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Research Report

African developments: the comprehensive Africa Agriculture Development Programme (CAADP) is an opportunity for African agriculture

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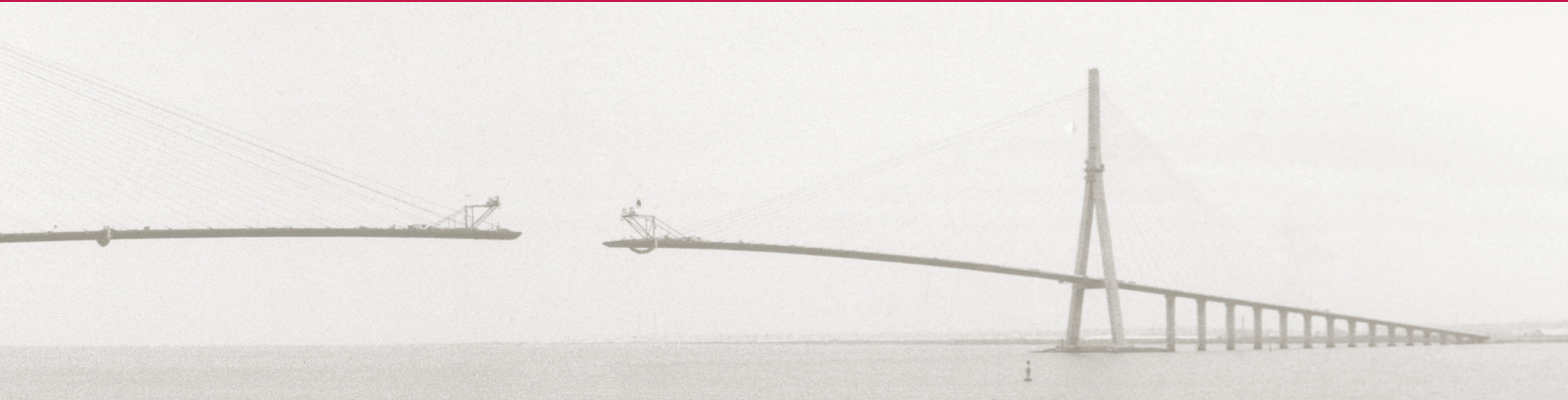
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African Developments: The *Comprehensive Africa Agriculture Development Programme (CAADP)* is an Opportunity for African Agriculture

2011 will be an important year for Africa. The year after the continent marked the 50th anniversary of independence for 17 African countries and the 10th anniversary of the Millennium Declaration, it has also been around a decade since steps toward creating the AU und NEPAD were taken. In a series of DIE Briefing Papers, researchers from Europe and Africa look into African Developments about a decade after the revival of the African Agenda to take stock and identify the challenges facing the continent in the years to come.

Summary

Agriculture is a sector significant for economic growth and the reduction of poverty and hunger in Africa. The *Comprehensive Africa Agriculture Development Programme (CAADP)* is Africa's attempt to self-reliantly re-activate the agricultural sector.

In the framework of the *African Union (AU)*, all member states committed to generate at least 6% growth in the agricultural sector, and to invest at least 10% of their national budgets to that end. The CAADP has further formulated rules for improving agricultural policy and sector investment planning and offers forums for dialogue with other African nations and the international community of donors.

After initially slow beginnings, the first 20 countries have taken the first hurdle, i.e. signing national *compacts*. The next steps at the national and regional levels, such as formulating investment plans, are following rapidly, and at least some agricultural budgets are increasing.

The CAADP is far from realising its potential. What it clearly has achieved is making the African agricultural sector visible at the international level. At the continental and regional levels, the CAADP has created useful structures. However, these have yet to demonstrate their value.

The processes that were created are now so far advanced at the all-important national level that their application raises expectations for significant improvements in agricultural planning. However, implementation is in its infancy and the value of older CAADP processes is somewhat doubtful. To become successful, the CAADP needs to:

- Continue the strategy of international visibility;
- Avoid building parallel structures and emphasise the support of existing national policy processes;
- Not only encourage investment, but particularly quality aspects in agricultural policy (*governance*);
- Enforce monitoring and evaluation;
- Emphasise transparency and communication.

Donors can support the CAADP by adopting its principles and demand that countries comply with them, as well as supporting the continental, regional and most importantly national capacities along the lines of the projected CAADP initiatives. Support must become more reliable and sustainable, because if the CAADP fails, that would not only harm the AU, it would also reinforce the reputation of the African agricultural sector as being "beyond reform".

