

**First Semi-Annual Progress Report
June 2006 to December 2006**

**Implementation of the Abuja Declaration on Fertilizers
for an African Green Revolution**

**Prepared
By the**

**Secretariat
Of the
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on behalf of the

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for the

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Abbreviations and Acronyms

AFA	Arab Fertilizer Association
AfDB	African Development Bank
AFS	Africa Fertilizer Summit
AGRA	Alliance for a Green Revolution in Africa
AMU	Arab Maghreb Union
AU	African Union
AUC	African Union Commission
BAMEX	Business and Market Expansion Project
CAADP	Comprehensive Africa Agriculture Development Program
CENSAD	Community of Sahel-Saharan States
CET	Common External Tariff
CNFA	Citizen's Network for Foreign Affairs
COMESA	Common Market for Eastern and Southern Africa
DAP	Diammonium Phosphate
DFID	The Department for International Development
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOWAS	Economic Commission of West African States
EFDC	Egyptian Fertilizer Development Center
FAO	Food and Agriculture Organization
FOFIFA	National Center for Applied Research on Rural Development
IFDC	International Fertilizer Development Center
IGAD	Intergovernmental Authority on Development
NAAIP	National Accelerated Inputs Access Program
NAFCON	National Fertilizer Company of Nigeria
NEPAD	New Partnership for Africa's Development
NPK	Nitrogen, Phosphate and Potassium
RADA	Rwanda Agriculture Development Authority
RECs	Regional Economic Communities
RF	Rockefeller Foundation
SADC	Southern African Development Community
WAEMU	West African Economic and Monetary Union
UN	United Nations
USAID	United States Agency for International Development

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Executive Summary

This is a progress update on implementation of the Abuja Declaration on Fertilizers for an African Green Revolution for the period July 2006 to December 2006. Sixteen countries and four regional economic communities responded to the request from the New Partnership for Africa's Development (NEPAD) for a progress update. Key developments at the continental level follow:

- So far 30 countries and 4 RECs have developed country and regional fertilizer strategies. Ghana, Lesotho, and Sierra Leone are about to embark on development of national fertilizer strategies using the terms of reference and suggested format that IFDC and NEPAD provided. Many countries are integrating their fertilizer strategies into their overall programs for development of the agricultural sector and have approached NEPAD and IFDC for technical assistance to convert these strategies into actionable programs and to support their requests for funding from development partners.
- NEPAD has now posted a Coordinator for its agricultural input markets development program who works closely with the African Union Commission (AUC) to facilitate implementation of the national and regional fertilizer strategies.
- AUC and NEPAD have agreed to collaborate in preparing a draft business plan to facilitate implementation of the Abuja Declaration in collaboration with the Economic Commission for Africa (ECA) and the African Development Bank (AfDB). AfDB is finalizing drafts of both the legal instrument and framework documents for the establishment of an African Fertilizer Development Financing Mechanism as requested by the AU Member States.
- The Gates and Rockefeller Foundations have forged the Alliance for a Green Revolution in Africa (AGRA) to promote development of Africa's seed and fertilizer sectors. The proposed initiatives and areas for intervention are in line with those articulated by the Abuja Declaration. They also correspond closely with the Comprehensive Africa Agriculture Development Program (CAADP).

- The Clinton Foundation has recently focused on the high costs of procuring fertilizer in Malawi and Rwanda and has worked with fertilizer producers to find ways to reduce those costs.
- The Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA) will develop an action plan for regional procurement and distribution of fertilizer (Resolution 8). The Economic Community of West African States (ECOWAS) has initiated steps to harmonize regional policies and regulations to ensure duty- and tax-free movement of fertilizers across regions (Resolution 2).
- The resolutions that have generated the highest level of response at the country level are improving farmer access to fertilizer by developing and scaling up input dealers' networks by Tanzania and Rwanda (Resolution 3), improving farmer access through targeted subsidies in Tanzania and Kenya (Resolution 5), and improving farmer access to complementary inputs and services in Madagascar and Swaziland (Resolution 10). Several private entrepreneurs have begun investigating the establishment of fertilizer production facilities, using local resources where available, in Nigeria, Mozambique, Malawi, and Togo (Resolution 9).

