Future Agriculturres

CAADP Policy Brief

Policy processes and agriculture – what difference does CAADP make?

It is just over ten years since African Union (AU) Heads of State made their declaration in support of Africa's agricultural sector in Maputo. Through the Comprehensive Africa Agriculture Development Programme (CAADP)[i], they committed to a common process for the development and refinement of national agricultural strategies and investment plans, intended to guide the investments of governments, donors and the private sector. According to the New Partnership for Africa's Development (NEPAD), the overarching goal of CAADP is to reconfigure the way agricultural development issues are formulated, policies are generated and debated, investment decisions are implemented and interventions are scrutinised.

CAADP focuses on reducing poverty through supporting smallholder agriculture, and is structured around four pillars: land and water management; market access; food supply and hunger; and agricultural research. Its roll-out is supported through a multi-donor trust fund managed by the World Bank.

Thanks to its roots in the Maputo Declaration, CAADP has strong African political ownership. But its blueprint approach across countries and an increasing level of donor involvement means it is often perceived as having a double-faced identity: simultaneously externally-driven and home-grown. This has influenced the way it has been integrated into existing domestic political incentives for pro-poor agricultural development policy which has, in turn, shaped the possibilities for it to add value to existing agricultural policies.

This Brief draws on research by the Future Agricultures Consortium on the political and economic context of CAADP in eight African countries (Poulton et al. 2014)[ii] and asks:

- How does CAADP fit with existing national agricultural strategies and policies?
- Who and what drives the CAADP process at country level?
- What value has CAADP added to national agricultural policies?

The findings add to our understanding of how domestic political incentives affect pro-poor agricultural policy in Africa.

How does CAADP work?

CAADP is rooted in the underlying principles of NEPAD which, while accepting the prevailing market-oriented paradigm of international development, seek to place African institutions firmly at the centre of policy and planning processes, and favour a pan-Africanist approach to tackling common development challenges. CAADP builds on these principles and combines them with a set of targets to produce a programme which aims to restore African agriculture as the major driver of development.

Box 1: CAADP – targets, strategic functions and process

Countries joining CAADP aim to:

- allocate at least 10 percent of the national budget to the agricultural sector.
- achieve 6 percent growth per annum in the agricultural sector.

CAADP works towards achieving these targets through a set of strategic functions:

- advocating for agriculture amongst development actors.
- enhancing the quality of national agricultural policy and planning.
- increasing opportunities and support for agricultural stakeholders within and outside government to organise themselves and to effectively voice their concerns.
- mobilising partnerships for investment at the national, regional and international levels.
- pushing for commitments on agriculture and holding governments and development partners accountable for their promises.
- harnessing African strategic thinking.

Since 2006, each country joining CAADP has followed a common process for developing and gaining consensus for a national programme:

- The relevant NEPAD Regional Economic Committee (REC) establishes a set of regional priorities based on the continent-wide pillars.
- CAADP is launched at a national multi-stakeholder workshop.
- A technical phase of policy review and modelling generates outputs for a second multi-stakeholder event.
- A *Round Table meeting* is held, culminating in the formal signing of a *CAADP Compact*.
- An investment plan is formulated and a *High-level Business Meeting* is held to discuss it.
- Implementation begins.

By 2013, 30 countries had signed CAADP Compacts and 22 of these had also concluded their High-level Business Meeting.

Examining who participates in CAADP, and what motivates their engagement, is central to understanding its chances of achieving its aims. A key contextual factor that has shaped the decisions of individual countries about whether to take part in the programme is the availability of funding.

Following the Maputo Declaration, the United Nations Food and Agriculture Organization was commissioned to identify bankable investment projects around the continent, and country investment programmes were developed for 49 African countries. But the impact of this effort was negligible: the programmes were not integrated with countries' national agricultural strategies and gained neither government nor donor buy-in, and as a result were not implemented.

This false start was eventually overcome by the development of a new strategy for realising CAADP objectives – the common approach outlined in Box 1 – and by far broader contextual changes in development finance triggered by the 2007–2008 food price crisis, which sharpened both international and regional focus on agriculture.

In early 2009, the Economic Community of West African States, the Regional Economic Community charged with promoting CAADP in the region, committed its own funds to kick-starting CAADP launches in the region. Later the same year, the G8 decided to use US$20 billion of aid for sustainable agricultural development to support strategies and investment plans produced through the CAADP process.

These two decisions rapidly catalysed the uptake of CAADP, which had initially been slow. But they also altered its dynamics: some governments chose to enter CAADP primarily in the hope of securing funds, but without any renewed or strong commitment to supporting smallholder agriculture.

