AGRICULTURAL DEVELOPMENT**

**KHARTOUM, REPUBLIC OF SUDAN
(26-28 OCTOBER 2010)**

**REPORT
ON OIC ACTIVITIES ON AGRICULTURAL DEVELOPMENT
AND FOOD SECURITY**

I. INTRODUCTION

Agriculture is widely known to be the primary economic activity in a host of OIC Member States. With agriculture contributing to an average of 11.5% of GDP in OIC countries, while some member countries post figures ranging from 50-60.1% of GDP, the role of agriculture in the economies of OIC countries is very considerable. Since more than 50% of the OIC population lives in rural area and the total labor force engaged in agriculture represents 37.4 % of the total work force, the nexus between agriculture, food security, employment and poverty alleviation is very intricate. Considering that majority of the rural population depend on agriculture for their food and nutrition, any deficit in food production and access to food aggravate hunger, deprivation, and malnutrition in OIC countries.

2. As it was mentioned above, almost more than 50% of OIC total population live in rural areas and depend on agriculture for their livelihood, thus making this sector very important for majority of OIC Member States, especially LDCs, where the agriculture sector accounts, on average, for 27% of their total GDP and reaches more than 30% in the African OIC-LDCs. In spite of this, the total agriculture production of the OIC Member States accounts for around 15% of the world total agriculture output of cereals, fruits and vegetables and only 7.9% of its total meat production. It is also observed that the total OIC agricultural production concentrated in a few member states, where only 7 countries produced 73% of the total of OIC cereals, 69% of their total fruits and vegetables production and 56% of their total meat production.

3. Despite the availability of all necessary resources, agriculture in most of the OIC Member States is accorded low priority, as evident in the declining share of agriculture in the total GDP of the OIC Member States from 17.6% in 1990 to 11.5% in 2007. For example, In Sub-Saharan Africa, where over 60% of population lives in rural areas and the level of dependence on agriculture for overall economic assistance is very high, the sector is seriously neglected with public spending on it only 4% of total government spending. In addition, only 4% of development assistance goes to this sector in developing countries, including OIC Member States.

4. Out of the 56 countries for which data are available, 15 are food surplus countries, while 41 are food deficit. About 27 OIC countries recorded lower agricultural index than the world average, thereby bringing OIC food imports in 2007 to US\$96.7 billion, a figure representing 10.8% of world imports. Statistics also show that an average annual increase of US\$20 billion is recorded as food deficit in OIC countries in 2008. Low and sometimes declining productivity in the agriculture sector of developing countries was highlighted as one of the main causes of recent food crisis, which received worldwide attention in 2008 and underscored the importance of agriculture as main source of food for the growing population and is the sole avenue for achieving food security.

5. Most of the member-states of OIC, especially the LDCs, suffer from lack of basic infrastructure, low level of agricultural productivity, poor access to agricultural innovation and technology as well as lack of local capacity. However, the Middle Income Countries of OIC also

have some constraints engendered by chronic water scarcity. Water availability per person in these countries is around 1,570 cubic meters per year compared with the average of about 7,000 cubic meters worldwide. This desperate figure is envisaged to reduce by half by the year 2050

6. Against this background, the solution to the problem of food security in the OIC Member States lies in increasing production and productivity in agriculture. Raising agricultural productivity is vital to stimulating growth and development as well as reducing the incidence of poverty.

7. Prior to the triple global food, financial and energy crises, which attained their peak in 2008, OIC had convened four Ministerial meetings of Food Security and Agricultural Development in Ankara, Istanbul, Islamabad and Tehran and adopted resolutions on how to promote collective food security and sustainable agricultural development in OIC countries. This realization was based on the fact that OIC had always had countries that are either food-deficient or vulnerable to climate-driven food insecurity. Due to lack of workable cooperation mechanism among the OIC Member States in agricultural sector to follow up the implementation process, as well as to help the development efforts of Member States declared intentions were not materialized.

8. Against this background, this document will attempt to chronicle the various activities of the OIC in mobilizing the respective responses of OIC Member States in the area of agricultural development and food security. It will also provide relevant details of the various plans and programmes already approved by OIC decision makers, in order to facilitate the task of this august meeting. Emphasis would be placed on the urgent need for fast-tracking the implementation processes with respect to these past decisions, in view of the dire need to better coordinate in a more comprehensive manner. Accordingly, the respective support of all private, public, international stakeholders and partners towards enhanced food security and welfare of the poor and vulnerable segments of OIC countries would be enlisted.