Key conclusions and recommendations follow:

- The African Fertilizer Financing Mechanism should be established within the next few months. The operational details are to be made available soon thereafter.
- The countries and RECs have made good—but uneven—progress during the first 6-month implementation period. The actual and proposed modalities of implementation should be improved and the participation level increased. Only a few countries have begun implementation. Most of the countries that have provided progress reports are in Anglophone Africa. There is a strong need to engage Francophone countries.
- The focus at the regional level has been on harmonization of policies and regulations (Resolution 2), and the establishment of regional procurement and distribution facilities (Resolution 8). During the next implementation period, progress is anticipated toward promotion of regional fertilizer production and intra-regional trade (Resolution 9).
- The resolutions that have generated the highest level of response at the country level are developing dealer networks (Resolution 3), granting targeted subsidies (Resolution 5) and improving farmer access to complementary inputs (Resolution 10). The actions that have been planned and undertaken so far

indicate a need for countries to implement resolutions of the Abuja Declaration sequentially and holistically to take advantage of synergistic effects.

- Countries that are implementing subsidy programs should ensure that subsidies are targeted and include a timeline and clearly defined exit strategies. Egypt has offered to provide support to Member States in scaling up and expanding capacity-building activities. That offer should be accepted.
- The next step that AUC and NEPAD should take is to develop a business plan to guide the countries and RECs in implementation.

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I. Introduction

The historic first Africa Fertilizer Summit was convened by the African Union's New Partnership for Africa's Development (AU/NEPAD) June 9-13, 2006, in Abuja, Nigeria. The Summit was convened under the chairmanship of H.E. Olusegun Obasanjo, President of Nigeria and Chairman of the NEPAD Implementation Committee, and implemented by IFDC—An International Center for Soil Fertility and Agricultural Development, in close collaboration with NEPAD. The Summit was sponsored by a multi-donor group.¹

The Africa Fertilizer Summit was highly successful. Its 1,100 participants from 40 countries represented all stakeholders.

Twenty-five countries and four regional economic communities (RECs) developed country and regional fertilizer strategies. African leaders unanimously endorsed the key Summit resolution known as the *Abuja Declaration on Fertilizer for the African Green Revolution*. The Abuja Declaration is an ambitious 12-step program to rapidly accelerate access to, affordability of, and incentives for the use of fertilizers among smallholder African farmers. The first resolution sets a target for average fertilizer use of 50 kg/ha by 2015, a 38% increase over the current 8 kg/ha. The other resolutions delineate concrete actions that, if implemented, will enable countries and RECs to achieve this target. The resolutions emphasize increased fertilizer use to improve agricultural productivity, but some highlight the critical role of complementary inputs such as improved seeds as well as enabling factors such as capacity-building for farmer organizations, civil society, and the private sector; improved infrastructure; and development of output markets. The Abuja Declaration also declares fertilizer a “strategic commodity without borders” and recommends the immediate elimination of all cross-border taxes and tariffs. These measures are to be supported by the African Development Bank (AfDB), the

¹ Summit sponsors included: the Federal Republic of Nigeria, The Rockefeller Foundation, the African Development Bank, Agriterra, the Arab Fertilizer Association, the Commonwealth Secretariat, the Department for International Development (U.K.), the Economic Commission for Africa, Fidelity Bank (Nigeria), the Food and Agriculture Organization of the United Nations, the William and Flora Hewlett Foundation, the International Fertilizer Industry Association, the International Fund for Agricultural Development, Notore Chemical Industries (Nigeria), the Partnership to Cut Hunger in Africa, Sasakawa-Global 2000, Shell Canada Limited, the United Bank for Africa PLC, the U.S. Agency for International Development, and The World Bank.

Economic Commission for Africa (ECA), regional development banks, the RECs, other development partners, and the private sector.

The Abuja Declaration calls for the African Union Commission (AUC) and NEPAD to develop a mechanism to monitor and evaluate its implementation and for the AUC to report every 6 months to the AU General Assembly on progress. This is the first progress report, covering the period July to December 2006.