Context is crucial – case studies of CAADP uptake

Policy processes such as CAADP cannot be judged abstractly on their theoretical or technical attributes without considering the institutional, political and cultural context in which they are implemented (Araujo et al. 2004).

Within countries, many contextual elements have come into play in determining what value CAADP can add to agricultural development policy processes. These include the political incentives that already exist for supporting smallholder farmers; the institutional dynamics of existing agricultural sector initiatives; and the balance of power between governments, donors, financial institutions and agribusiness.

Different countries have had different experiences of uptake. In each, the existing agricultural development policy landscape has shaped the participation of a different configuration of actors in the CAADP process, influencing the extent to which positive outcomes have been achieved.

Box 2: CAADP Rwanda: sowing seeds on fertile ground

The war that devastated Rwanda between 1990 and 1994 left in its wake a stagnant and run-down agricultural sector. In the aftermath, government resources were focused on securing the country, and most external aid was in the form of emergency assistance. Agriculture, starved of both labour and investment, was in crisis.

The agricultural sector's fortunes began to turn around in 2006, when it became clear that four years of investment in the country's first Poverty Reduction Strategy Paper (PRSP), which had little focus on agriculture, had not had much impact. This led to heightened concern about poverty, and a sharpened focus on agriculture as the solution. This made Rwanda fertile ground for CAADP, and in 2007 it became the first country to sign a CAADP Compact.

From the outset, the process was led from the highest political levels. It was actively endorsed by President Kagame, who was already a strong supporter of NEPAD and its pan-African principles. His support for CAADP was translated into a strong commitment at the local government level, where responsibility for implementation lies.

Rwanda's existing Strategic Plan for the Transformation of Agriculture (PSTA) was revised to align it with the CAADP framework. PSTA II was brought to the CAADP Roundtable to demonstrate to politicians and donors how investment in agriculture would lead to specific outcomes, including poverty reduction. This was a pivotal moment in focusing donor interest on agriculture, as well for the inclusion of private sector and civil society groups.

Assessing the impact of CAADP on Rwandan agriculture is difficult. It is hard to attribute the undoubted advances that have been made to one programme amongst the existing initiatives with which it was harmonised. Nonetheless, CAADP has contributed to positive change in the sector by bringing on board donors that had not traditionally funded the sector, formalising the participation of non-governmental actors in agricultural policy, and providing a mechanism to strengthen the government's commitment to agriculture as a vital ingredient of poverty reduction. As a result of stepped-up donor interest and funding, Rwanda has seen increased production of staple crops that used to be imported (for example, through the introduction of the NERICA rice variety), and diversification of crop production that has improved food security (notably maize).

(Golooba-Mutebi 2014)

Box 3: CAADP Tanzania – one approach among many

Before the emergence of CAADP, the Tanzanian government's Agricultural Sector Development Programme 2006–13 (ASDP) was underpinned by a state-led agricultural development model. Since 2008, it has co-existed with a private sector-led agricultural strategy, Kilimo Kwanza, which advocates market-led agricultural development and which, despite the existence of ASDP, was embraced in 2009 by the ruling elite as 'the government's vision for agricultural transformation'.

Despite finance for CAADP becoming available in 2009, Tanzania did not sign its Compact until 2011, suggesting that there were limited political and financial imperatives to embrace it. Once on board with CAADP, the government formulated the Tanzania Agriculture and Food Security Investment Plan (TAFSIP). Although based on the same model as ASDP, TAFSIP responded to NEPAD and CAADP critiques that ASDP was not comprehensive enough to ensure CAADP targets were met, and did not adequately address private sector development, nutrition or climate change. As a result, TAFSIP expanded ADSP's scope and projected cost.

In mid-2012 US President Obama announced a major G8 initiative, the New Alliance for Food Security and Nutrition (NAFSN), which signalled a radical policy shift in favour of large-scale commercial agriculture, regional trade agreements and multinational corporations. Elements of the Tanzanian ruling elite embraced this approach enthusiastically, thanks in part to its large land acquisitions and the prospect of lucrative partnerships with foreign investors. The country became one of the first to develop a cooperative framework agreement for NAFSN, committing to policy reforms to create incentives for private agribusiness investment.

The main opposition to the greater presence of agribusiness proposed by NAFSN comes from international and national NGOs concerned with land issues, genetically modified seeds or the use of chemical farm inputs. Increasing political, civil society and media hostility to 'land grabbing' and the marginalisation of small farmers may force the ruling elite to backtrack somewhat on its commitment to a radically liberalised policy regime, particularly in light of declining popular support for the ruling party.