The background

The agricultural sector is central for the development of Africa. On average, it generates 40% of the gross national product, 40% of exports and 70% to 80% of employment. However, in recent decades growth in the agricultural sector has been too slow to act as a driver of economic development. Between 1960 and 2005, grain yields have only increased by 60% (rising to 1.3 t/ha; compared to East Asia: 220% to 4.5 t/ha). Food production per capita in 2005 was 15% less than in 1960. In the same period Africa's share in agricultural exports had declined (from about 15% to 3%), and it went from being a net exporter of agricultural goods to a net importer (2006: US\$ 33 billion). Meanwhile there is widespread degradation of soils and natural vegetation.

Political neglect is a critical factor for the weak condition of African agriculture, particularly as a result of the Structural Adjustment Programmes of the 1980s. Both the African governments and donors scaled down their financial support over the past 30 years. On average, the portion of the national budgets allocated to agriculture has shrunk from 7.3% in 1980 to 3.8% in 2000, and that of *Official Development Aid* (worldwide) from 18% to 3.5% in 2004 (each being the minimum). The state's withdrawal hit the agricultural sector hardest, because the private actors there are especially vulnerable and the transaction costs are especially high.

An overview of the CAADP

The CAADP is Africa's attempt to reverse the negative trends in the agricultural sector, and make more of agriculture's potential to bring about economic development and for reducing poverty and hunger. It was developed as part of the *New Partnership for Africa's Development* (NEPAD), which made agricultural development one of its central pillars. Corresponding to NEPAD's general diction, the CAADP is also based on general principles, rules and goals, such as *ownership*, participation, evidence- and results-orientation, and the Millennium Development Goals. Shortly after its formation in 2003, the member states of the AU committed themselves in the Maputo Declaration to invest no less than 10% of their national budgets to achieve at least 6% growth in the agricultural sector. The CAADP promotes these goals with various activities, which will be explained below.

The CAADP is primarily involved at three levels:

- a) It acts as an advocate for the agricultural sector in Africa and as a partner in the international dialogue.
- b) It works as a catalyst for the exchange on and the harmonisation of the policies on agriculture and food security.
- c) It encourages national actors to negotiate national agricultural policies in accordance with CAADP rules, and to implement them together.

The CAADP at the international level

A crucial factor of the CAADP's success is its involvement in the international dialogue. Just after its creation, the CAADP became a factor in the dialogue between the AU and the G8. Currently, all important international policy documents on agricultural development and food security in Africa refer to

the CAADP, which serves as a reference for coherent agricultural policy, as a benchmark of African *ownership*, as an important partner and a legitimate stakeholder.

Such a function is of growing significance for putting issues onto the international agenda and to forge partnerships that are increasingly important as a framework for development policy activities at the national level. Left to their own devices, individual African countries neither have the capacity, nor the prestige and assertiveness to take up a position in this debate.

Misunderstandings in the relationship between the AU and NEPAD (see Grimm / Katito 2010), as well as the waning influence of NEPAD, have also put pressure on the CAADP for a long time. As the political legitimacy of the AU steadily grew, the political role of NEPAD weakened, even more so as the AU established commissariats cut along similar lines as NEPAD, e.g. one for rural economy and agriculture. However, the AU's resources in personnel and material are very limited, and it is less flexible, for it is much more tied in with political and representative tasks than NEPAD is. At the technical level, the CAADP's role is not and has not been in question, although the political and technical levels are often difficult to separate, and also the lack of joint management has been a problem.

The re-organisation of NEPAD in the spring of 2010 probably brought improvements to this situation: NEPAD was turned into the *NEPAD Planning and Coordinating Agency* (NPCA), and it was integrated into the AU to a higher degree than before. This should have positive implications for the role of the CAADP.

The CAADP for the exchange within Africa

In contrast to earlier pan-African approaches, not only is interfering in the internal affairs of other countries no longer considered undesirable under the AU and NEPAD, in fact it is openly accepted. The effects of this approach are also noticeable in the CAADP. At least in its current form after the first re-organisation in 2005 (see below), the exchange about and mutual control of agricultural policy (*peer learning and review*) is an explicit part of the agenda.

Formulating the CAADP's guiding documents was and still is part of a collective learning process. This applies for instance to the original consultations that took place at the level of agriculture ministers under the leadership of the *Food and Agriculture Organization* (FAO). Later elaboration of the four main pillars of the CAADP, which are

- sustainable management of land and water,
- rural infrastructure and agricultural trade,
- food security, and
- research and technology,

took place through cooperation of universities and *think tanks* at the continental level. For each of these pillars, *Pillar Lead Institutions* (PLIs) were chosen to take a leading role in formulating a guiding document for each and to organise a continent-wide network of excellence. A *Regional Strategic Analysis and Knowledge Support System* (ReSAKSS) for the agricultural sector under the leadership of the *Consultative Group on International Agricultural Research* (CGIAR) is being established.