II. Methodology

After the Summit, NEPAD requested that the countries and RECs revise their strategies, taking into consideration the Abuja Declaration and feedback received at the Summit. The letter also requested that the countries and RECs finalize their priority actions and identify the types of technical and financial assistance required to implement them. Those countries and RECs that had not submitted strategies were requested to prepare them. In November 2006, NEPAD sent letters to the all of the permanent secretaries of agriculture in the countries, and relevant technical people at the RECs, requesting an update on progress in implementation of the Abuja Declaration. The letters took into account the fact that countries and RECs were at different stages in preparation of their fertilizer strategies when the Summit was convened. Status at completion of the Summit was to be used as the baseline for status reports. Four of the seven RECs recognized by the AU submitted strategies and participated in the Summit.² One REC—the Arab Maghreb Union (AMU) participated in the Summit but did not submit a strategy. Eighteen countries submitted strategies and participated in the Summit; 6 countries submitted strategies but did not participate; 10 countries did not submit strategies but sent delegations to the Summit; and 20 countries neither submitted strategies nor participated.

Regarding expected progress, only 6 months had passed since the Summit was convened. That is insufficient time for the countries and RECs to have made significant headway with in implementation. Therefore, the progress reports were not expected to include measurable impacts that could be subjected to rigorous assessment or evaluation. NEPAD and AU are developing a mechanism to monitor

² The seven RECs that the AU officially recognizes are the Community of Sahel- and Saharan States (CENSAD), the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of Central African States (ECCAS), the Economic Commission of West African States (ECOWAS), the Intergovernmental Authority on Development (IGAD), the Southern African Development Community (SADC), and the Arab Maghreb Union (AMU).

and evaluate implementation at the country and REC levels to facilitate this activity for future reports. Thus, the expectation was that these initial progress reports for countries and RECs that had submitted strategies was that they would be comprised of: (1) clearly identified priority actions and concrete plans for their implementation, including the necessary technical and financial resources; and/or (2) a description of priority actions that had been initiated but remained at early implementation stages. The countries and RECs that had not submitted fertilizer strategies at the time the Summit was convened were expected to report that they had begun their development.

Section III of this document is a progress report at the continental level. Section IV is a progress report at the regional level. Section V reports on progress at the country level. Section VI reports on private sector initiatives for fertilizer production. Section VII is a conclusion and the next steps.

III. Continental Level Progress Reports: June-December 2006

So far, 30 countries and 4 RECs have developed country and regional fertilizer strategies. Ghana, Lesotho, and Sierra Leone are about to embark on the development of national fertilizer strategies using the terms of reference and suggested format provided by IFDC and NEPAD. Many countries are integrating their fertilizer strategies into their overall agricultural sector development programs and have approached NEPAD and IFDC for technical assistance to convert these strategies into actionable programs and to support their requests for funding from development partners.

NEPAD has now posted a Coordinator for its agricultural input markets development program who works closely with the African Union Commission (AUC) to facilitate implementation of the national and regional fertilizer strategies.

AUC and NEPAD have agreed to collaborate in preparing a draft business plan to facilitate implementation of the Abuja Declaration. When the plan is ready, AUC will circulate it and call a meeting in early 2007 in Addis Ababa of the four institutions that the AU Member States charged to facilitate its implementation: NEPAD, AUC, UNECA, and AfDB. The plan will be reviewed and the Member States will agree on the way forward. Key components of the business plan will be to mobilize expertise and resources to: (1) help countries and the RECs obtain the required technical assistance to turn their strategies into proposals (if requested), (2) assess the proposals vis-à-vis the Abuja Declaration and provide feedback, (3)

help countries and RECs identify suitable development organizations to implement the projects, (4) support the submission of the proposals to donors for funding, (5) develop a mechanism to monitor progress and report to the AU biannually. This is in accordance with Resolution 11: *The African Development Bank, with the support of the Economic Commission for Africa and the African Union Commission, is called to establish, by 2007, an Africa Fertilizer Development Financing Mechanism that will meet the financing requirements of these various measures*

AfDB is finalizing the drafting of both the legal instrument and framework documents for establishment of the Africa Fertilizer Development Financing Mechanism. These documents outline the proposed governance, eligibility criteria, and operational procedures for the Mechanism. The draft documents will be circulated to AU, ECA, NEPAD, IFDC, Rockefeller Foundation, and the RECs before finalization. The drafts were to be ready for circulation by the end of December 2006. To catalyze startup, Nigerian President Obasanjo has already committed \$10 million to the fund and AU Member States pledged more funding. This is in accordance with Resolution 12: *The African Union Member States also requested the African Union Commission and the New Partnership for Africa's Development to set up a mechanism to monitor and evaluate the implementation of this resolution, in collaboration with the Economic Commission for Africa and the African Development Bank, and give a progress report to the African Heads of State at every sixth-monthly African Union Summit.*

The Rockefeller Foundation was the main sponsor of the Summit, and remains engaged in helping develop a dealer network across Africa. Representatives of the Bill & Melinda Gates Foundation and the Clinton Foundation attended the Summit.

