

REPORT - February 2024

# Security in West Africa

## Building On Agricultural Cooperation



The ongoing security challenges in the Sahel are posing serious risks to countries in the region and in the Northern parts of the Gulf of Guinea. **France's strategy towards the region is having to adapt, which is why Institut Montaigne decided to**

**analyze the key public policy issues facing West Africa.** This report aims to put forward a renewed approach to security and builds on an in-depth understanding of the root causes of jihadism and the socioeconomic solutions required.

Our starting point was to highlight the political, economic and social factors contributing to the **growing presence of jihadist groups in West African populations.** The current violence mainly stems from **feelings of injustice and frustration among politically and economically marginalized populations.** These countries have untapped potential, particularly in terms of economic growth.

The economic disparities within these countries, and more broadly between Sahelian and coastal countries, is further fuelling discontent. Economic opportunities are failing to reach remote rural areas, to foster a stable and equitable system of redistribution, and to initiate a genuine endogenous economic development. The jihadist discourse, which builds on these socioeconomic disparities, **thrives on the urban-rural divide.** Its military strategy is based on opposition. Nomadic herders and rural communities dependent on subsistence farming are vulnerable to recruitment by jihadists.

These challenges are currently exacerbated by **inflationary pressures in the aftermath of the Covid pandemic and the war in Ukraine.** These exogenous shocks have had a significant impact on the fragile economies of West Africa, especially on food resources.

This detailed study focuses on the marginalization of these populations, combining primary research and interviews with over 80 French, European and West African researchers, institutions and entrepreneurs. It aims to **identify the structural factors enabling jihadist recruitment as well as those hampering development.** The consensus reached was

that modernizing the agricultural sector in these countries should be the priority, with the aim of bringing the target populations into the fold sustainably. Indeed, **increasing the agricultural sector's share in GDP is a guarantee of sustained poverty reduction and economic integration.**

Institut Montaigne set out to **identify the factors** hindering agricultural development, and calls for **a system of cooperatives and agro-industrial value chains**, local processing as well as integration in both regional and international markets. Governments and international organizations should **review development aid policy and aim for greater concentration and prioritized sectorization, with a focus on private investment in West Africa.**

It is necessary to focus efforts on local development despite the adverse geopolitical context. The primary focus should be on achieving adequate agro-industrial production to create sustainable wealth for targeted populations. Given the demographic growth and urbanization in these societies, proper structuring of agriculture is all the more essential. **Investing in these countries while leveraging specific public policy tools will pay off for French and European companies, despite known risks.** This strategy is poised to yield economic benefits in the short term and enhance security in the medium term. Adopting a public-private approach involving French companies' expertise and public aid could facilitate a collaborative model between French and West African stakeholders.

This work aims to empower French and European political leaders to develop **a more targeted and impactful economic cooperation policy**, while highlighting the advantages of sustainable investment in both the sector and the region. **French and European companies are likely to play a pivotal role in these initiatives.** Our optimistic and forward-looking approach to agricultural structuring is coupled with our proposals to West African decision-makers to fine-tune their public policies.

## Pillar 1

Structure the West African agricultural sector by implementing a stable land tenure policy, investing in agricultural inputs upstream, and establishing targeted value chains.

### RECOMMENDATION 1

**Stabilize the legal framework for land tenure** through certification and cadastral surveys, regulatory changes and international technical support.

### RECOMMENDATION 2

**Increase the productivity of agricultural inputs** by implementing a targeted development and distribution policy. This approach should encompass research initiatives, commercial distribution channels, certification regulations and region-specific experiments.

### RECOMMENDATION 3

**Promote local industrial processing of agricultural raw materials** in specific sectors, fostered by partnerships with French and European companies. Highlight the potential of local free trade zones, public subsidies and infrastructures to enhance the value of production.

The **integrated cooperative** model, which possesses the necessary critical mass to promote financing and seamless integration into the value chain, appears exceptionally well-suited to the requirements.

## Pillar 2

Build up the required infrastructure and skills to increase the value of agricultural efforts

#### RECOMMENDATION 4

**Focus efforts on water and energy**, and particularly on irrigation infrastructure and farm electrification using decentralized solar technologies.

#### RECOMMENDATION 5

**Enable national and international distribution of products** by developing regional transport infrastructure and logistics chains.

#### RECOMMENDATION 6

**Strategically enhance expertise within the agricultural sector by prioritizing agronomy in French cooperation policy.**

The agricultural model of the **École nationale à vocation régionale (ENVR)**, which promotes scientific cooperation, training and experimentation, **seems well-positioned to help address these skills challenges.**

#### **Pillar 3**

Adapt public and private financing to the needs of the agricultural sector

#### RECOMMENDATION 7

**Attract sustainable private investments in the agricultural sector** by promoting the emergence of national and local agricultural banks and investment companies. Foster these initiatives through public-private partnerships that provide guarantees against risk.

#### RECOMMENDATION 8

**Incorporate part of the diaspora's financial remittances into agricultural investment** through appropriate money transfer conversion solutions.

#### RECOMMENDATION 9

**Focus official development assistance (ODA; public donors) on agricultural production**, at a minimum level of 0.1% of French GNI by 2025 and 0.2% by 2030 for the relevant countries, in order to have an undiluted impact.

#### RECOMMENDATION 10

**Assist these countries in improving tax collection** through innovative administrative practices, directing funds toward long-term agricultural development, and progressively formalizing the informal sector into the legal economy.

#### **Pillar 4**

Incentivize foreign companies to invest in the agricultural sector and catalyze the economic potential of the subcontinent

#### RECOMMENDATION 11

**Pursue the professionalization of the business environment to secure long-term investments**, aligning with the G20's Compact with Africa initiative, while ensuring application of quality and operational standards in international funders' regional project calls.

#### RECOMMENDATION 12

**Encourage sustainable investment from French companies in the West African zone** through a dedicated export policy focused on agro-industrial investments, fostering private partnerships between French and African companies.

West Africa shows economic dynamism despite substantial developmental setbacks and significant socio-political challenges. The region also showcases substantial demographic and urbanization trends, which will drive demand for agricultural products. Its geographic, linguistic and cultural

proximity to Europe is a strong comparative advantage. Moreover, West Africa has a young, educated, and digital-native population.

Despite historical challenges, the business environment has experienced substantial improvement, driven by comprehensive reforms and initiatives to harmonize regulations (OHADA Treaty). Moreover, forward-looking industries like solar energy are poised to accelerate economic growth. French and European companies now have abundant opportunities for sustainable and profitable investments. These initiatives, especially through local partnerships, are pivotal in advancing the region's economic progress.