II. OIC TEN YEAR PROGRAMME OF ACTION

9. With the adoption of the OIC Ten Year Programme of Action (TYPOA) by Heads of State and Government of OIC Member States at the Third Extraordinary Islamic Summit held in Makkah al-Mukarramah, Saudi Arabia, on 7-8 December 2005, OIC and its relevant institutions have designed programmes aimed at addressing the phenomenon of poverty, hunger and food insecurity in OIC countries. TYPOA identified the promotion of food security and agricultural development as sustainable strategies for addressing the specter of hunger, deprivation and poverty in OIC countries, particularly the Least Developed low-income countries. Chief among these programmes are:

i) Islamic Solidarity Fund for Development (ISFD)

10. The ISFD was established as a Special Fund within the IDB pursuant to the OIC Ten Year Programme of Action and officially launched in Dakar, Senegal, in May 2007. The Fund with a capital amount of US\$10 billion has been officially launched in May 2007, on the basis of voluntary contributions from Member States. The objectives of the Fund are focused on poverty alleviation and building the productive capacity of member countries through targeted interventions that foster sustainable economic growth and job creation, reduce illiteracy, and eradicate contagious diseases and epidemics such as malaria, tuberculosis and HIV/AIDS.

11. Since its launching, the ISFD has extended financing amounting to US\$590 million for 56 projects in different sectors in 28 member countries. Current operations of the Fund focus largely on Human Development and Agriculture and Food Security as compared to infrastructure projects which were the focus of the Fund's first year of operations. In addition, two thematic programs have been established by the ISFD for implementation in the area of poverty reduction: Vocational Literacy Program (VOLIP) and Microfinance Support Program (MFSP). For each Programme the cost is expected to be \$500 million over a five year period. So far, a number of projects under these two programmes have been approved amounting to US\$81.63 million (US\$32.23 million for VOLIP and US\$49.4 million for Microfinance).

ii) Special Programme for Development of Africa

12. The OIC Ten Year Programme of Action also provided a special programme to address poverty and deprivation in the least developed low-income countries of Africa, considering that one third of member states of the Organization belong to this category. In this regard, the Special Programme for the Development of Africa (SPDA), which was launched in February 2008, has become an important tool in addressing development challenges and promoting economic growth in OIC African Member States, especially in Sub-Saharan Africa. The sectoral priorities under the SPDA are (i) agriculture for food security; (ii) water and sanitation; (iii) power generation and distribution; (iv) transport infrastructure; (v) education; and (vi) major communicable diseases.

13. The implementation of the SPDA since its launching has been highly satisfactory. Accordingly, since the launching of the SPDA a total of US\$1.848 billion was allocated to finance the priority sectors in Sub-Saharan African countries within the framework of this Programme. It is expected that the SPDA would generate a total financing volume of US\$12 billion over the 5-year period, with IDB contributing US\$4 billion to this Programme.

iii) IDB' Jeddah Declaration Initiative

14. The Islamic Development Bank, in June 2008, launched a landmark US\$1.5 billion Jeddah Declaration Initiative aimed at assisting the Least Developed Countries of the OIC to increase their agricultural production and create adequate stock of food grains. So far, under this initiative, 27 projects have been approved, 20 of which are already disbursing, in the domain of food security and the agricultural development.

15. In a related development, the Islamic Development Bank and FAO signed in Rome on 15 November 2009 a US\$1 billion agreement to fund agricultural development in poor countries that belong to both organizations. Under the agreement, IDB will contribute US\$1 billion over the next three years (2010-2012) in the framework of Jeddah Declaration Initiative and FAO will provide the necessary technical support for the formulation and implementation of projects.

16. A similar co-financing agreement was also signed between IDB and IFAD in Jeddah, Saudi Arabia, on 14 February 2010, with the latter contributing US\$1.5 billion to the implementation of food security programmes in OIC Member-States. IDB and IFAD, using their own resources, will jointly finance priority projects in most of OIC Member States under their respective three-year lending programmes for 2010-2012. More specifically, two organizations will focus their efforts on increasing productivity, yields, processing capacities and access to markets.