The Gates and Rockefeller Foundations have formed the Alliance for a Green Revolution in Africa (AGRA). The proposed initiatives and areas for intervention are very much in line with those articulated by the Abuja Declaration: developing human capital and agro-dealer networks in the seed and fertilizer sectors, improving extension services, and developing output markets. They also correspond closely with the CAADP. In fact, CAADP partly inspired the AGRA vision. The AGRA goal is to work with national and regional programs to strengthen Africa's seed and fertilizer sectors. AGRA was officially launched on September 12, 2006, in New York and Seattle with US \$150 million pledged over 5 years. AGRA has allocated \$38 million for development of dealer networks in 10 African countries.

The Clinton Foundation has recently focused on the high fertilizer costs in Malawi and Rwanda and has worked with fertilizer producers to find ways to reduce those costs. A Clinton Foundation representative met with the Arab Fertilizer Association for individual discussions with companies to find ways to reduce procurement costs of fertilizers in Rwanda. Fertilizers for Rwanda have been procured and delivered to the country.

IV. Regional Level Progress Reports

This section reports on progress at the regional level by resolutions of the Abuja Declaration.

Resolution 2: *Reduce the cost of fertilizer procurement at national and regional levels through harmonization of policies and regulations to ensure duty- and tax-free movement across regions.*

Regional Economic Community	Action
ECOWAS/WAEMU	<ul style="list-style-type: none"> • Elimination of taxes and tariffs on fertilizers and other inputs is already being addressed under the Common External Tariff in the framework of ECOWAS. • Fertilizers, seeds, agricultural equipment, and other inputs have been placed in category zero (meaning zero fees for importers). • Discussions on harmonization are ongoing with the West African Economic and Monetary Union (WAEMU). Some items that ECOWAS placed in category zero are in category one for WAEMU, meaning they have a common external tariff (CET) of 5%. The idea is to harmonize the tariff regimes of the two RECs so that all inputs are in the same category.
IGAD	<ul style="list-style-type: none"> • The Intergovernmental Authority on Development (IGAD) has prepared a concept paper proposing a 1-year regional fertiliser study to develop a regional fertilizer policy. It was submitted to AfDB for possible funding in mid November 2006. IGAD has also approached NEPAD for support in the initiative and was assured that such support will come.

Resolution 8: *Establish Regional Fertilizer Procurement and Distribution Facilities through strategic public-private partnerships.*

Regional Economic Community	Action
SADC/COMESA	<ul style="list-style-type: none"> • Establish three or four regional fertilizer procurement units to facilitate the joint procurement and distribution of fertilizers in the SADC/COMESA region. <p>Next steps:</p> <ul style="list-style-type: none"> • Develop an action plan for joint regional procurement and distribution that will include mapping out the modalities for setting up the units. This activity will be undertaken in collaboration with NEPAD and IFDC in January 2007. • Ensure in the joint procurement modalities that fertilizer availability is exhausted in the region before looking to outside sources. • Prepare a funding proposal to submit to donors.

V. Country Level Progress Reports

This section reports on progress at the country level by resolutions of the Abuja Declaration.

Resolution 1: *Increase the level of use of fertilizer from the current average of 8 kilograms per hectare to an average of at least 50 kilograms per hectare by 2015.*

Country	Action
Swaziland	About 80% of Swaziland's farming community has achieved the resolution of 50 kg/ha or more of fertilizer application.

Resolution 2: *Reduce the cost of fertilizer procurement at national and regional levels through harmonization of policies and regulations to ensure duty- and tax-free movement across regions. One measure recommended for immediate implementation is the elimination of taxes and tariffs on fertilizer and on fertilizer raw materials. Another measure is development of capacity for quality control.*

Country	Action
Botswana	As of July 1, 2006, import tariffs for fertilizers were set at zero to encourage importation and reduce prices.