While NAFSN formally endorses both CAADP and TAFSIP, its content bears almost no resemblance to their vision of state-led agricultural development, in which the private sector is a junior partner. Nonetheless, the aid community, philanthro-capitalists and venture capital funds have all aligned with the emerging G8 strategy.

CAADP is one part of an incoherent and contested policy landscape. It remains to be seen whether one policy will prevail, or what the consequences will be for Tanzania's smallholder farmers and their households.

(Cooksey 2014)

Box 4: CAADP Ethiopia – complementing existing policies?

Ethiopia is one of the few countries in sub-Saharan Africa where strong political incentives for the transformation of smallholder agriculture existed prior to the Maputo Declaration. Smallholder agricultural production is the backbone of the country's economy.

For the Ethiopian People's Revolutionary Democratic Front (EPRDF) government, which took power in 1991 and subsequently established a federal parliamentary republic following decades of imperial and military rule, smallholder farmers are a sizeable political constituency. Improving their livelihoods through a strategy of smallholder-led economic growth, while simultaneously maintaining political control through a pervasive system of party-state organisations, has been a cornerstone of the EPRDF's approach to agricultural policy for more than two decades.

The Ethiopian government embraced CAADP as a national plan of action even though the country had already surpassed CAADP's growth target. Rather than representing a shift in existing domestic political incentives, this enthusiasm for CAADP reflected the government's recognition of the possibilities of reaping the benefits of donor technical and financial assistance accruing from engaging in the process. This was particularly important in the context of the threat of diminishing foreign aid after the elections of 2005 resulted in a strained relationship between the government and its donors.

But the government's high-profile enthusiasm for CAADP did not extend to accepting its pre-requisite of forging an implementation partnership with non-governmental actors, and it has not relinquished its firm grip on agricultural policy-making and implementation. Furthermore, since 2005, it has also increasingly promoted large-scale agricultural production, at odds with CAADP's emphasis on smallholder farming. This new focus has resulted from recognition of the potential of large-scale agriculture to increase government revenue and foreign exchange earnings, and is seen as complementary to achieving the transformation of smallholder agriculture.

(Berhanu 2013)

Box 5: CAADP Malawi – new wine in old bottles

In 2008, when it signed up to CAADP, Malawi was widely held to be a star performer in African agriculture. The government had introduced the Farm Input Subsidy Programme, and as a result of the agricultural subsidies it provided – funded largely by donors via direct budget support – the country had achieved food self-sufficiency and was already exceeding the CAADP targets. There was considerable scepticism about whether signing up would make any difference

Donors were concerned about the sustainability of subsidies and had prompted work on a new programme – the Agricultural Sector Wide Approach (ASWAp) – to address their worries. Many Malawian policy actors could not see how the ASWAp differed from CAADP; indeed, it ultimately became the basis of the CAADP Compact. Several policy actors reported that the government engaged with CAADP only when some donors made it a condition of continuing their agricultural sector funding.

Domestic politics also influenced the CAADP process. In 2009, President Mutharika – whose first term in office was characterised by fiscal prudence and discipline – was re-elected. But as his second administration became increasingly authoritarian and corrupt, resulting in acute economic problems by 2010, many donors reacted by withholding their assistance and pushing harder for changes in agricultural policy direction.

As a result of these tensions, CAADP has built on, rather than displaced, the agricultural policy processes already under way. While ASWAp has conformed to the principles and values of CAADP, there is hardly any evidence to suggest that it has altered the substantive orientation of policy and practice in the agricultural sector. In particular, it has done little to shift policy from a preoccupation with the Farm Input Subsidy Programme towards a more balanced set of public goods investment plus subsidy, which was the donors' main objective. Little progress has been made with CAADP implementation, largely due to governance and capacity challenges, and there is no political will to sort out these problems. The Malawi experience suggests that the question of institutional reforms should be considered as a priority for CAADP – otherwise, it will be like putting new wine in old bottles.

(Chinsinga 2014)

Does CAADP make a difference at country level?

A look across the eight FAC country studies reveals a wide range of experience with CAADP. What cross-cutting lessons can be learned from this diversity?

Has political commitment to supporting smallholder agriculture increased? If the CAADP target of a ten percent share of the national budget can be taken as an indicator of political commitment, there are three distinct dynamics across the eight countries. In Ethiopia, Burkina Faso and Malawi, agriculture's share of the national budget was already around the level of the target, and stayed around that mark, but this cannot necessarily be attributed to CAADP, and it is accompanied by inefficient expenditure. In Ghana and Rwanda, where the presidents are both strong advocates of the NEPAD pan-African vision, the proportion of expenditure has risen since 2003 (significantly in the case of Rwanda), but CAADP is only one factor contributing to this. Finally, in Tanzania, Kenya and Mozambique, the share of the budget devoted to agriculture has fluctuated around the five percent level over the past decade, with no discernible trend or CAADP effect.