III. WORKSHOPS/EXPERT/SENIOR OFFICIALS MEETING ON FOOD SECURITY

17. The global food crisis, which reached its peak in 2008 and resulted in an unprecedented increase in the number of hungry and malnourished people all over the world, was a wake up call for the regional and international communities to join ranks to deal with not only its consequences, but also its underlying causes. To this end, OIC and its relevant institutions have been coordinating their numerous activities in the domain of promoting food security and agricultural development. The following activities are prominent in this regard:

i) Expert Group Meeting on Achieving Food Security in Member Countries in Post-Crisis World

18. The IDB organized an Expert Group Meeting on Achieving Food Security in Member Countries in Post-Crisis World in Jeddah, Saudi Arabia, on 2-3 May 2010. This meeting was attended by 13 eminent experts from several member states as well as specialized regional and international organizations. It addressed food security situation in OIC Member States in the face of soaring food prices and the new challenges of recovery from global downturn, climate change and energy security and adopted a set of policy recommendations at national, regional and international levels to address identified challenges and constraints in the area of agriculture, rural development and food security. It also emphasized that efforts should be exerted at the OIC level towards developing the capacity of agriculture sector in Member States and enhancing strategic partnership to promote food security through fostering intra-OIC investment and trade.

ii) IDB' 21st Annual Symposium on Achieving Food Security in Member Countries in Post-Crisis World

19. In the like manner, IDB organized its 21st Annual Symposium on Achieving Food Security in Member Countries in Post-Crisis World in conjunction with the 35th Annual Meeting of the IDB Board of Governors in Baku, Azerbaijan, on 23 June 2010. All IDB Governors participated in the exhaustive debate on the problems of food and nutrition insecurity in OIC Countries and gave insights into the various options available to address the situation.

20. The symposium reviewed food security situation in member countries and adopted a set of recommendations to ensure sustainable agricultural development and food security in OIC countries. One of the recommendations of the symposium relates to facilitation of intra-OIC investment and business development opportunities in agriculture sector by supporting appropriate fora for potential importers with potential exporters.

iii) A workshop on Agriculture and Rural Development

21. Pursuant to decision of the 25th Session of the COMCEC, IDB in collaboration with SESRIC organized in Antalya, Turkey, on 15-18 September 2010, a workshop on Agriculture and Rural Development as preparation for the 'Exchange of Views Session' of the 26th Session of the COMCEC. More than 50 participants at the Workshop featured from 12 OIC Member States and its relevant institutions, as well as 12 regional and international organizations such as Alliance for Green Revolution in Africa, Arab Organization for Agriculture Development, International Center for Agriculture Research in Dry Areas, Food and Agriculture Organization (FAO), International Fund for Agricultural Development and others. The workshop reviewed best practices of Member States in promoting agriculture and rural development. The workshop also underscored the important role that agricultural and rural development plays in enhancing

food security and alleviating poverty of vulnerable population groups, given that most of the poor and food insecure people in OIC countries reside in rural areas. The workshop equally identified the challenges and constraints which impede the development of the agriculture and rural development and adopted multi-level recommendations to address them. The main thrust of these recommendations is for empowering and enhancing the capabilities of especially women and small farmers.

a. Meeting of High Level Officials/Experts of OIC Member States on Food Security

22. In line with decision of the 25th Session of the COMCEC, the Government of the Republic of Turkey hosted the Meeting of High Level Officials/Experts of OIC Member States on Food Security in Izmir, Turkey, on 28-29 September 2010. Attendees at the Meeting include delegates from 29 OIC Member States, comprising Ministers and Senior Officials responsible for Agriculture and Rural Development, as well as representatives of some international and regional organizations, namely, FAO, UNDP, WFP, ECO and GCC. The meeting reviewed the food security situation in Member States and considered the findings of the Workshop on Agriculture and Rural Development as well as a Synthesis of Efforts within the Organization of the Islamic Conference (OIC) and at the international level to Achieve Food Security. Its recommendations, which were endorsed by the 26th Session of COMCEC in Istanbul, Turkey, on 8 October, identified three levels of intervention: national, OIC, regional and international.

b. Exchange views session of the 26th COMCEC meeting on Agriculture and Rural Development

23. In addition to the foregoing activities, the 26th Meeting of the COMCEC which took place in Istanbul, Turkey, on 5-8 October 2010 held a brainstorming session on agriculture and rural development. This session examined the report and recommendations of the Workshop on Agriculture and Rural Development held in Antalya, Turkey, on 16-18 September 2010 and called upon the Member States in cooperation with the concerned partners to benefit from its recommendations in their efforts to promote agricultural and rural development.