Resolution 3: *Improve farmers' access to fertilizer by developing and scaling up input dealers' and community-based networks across rural areas.*

Country	Action
Swaziland	Swaziland faces the problem of a monopolistic market structure, but the government is taking steps to introduce a more competitive market structure.
Tanzania	The Ministry of Agriculture is considering a proposal for a public-private partnership to support development of the fertilizer supply chain. The government is working with various stakeholders to develop the proposal and implement the necessary actions. The proposal has four components; the first is financing and establishing a strategic fertilizer buffer stock to be imported by a large private importer and sold at prices that reflect international prices to wholesalers.
Rwanda	In October 2006 the Rwandan Government combined orders from farmer beneficiaries into one bulk order and purchased 14,000 tons of fertilizer. The fertilizer stock is being managed by the Rwanda Agriculture Development Authority (RADA). The Ministry of Agriculture has signed a memorandum of understanding with the Rwandan Development Bank through which the Bank, through its microfinance division, will use the stock as collateral to sell the fertilizer on credit to farmer beneficiaries.

Resolution 4: *Specially address the fertilizer needs of farmers, especially women, and to develop and strengthen the capacity of youth, farmers' associations, civil society organizations, and the private sector.*

Country	Action
Botswana	The government has put in place an agricultural guarantee scheme for farmers that provides insurance against droughts and other weather-related calamities.
Swaziland	Capacity-building for these stakeholders has long been established in Swaziland. The country has agricultural schools for women and the private sector is well-established and well-organized. Civil society organizations still lag behind but the government is putting structures in place to support them.

Resolution 5: *Improve farmers' access to fertilizer, by granting, with the support of Africa's Development Partners, targeted subsidies in favor of the fertilizer sector, with special attention to poor farmers.*

Country	Action
Namibia	The Government has approved a subsidy program for fertilizers and seeds to be implemented through the Ministry of Agriculture, Water and Forestry, (Cabinet decision No. 20/07.11.06/012). The subsidy covers mainly corn, pearl millet, and sorghum and is paid to all farmers growing these crops up to a maximum farm size of 3 ha/farmer. The total cost of the subsidy program is N\$232.4 million (US\$ 32 million). The government is seeking assistance from the NEPAD Secretariat to solicit funding for the proposed subsidy program.
Swaziland	Almost every farmer has access to fertilizers, although the amount in some communities may be inadequate because of the poor road network. The government has partnered with some donors to enable farmers to access fertilizer on credit and pay for it in kind at harvest.

Botswana	Under the Arable Lands Development Programme (ALDEP) Phase III, individual farmers will be required to make down payments of 20-30% for input packages and the government will pay the balance. Farmer groups must make down payments of 30%. Farmer will have to satisfy a number of conditions to get the input packages.
Tanzania	<ul style="list-style-type: none"> • The government has introduced a subsidy program for transport costs and fertilizers fertilizer, seeds, and fungicides for cashew. The government has allocated Tshs 21 billion toward the program for 109,000 tons of fertilizers and 3,000 tons of improved seed. The subsidy program accounts for 50% of the total national fertilizer requirement. <p>Next Steps:</p> <ul style="list-style-type: none"> • The government is considering a proposal submitted by the Citizen’s Network for Foreign Affairs (CNFA) to modify the subsidy program by introducing a voucher-based program for delivery of agricultural inputs to targeted farmers.
Kenya	The government has developed the National Accelerated Inputs Access Program (NAAIAP) to fast-track implementation of its national agricultural inputs strategy. The NAAIAP has a budget of US\$ 280 million (KSh 20 billion) and will reach about 2.5 million small-scale farmers with 1 ha or less. Each farmer will receive a starter pack of inputs (fertilizer and seeds) adequate for 0.4 ha through a voucher system that will be implemented through the private sector. A conference has been scheduled for March 2007 for nationwide launching and adoption. If funds are available, the target date for initiating implementation is July 2007.
Madagascar	The government has committed to zero intervention in the fertilizer market (including activities such as distribution and subsidies) to ensure a predictable outlook for stakeholders.