Has the quality of agricultural planning improved? There are two main ways in which CAADP can improve the quality of the agricultural planning process: by encouraging greater participation of non-governmental actors in priority-setting, and by making available additional technical expertise to inform the process. Within our sample of countries, there are perhaps only two – Rwanda and Ghana – where government actions demonstrate a conviction that civil society contribution to policy dialogue will enhance outcomes, but even here the conviction is not strong. In most cases, the inclusion of non-state actors has been something of a formality. In terms of expertise, the main form available through CAADP has been agricultural modelling offered by the International Food Policy Research Institute, which has had some value in encouraging political commitment, but is of less use for planning.

Are donors better aligned with national agricultural policy priorities? Rwanda stands out as having proactively sought to manage its relationships with donors and to shape the terms on which they engage. It established a set of practices at the CAADP roundtable which has subsequently worked well. In other countries, the CAADP process has served a useful role in bringing donors together. This trend is not, however, without its dangers. In Tanzania, CAADP has been invoked to legitimise donor activities under the NAFSN cooperative framework, with little likelihood that achieving its aim of opening the sector to agribusiness will assist smallholder producers.

Has CAADP been effectively implemented? One of the more serious critiques of CAADP is that it has focused heavily on sector strategies and investment plans, which in African agriculture are often not implemented effectively. To date, CAADP processes have paid relatively little attention to implementation, although this may be changing with the development of joint sector review processes. Several CAADP plans suffer from a lack of prioritisation, and others are significantly under-funded. All countries face the challenge of low state capacity for implementation. Both Rwanda and Ethiopia have invested heavily in the capacity of their state agricultural institutions (from policy development and monitoring through to extension systems) in recent years and have achieved some notable positive results. However, their experiences show that transformation is a slow and painstaking

business that requires long-term political commitment.

How can CAADP increase political incentives for future investment in smallholder agriculture?

This research has found that achievements of CAADP to date have been modest. In most of the study countries, the commitments made at Maputo in 2003 have not translated into practical action to support smallholder farmers, nor even into clear ownership of the national CAADP process. There is little evidence that CAADP processes have significantly enhanced the quality of national agricultural planning, and problems with implementation of strategies and plans have begun to emerge.

Domestic political incentives for investment in smallholder agriculture are an important factor behind the positive outcomes that have resulted from CAADP. In countries where such incentives are strong, governments have been able to use CAADP as a way of making the case for greater investment in agriculture and to seek increased donor funding for national agricultural strategies and plans. By contrast, countries where they are weaker have gone through the CAADP process more as a formality, gaining relatively little from it. This emphasises the importance of domestic political incentives in influencing agricultural policy and planning, and hence shaping outcomes.

But despite limited impact on the ground, CAADP remains uniquely placed to encourage governments to respond to important opportunities for African agriculture. As it goes forward, what can CAADP do to strengthen political incentives to invest in smallholder agriculture?

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CAADP can help strengthen political incentives to invest in smallholder agriculture

Levers for CAADP to increase political commitment to smallholder agriculture:

- Facilitate and help shape a new Heads of State commitment for the second decade of CAADP, so that the current generation of political leaders can frame their own commitment to smallholder agriculture.
- Play an information brokering role, developing relationships with relevant research institutions and networks to access knowledge about good practice in African agricultural policy and processes, to add value to existing national agricultural planning processes.
- Work with governments to improve access to data on national budgets, to allow analysis of public expenditure on agriculture.
- Use political influence within the AU to procure better public information about investments in agriculture and continent-wide policy processes, for civil society groups to use in advocacy work.
- Facilitate independent assessments of country processes for agricultural planning and evaluation of implementation, to increase accountability.
- Include the Regional Economic Communities in promoting the exchange of information about agriculture and in independent assessments of country processes.

The AU's designation of 2014 as the Year of Agriculture and Food Security is an important opportunity for CAADP. Using such levers, it can build on this renewed interest in the sector, ensuring it uses its engagement to argue the case for investing in support of smallholder-led agricultural development.

End notes

[i]CAADP is an African-led framework to rationalise and revitalise agriculture for economic growth and lasting poverty reduction across the continent.

[ii]The eight countries studied were Burkina Faso, Ethiopia, Ghana, Kenya, Malawi, Mozambique, Rwanda and Tanzania.

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