24. The findings of the above mentioned meetings are very similar and their recommendations specify the various challenges and intervention areas for action at the following levels:

I. IDENTIFIED CHALLENGES

a. National level:

- Land degradation and desertification;
- Water scarcity and inefficient use of water resources;
- Outdated agricultural systems;
- Lack of adequate public sector investment in agriculture;
- Lack of private sector investment (agro-processing, agricultural services, vertically-integrated production systems);
- Low agricultural productivity;
- Lack of access to credit in rural areas, especially farm credit;
- Underdeveloped market structure and low market prices for agricultural products;
- Lack of rural roads and agro-processing facilities; and others.

b. OIC level

Absence of an OIC comprehensive Framework for Agricultural, Rural Development and Food Security to guide intra-OIC Cooperation, including support for National Processes, Regional Initiatives and International Partnerships.

c. Regional Level

-Lack of Regional Integrated Research Networks to synergize research capacities amongst OIC member states;

-Lack of FDI in Agriculture;

-Lack of active Regional Trade practices in Agricultural Commodities.

II. INTERVENTIONS

a. National Level

1. Policies and Institutions

Public Sector Investment
Private Sector Investment
Capacity Building
Regional Cooperation

2. Natural Resource Management

Water Management
Land Management
Human Resource Management

3. Sustainable Productivity Growth

Research and Extension
Technology Transfer and Input Supply for Smallholders

4. Market Performance

Market Institutions
Integrated Value Chain Approach
Reduction of Post-Harvest Losses

5. Community Driven Development, Micro-Finance and Women Empowerment

Community Driven Development
Micro-Finance & Innovative Financing Schemes
Women Empowerment

b. OIC Level

1. Expand the mandate of the COMCEC Task Force on Food Security, which established in 2009 and includes OIC General Secretariat, COMCEC Coordination Office, IDB and UN Food and Agriculture Organization as its members, to include Agriculture and Rural Development on its work plan and establish an Executive Framework for Agriculture, Rural Development and Food Security in OIC Member States;
2. Consider existing Regional Programmes on Agriculture and Food Security of Africa Union, Arab League, ECO, ASEAN and SAARC with a view to incorporating their salient features in the OIC Executive Framework, while at the same time avoiding overlapping and duplication;
3. Foster Intra-Trade in agricultural commodities;
4. Enhance Intra-OIC FDI in the agriculture sector and harmonize existing national legislations to facilitate public-private investment;
5. Establish emergency food stocks in certain countries of the OIC;
6. Establish a suitable fund for food security interventions in OIC countries;
7. Establish an OIC seed bank and promote improved seedling activities;
8. Establish a comprehensive database on all aspects of food security.

c. Regional and International Level

1. Utilize existing national networks in OIC countries to share research outcomes amongst the member countries.
2. Call upon the collaboration of Regional Specialized Agencies and relevant OIC Institutions to link up with the private sector.
3. Enhance collaboration and coordination with Specialized Regional and International Institutions to support agriculture and rural development in Member States.

25. Most importantly, COMCEC Task Force on Food Security would engage OIC Member States and relevant institutions for the establishment of an Executive Framework for Agriculture, Rural Development and Food Security for OIC Member States. This should embody identified Programmes and Projects in the critical sectors with time-lines, benchmarks accompanied by Lead Countries, Lead Multilateral Development Banks and Regional and International Organizations working in the area Agriculture and Rural Development.

26. COMCEC Task Force on Food Security while elaborating an OIC Executive Framework for Agriculture, Rural Development and Food Security will give due consideration to the existing Regional Programmes on Agriculture and Food Security, especially the African Union's Comprehensive Africa Agricultural Development Programme (CAADP), as well as the Strategy

for Sustainable Arab Agricultural Development and Emergency Programme for Arab Food Security and the African Union-Arab League Joint Plan of Action on Food Security with similar programs available for Asia such as the Regional Programme for Food Security of ECO and similar programs for ASEAN and SAARC countries.

IV. HIGHLIGHTS OF REGIONAL PROGRAMMES ON AGRICULTURE AND FOOD SECURITY

i) Comprehensive Africa Agricultural Development Programme (CAADP)

27. CAADP is the agricultural programme of the African Union, which was established in 2003 and focuses on improving food security, nutrition and increasing incomes in Africa's largely farming based economies. It aims to achieve this by raising agricultural productivity by at least 6% per year and increasing public investment in agriculture to 10% of national budgets per year. The CAADP has set four key focus areas/pillars for agricultural improvement and investment. These four key pillars are 'Sustainable Land and Water Management'; 'Market Access'; 'Food Supply and Hunger'; and 'Agricultural Research'. Each pillar oversees various programmes working to achieve CAADP's goals. Under Pillar 1, the TerrAfrica Initiative has mobilized US\$1 billion for investment in country programmes for sustainable land and water management, while under Pillar 2 facilitation programmes are currently being funded in the COMESA and ECOWAS regions to promote the integration of regional markets and raise the competitiveness of local products in these markets. Similarly, under pillars 3 and 4, relevant frameworks have been finalized.