Resolution 6: *Accelerate investment in infrastructure, particularly transport, fiscal incentives, strengthening farmers' organizations, and other measures to improve output market incentives.*

Country	Action
Swaziland	<ul style="list-style-type: none"> • The country has a fairly good road network that services input and output markets, but some communities still need to be served better, and feeder roads are inadequate. Swaziland has begun to improve the roads but is constrained by inadequate equipment. • Farmers' organizations exist in most of the country and the government periodically organizes training courses for farmers. • Output markets exist but they become saturated easily, so farmers must hold onto unsold produce.
Tanzania	<p>The Ministry of Agriculture is considering a proposal for a public-private partnership to support the development of the fertilizer supply chain. The government is working with various stakeholders to develop and implement the proposal. The proposal has four components; the third is to support output marketing by providing support to farmers' organizations that receive input credit to ensure a market for their surplus production at a reasonable price.</p>

Resolution 7: *Establish national financing facilities for input suppliers to accelerate access to credit at the local and national level, with specific attention to women.*

Country	Action
Swaziland	A number of organizations already exist to provide credit for input suppliers.
Botswana	Credit facilities have been made available in the form of seasonal loans to purchase inputs such fertilizers, seed, and other related inputs through the National Development Bank.
Tanzania	The Ministry of Agriculture is considering a proposal for a public-private partnership to support development of the fertilizer supply chain. The government is working with various stakeholders to develop and implement the proposal, which has four components. The second component is providing short-term credit to small-scale farmers and input dealers to purchase fertilizers and other inputs.

Resolution 8: *Establish Regional Fertilizer Procurement and Distribution Facilities through strategic public-private partnerships.*

Country	Action
Swaziland	The government is positioning the country to implement this resolution at the national level. But warehouse distribution points have already been built, so Swaziland is ready at the grassroots level.

Resolution 9: *Promote national/regional fertilizer production and intra-regional fertilizer trade to capture a bigger market and take advantage of economies of scale through appropriate measures such as tax incentives and infrastructure development.*

Country	Action
Egypt	<ul style="list-style-type: none"> The Egyptian Fertilizer Development Center (EFDC) produces 36,000 tons/year of 48 solid and liquid compound products that the Ministry of Agriculture has evaluated and registered. Most of these compound fertilizers can be exported to African markets.

	<ul style="list-style-type: none"> • Egypt has developed a number of biofertilizers and organic fertilizers.
Angola	The government has identified locally available raw materials (phosphate rock, natural gas) to produce inorganic fertilizers as a priority action.

Resolution 10: *Improve farmer access to quality seeds, irrigation facilities, extension services, market information, and soil nutrient testing and mapping to facilitate effective and efficient use of inorganic and organic fertilizers, while paying attention to the environment.*

Country	Action
Egypt	<p>Egypt stands ready to continue to cooperate with other African countries in areas such as fertilizers, soil fertility, plant nutrition, and related subjects on request. Specifically:</p> <ul style="list-style-type: none"> • Egypt is ready to transfer and exchange experiences in soil fertility, fertilization, and plant nutrition as well as related research subjects with African countries, taking into account the various agroecological and soil conditions. • Egypt is ready to share practical experiences in agricultural extension, especially in applied research with technology transfer. • Egypt is willing to establish research and extension demonstration farms in some African countries, and/or establish an Egyptian-African fund.
Botswana	<p>In April 2007 the Botswana Government, through the Ministry of Agriculture, will reintroduce the Agricultural Support Schemes (ASS). Among these schemes is the Arable Lands Development Programme (ALDEP) Phase III, which will focus on strengthening extension services and technology transfer and adoption. The target group is resource-poor farmers whose farming efficiency is hampered by inadequate resources. Eligible farmers will be helped to obtain specific farm inputs and implements. Extension agents will assist eligible farmers in soil testing.</p>
Swaziland	<p>The Ministry of Agriculture and Cooperatives organized a seed quality control unit, extension services, market information systems, and a national soil testing unit that provides guidelines</p>

