



www.nepad.org  
 www.nepad-caadp.net  
 Tel: +27 (0) 11 256 3600  
 Fax: +27 (0) 11 206 3762  
 P.O. Box 1234  
 Halfway House 1685  
 Midrand, Johannesburg  
 South Africa  
 E-mail: Info@nepad.org  
 Facebook: nepad.caadp  
 Twitter: @NEPAD\_CAADP



**Risk Management  
& Resilience Building**



**NEPAD Flagship Programme**  
**Mainstreaming Agriculture & Food  
 Insecurity Risk Management  
 & Resilience Building in  
 CAADP Implementation**



## What is it?

In 2003, African Heads of State and Government adopted the Comprehensive Africa Agriculture Development Programme (CAADP); it provides a vision and an overarching framework to achieve food security and boost inclusive economic growth through increased productivity and agriculture transformation. It is under this framework that the African Union and the NEPAD Agency provide support to regional economic communities and countries in mainstreaming agriculture and food security risk management, into CAADP implementation.

The Risk Management and Resilience Building Initiative provides an integrated strategy that will support rural producers in anticipating, preventing and mitigating the impact of natural hazards and shocks and build/ strengthen their resilience. Through a concerted and coordinated process, such an integrated strategy reduces risk aversion and contributes to pulling smallholder producers out of poverty and food insecurity through a sustained process of income stabilization and growth.

## Why is it needed?

African countries are highly susceptible to risks originating from various sources including climate and natural hazards, market and volatile prices, unpredictable policies and regulation. Countries and regions have up to recently mainly set up ad hoc, poorly coordinated and untimely mechanisms to manage those crises and have moderately attempted to prevent them. Recurrent agriculture and food market crises have undermined the productive asset base of rural producers and increased their vulnerability to food insecurity and under-nutrition, hence reducing their capacity to adopt new technologies and innovation. Achieving CAADP objectives towards inclusive economic growth and enhanced food security through agriculture transformation requires a mindset shift from managing crises to managing risks.

## Its benefits

The Risk Management and Resilience Building Initiative ensures that appropriate interventions are mainstreamed in CAADP implementation, which entails that they are designed, planned, coordinated, budgeted and embedded into ongoing or new rural programs and projects. Each and every CAADP investment plan will include its specific risk management tools and appropriate policy instruments tailored to its specific needs in order to create an enabling environment.

### The benefits are numerous, they include:

- Improved resilience of individual households being lifted out of poverty and food insecurity;
- Increased agricultural productivity, investment and employment;
- Improved rural services and soft infrastructure being created and enhanced, largely contributing to the transformation of the agriculture sector.



## How it works

The Risk management and resilience building initiative unfolds a multisectoral strategy aimed at ensuring stability of production, markets, institutions and policies. Such a stable environment provides long term visibility to rural producers and other actors along the value chain, and contributes to producing the expected socio- economic returns from productive investment.

The initiative requires however a multistakeholder engagement including Government, private sector, financial institutions, producers' organizations, NGOs, civil society, and development partners. An appropriate combination of risk management tools and policy instruments is identified through a participatory assessment of risk factors at the national and regional level. The identified tools are implemented in an integrated manner at the micro, meso and macro levels. Rural producers and stakeholders are engaging with financial institutions and private sector through contractual arrangements that strengthen their capacity to thrive and manage risk, which contribute to building resilience. In the process, individual rural activities and businesses are strengthened and transformed through new technology adoption and uptake of new assets. Implementation of sound and predictable policy instruments provide an enabling environment in terms of input and output market access.

The challenge in this initiative is that risk management tools adapted to the African context are still at an early stage of development. These tools are either being designed or tested in a few countries. The NEPAD Agency and the African Union Commission should therefore play a major role in leading the process; organizing and fostering synergies among the various but scattered initiatives; bring the successful ones up to scale and share experiences and lessons learnt across countries and regions.

An important capacity development component will be put in place in order to strengthen capacities at the regional and national levels. Government officials may need to be better acquainted with evidence-based policy making in Agriculture and Food Security Risk Management; more experts will need to be trained by academic and research institutions on risk assessment methodologies, and monitoring and evaluation of programs including a risk management component; local private and social enterprises will need more technical knowhow in product development; an effective involvement of producers and stakeholders along the value chain will require active information, sensitization and communication through appropriate channels.

For this first phase of the 4 year program going from 2014 to 2017, three regional institutions for capacity development and nine countries across the continent are targeted for implementation.

The Risk Management and Resilience Building flagship Programme adopts an integrated and cross-sectoral approach to managing risk factors in order to:

1. Mitigate the impact of crises and build resilience of rural producers and actors along the value chain through stabilization of production, markets and institutions;
2. Support the creation of soft infrastructure to provide inclusive rural productive and financial services;
3. Make rural activities attractive to the youth by creating a sustainable path for productivity and income growth.