ii) Strategy for Sustainable Arab Agricultural Development and Emergency Programme for Arab Food Security

28. The 30th Session of the General Assembly of the Arab Organization for Agricultural Development that led to the Riyadh Declaration to Enhance Arab Cooperation to face world food crisis and launched an initiative for Emergency Programme for Arab Food Security aimed at increasing and stabilizing food production in the Arab world. The Emergency Programme contains three main components each of which focuses on number of activities covering various fields. The three components are: 1) Improvement agricultural productivity; 2) Effective utilization of land and water resources; 3) Integrated investment projects. The programme will be implemented in three phases, i.e. short-term (2010-2015), medium term (2015-2020) and long term (2020-2030).

iii) Regional Programme for Food Security for ECO

29. Regional Programme for Food Security for ECO was prepared with the technical support of FAO and has 10 regional components and several national projects. Within the Programme, the First Phase of ECO-FAO Technical Cooperation Program on "Strengthening Seed Supply in the ECO Region" was completed successfully and ECO Seed Association (ECOSA) was established in Turkey in March 2009. After this, the Second Phase of Technical Cooperation Programme for Strengthening Seed Supply in ECO region has been prepared in cooperation with FAO and ICARDA, with a budget of 5.9 million USD for 3 years. This project aims at capacity building that will lead to the strengthening of regional seed supply by providing technical assistance for

development of the seed sector and other related services, as well as making the existing system more responsive and efficient to the seed needs of the countries.

iv) ASEAN Integrated Food Security Framework and the Strategic Plan of Action on ASEAN Food Security

30. To ensure long-term food security and to improve the livelihoods of farmers in the ASEAN region, ASEAN Leaders adopted the ASEAN Integrated Food Security (AIFS) Framework and the Strategic Plan of Action on ASEAN Food Security (SPA-FS) at the 14th ASEAN Summit in 2009. The AIFS Framework and the SPA-FS, which are planned for a five-year period (2009-2013), provide measures, activities and timelines to facilitate cooperation in the implementation and monitoring process. They are aimed at strengthening national food security programmes and activities, and developing regional food security reserve initiatives and mechanisms.

v) SAARC Regional Strategy and Regional Programme for Food Security

31. SAARC Regional Strategy and Regional Programme for Food Security was adopted by the Fifteenth Summit of the Association held Colombo in August 2008. Out of that, as many as ten regional projects were finalized, under four broad clusters, such as 1) Productivity, Sustainability and Income Enhancement; 2) Pre and Post-Harvest Loss Reduction and Value Chain Management; 3) Ensuring Bio-Security; and 4) Agricultural Trade and Marketing for Food Security.

vi) Joint Plan of Action between the AU and the LAS on Agricultural Development and Food Security

32. Joint Action Plan on Agricultural Development and Food Security (JAP), as an instrument of partnership and complementarily for mutual benefits of the peoples of the two regions, was adopted by the First Joint Afro-Arab Ministerial Meeting on Agricultural Development and Food Security held in Sharm-El-Sheikh, Egypt, on 14-16 February 2010. JAP areas of intervention include:

- Agricultural Intensification (The Food Supply shifters) initiative,
- The food reserves initiative,
- Infrastructure and trade initiative, and
- Agricultural research development and technology transfer initiative.

V. EXPECTED OUTCOME OF THE CONFERENCE

33. In view of the foregoing, the 5th OIC Ministerial Conference of Agriculture and Food Security would need to pronounce on the need for a comprehensive framework for agriculture, rural development and food security in OIC Countries. This proposed framework must be inclusive, comprehensive and actionable. It may need to take cognizance of the salient aspects of the various regional programmes in this sector, so as to avoid duplication and over-lapping. It

will also allow for easy coordination among the various stakeholders, who would be included in the implementation mechanism.

34. It is also advisable that technical cooperation with regional and international organisations be factored into the elaboration and implementation phases of the Framework. Sufficient support of all OIC institutions is also crucial in all phases.

**The General Secretariat,
Organization of the Islamic Conference
17 October 2010**