	on fertilizer recommendation. New dams have been built at strategic points to improve irrigation efficiency.
Tanzania	The Ministry of Agriculture is considering a proposal for a public-private partnership to support development of the fertilizer supply chain. The government is working with various stakeholders to develop and implement the proposal. The proposal has four components; the fourth is training and capacity building for farmers, retailers, service providers, and policymakers involved in the fertilizer supply chain.
Madagascar	<ul style="list-style-type: none"> • Fertilizer trials are being conducted to actively promote DAP fertilizer in rice production as a substitute for NPK-11-22-16. The trials are being conducted on farmers' fields. Technical support and monitoring are provided by FOFIFA. BAMEX, FAO, and FOFIFA have cooperated to identify the trial areas, on-site partners, and operation of the trials. Private fertilizer suppliers have provided inputs for the operations. • A BAMEX/FAO joint workshop on fertilizer policy was held on October 6, 2006. Key outcomes included agreements for the establishment of credit facilities for fertilizer users and a fertilizer market information system.

The following countries are still in the preparatory or planning stages of developing their fertilizer strategies:

Ethiopia. A National Fertilizer Strategy document has been drafted based on the format that IFDC and NEPAD provided. The draft document has been sent to NEPAD and IFDC for comments and suggestions. The next step is to organize a workshop in December 2006 where all concerned stakeholders can comment on and enrich the document.

Nigeria. The Ministry of Agriculture inaugurated on August 30, 2006, a Technical Committee comprised of officials from key stakeholder groups to implement the Summit resolutions. The Technical Committee will soon convene to develop a framework to actualize resolution implementation.

Ghana. The Crop Services Directorate of the Ministry of Agriculture is putting together a team to develop a fertilizer strategy for Ghana. It has asked all

relevant stakeholders to nominate one representative each. Work will commence in January 2007.

Lesotho. Lesotho is about to embark on developing a national fertilizer strategy guided by the terms of reference and suggested format that IFDC and NEPAD provided.

Seychelles. The Action Plan of the National Fertilizer Strategy is still in its initial stage. It will be incorporated in the National Agricultural Development Strategy 2007-2011, which is being finalized. A committee charged with overseeing the development and implementation of the fertilizer strategy has decided that the Ministry of Agriculture should remain a facilitator and take responsibility, in conjunction with the private sector, for the supply of agricultural inputs. The private sector should act in parallel with the Ministry to import and sell agricultural inputs.

Sierra Leone. The Ministry of Agriculture and Food Security will collaborate with relevant stakeholders to develop and operationalize a fertilizer strategy for Sierra Leone.

Uganda. The National Fertilizer Strategy has been prepared and submitted to the Cabinet for approval. Implementation will begin once the Strategy has been passed into law .

Zambia. The National Fertilizer Strategy has been prepared and a log frame is being developed to operationalize it.

VI. Private Sector Initiatives for Fertilizer Production

Since the Summit, NEPAD and IFDC have become aware that several private entrepreneurs have begun investigating the establishment of fertilizer production facilities using local resources in Africa, including the following:

- The National Fertilizer Company of Nigeria (NAFCON), a facility for ammonia and urea production in Nigeria, was sold to a consortium of private investors shortly before the Summit. At the Summit the new owners announced the reopening of the facilities as the Notore [Genesis] Ammonia/Urea Complex. The gas and asset transfer contracts were concluded during and after the Summit with IFDC's assistance. Notore will

begin fertilizer production for local, regional, and international markets during the second quarter of 2007. Notore plans to establish additional capacity once the present complex is operational.

- An Asian company is negotiating for the establishment of another ammonia/urea complex in Nigeria. These negotiations should conclude by mid-2007. A private entrepreneur from Kenya plans to produce specialty compound fertilizers to meet the growing demand for crop-specific products in eastern Africa.
- A Nigerian entrepreneur plans to establish a phosphate production plant in Togo, using commercially mined domestic phosphate rock. The complex will produce single superphosphate and aluminum sulfate for water purification. Most of the products will be exported to Nigeria, but some will be marketed domestically.
- Former President Joachim Chissano of Mozambique is negotiating with Asian investors to establish a ammonia/urea complex using natural gas in Mozambique. A Brazilian consortium is providing technical assistance.
- The Taiwan Government is building a fertilizer granulation plant in Malawi. Production is planned to begin in January 2007.

VII. Conclusions and Recommendations

The Africa Fertilizer Summit achieved its purpose of raising awareness in Africa and the world on the central role of fertilizer, along with complementary inputs and conducive policies and institutions, in stimulating pro-poor agricultural growth. A consensus was reached on key measures and actions needed to improve access, affordability, and incentives for fertilizer use by smallholder African farmers. Steps are being taken at the continent, regional, and country levels that reflect the commitment of AU, NEPAD, regional bodies, development partners, countries, and the private sector to usher in the “uniquely African” Green Revolution called for by UN Secretary General Kofi Annan.

The countries and RECs have made good progress during the first 6 months of implementation but much remains to be done, particularly in assuring that all countries and RECs are engaged in the process. At the continent level, AUC and NEPAD, in collaboration with ECA, AfDB, and IFDC, are positioning themselves to facilitate the process by developing a business plan with guidance and support to

help countries and RECs source the technical assistance and financial support to implement the activities. The African Fertilizer Development Financing Facility should be established by the next biannual meeting. This should advance implementation greatly. Promotion of the seed and fertilizer sectors through AGRA will complement these efforts. Therefore, it is strongly recommended that AU Member States honor their commitments and contribute to the Fertilizer Facility.

Progress at the regional and country levels has been unevenly distributed. SADC, COMESA, and ECOWAS are well-positioned to implement and are expected to have preliminary results for assessment by the next reporting period. The Economic Community of Central African States (ECCAS) and IGAD are ready to develop actions plans for implementation and may also have preliminary results for assessment in the next review period. The Arab Maghreb Union and the Community of Sahel and Saharan States (CENSAD) have not yet developed regional strategies; NEPAD and IFDC will continue encouraging them to do so. SADC, COMESA, and ECOWAS have focused on two of the three resolutions that concern actions at the regional level: harmonization of policies and regulations (Resolution 2) and establishment of regional procurement and distribution facilities (Resolution 8). But they also consider as priority actions the promotion of regional fertilizer production and intraregional trade (Resolution 9). Thus, their next progress report is anticipated to include indications of progress toward implementation of Resolution 9. Some RECs have made more progress than others. That implies possible opportunities for lessons learned in regional implementation.

Despite encouraging progress at the country level, there is still ample room for improvement in the actual and proposed modalities of implementation and the level of participation. Only a few countries have reported actual initiation of implementation. More countries should be fully engaged in the process. Furthermore, most countries that provided progress reports were Anglophone. The Francophone countries must also be engaged.

The resolutions that have generated the highest level of response at the country level are developing dealer networks (Resolution 3), granting targeted subsidies (Resolution 5), and improving farmer access to complementary inputs (Resolution 10). The reasons for this are not clear. Actions to improve farmer access by developing dealer networks have focused on improving availability of fertilizer at the upper end of the value chain via the establishment of buffer stocks (Tanzania) and bulk importation of fertilizer by the government (Rwanda). But to

effectively develop the necessary dealer networks, these actions should be complemented by improved access to finance so dealers can buy the fertilizer and technical and business training to improve efficiency. A more general recommendation is that countries and RECs should implement the Summit resolutions sequentially and holistically to take advantage of synergies. If fertilizer is imported but dealers lack the money to purchase it, the business and technical skills to sell it efficiently, then dealer networks will not be developed. The countries that have committed to granting targeted subsidies are doing so in a market-friendly manner, but the targeting mechanisms should be improved through the use of input vouchers administered by the private sector. Timelines and clearly defined exit strategies should also be introduced. Actions to improve farmer access to complementary inputs and services vary from fertilizer trials and demonstrations (Madagascar) to soil testing and seed quality (Swaziland). Egypt's offer to Member States to support expansion of these activities into other countries should be accepted.

We cannot overlook the critical importance of a conducive policy environment for successful implementation of the Summit resolutions, even though the Summit resolutions did not address this issue directly. If the policy environment is not conducive—consistent, clearly articulated, and private sector friendly—then the private sector will continue to respond weakly to liberalization and countries will find implementing the resolutions difficult.

Finally, the next step for AUC and NEPAD is to develop a business plan to guide countries and RECs in implementation. The plan will include performance indicators for each resolution. Countries and RECs will be encouraged to conduct surveys to establish baseline data for these indicators, and set targets against which progress can be measured biannually.