The AU and CAADP notwithstanding, the process of exchange on, and the harmonisation of, agricultural policy throughout Africa has not yet progressed very far: harmonised statistics on African agriculture and a systematic utilisation of *peer learning and review*, as agreed upon long ago, are still lacking. The Pan-African Parliament is not yet involved with the CAADP.

Regional Economic Communities (RECs) play an important part within the CAADP. RECs should be central to harmonising national agricultural policies as part of the regional processes of integration taking place all over Africa, e.g. in defining common agricultural trade policies, setting standards on food quality and crop varieties, research, pest control, etc. In reality, RECs are far away from achieving this, however. To strengthen Africa's major RECs in their role following the re-organisation of the CAADP after 2005 (see below), they were given leading responsibility in directing CAADP processes at the regional and national levels. As examples, this resulted in a re-vitalisation of agricultural policy under the banner of the CAADP in West Africa; and in southern Africa, the CAADP is currently being taken up to support a regional trade agenda. However, other RECs have so far not been involved with the CAADP, although the pressure from individual member states is growing.

Overall, the RECs lack the capacities to carry out their diverse functions. It is currently not realistic for them to genuinely direct national agricultural policies, but they could play a role in coordinating and harmonisation.

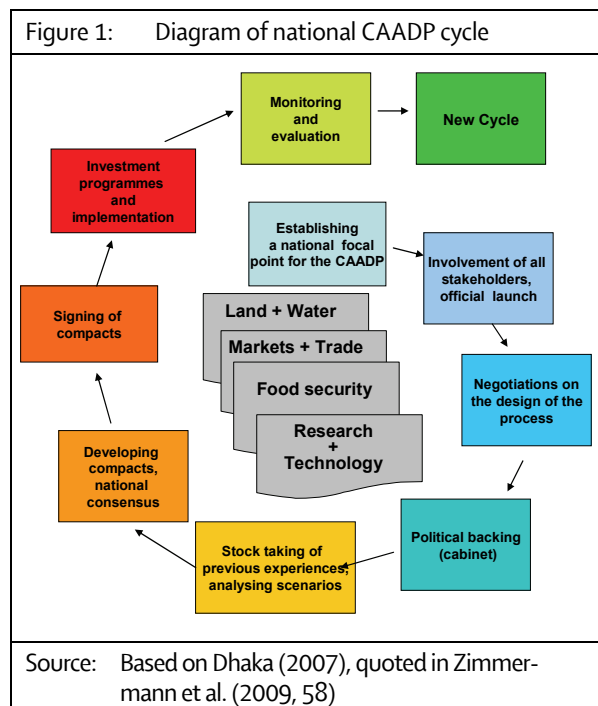
The CAADP as a template for agricultural policy at the national level

Although the international, continental and regional levels all are important elements of the CAADP, it is at the national level where its value is ultimately determined. This is also the area where value is most difficult to assess. This is particularly due to the fact that the CAADP has undergone frequent reforms, which is positive for its adaptability, but rather negative with regard to creating a clear profile. This has also resulted in long delays in implementation.

The first phase of the CAADP from 2003 to 2005, under the strong leadership of the FAO, was focussed on formulating isolated, bankable investment projects at the national level. However, neither countries themselves nor donors took on such projects. Still, the expenditure for the agricultural sector in Africa more than doubled between 2000 and 2005, from US\$ 4.2 billion to US\$ 8.7 billion.

The second phase from 2005 to mid 2009 saw the development of the basic ideal type of the CAADP process at the national level, as it still applies to this day (see fig. 1). Led by the agriculture- or NEPAD-ministry, evidence-based agricultural strategies are to be developed, involving also all relevant ministries, the private sector and civil society. The cycle culminates in the national "round table", where the *compacts* are presented, debated and signed, ideally with the participation of *peers* from the region, followed by implementation, monitoring and evaluation.

With about 20 national compacts signed, this phase would appear to have been quite successful. However, only one country, Rwanda, fairly rapidly completed the cycle, the others did not follow until the middle of 2009. Little can be said



on budgetary development. The CAADP has only published figures up to 2008 for four countries, and in three cases (Kenya, Uganda, Benin) they show a reduction in the portion of the national budgets allocated to agriculture compared to 2005, and an increase in only one case (Ghana). Even for 12 countries where figures are available up to 2007, the picture is no less clear. Also, the quality of the national processes compared to the situation pre-CAADP is doubtful, at least in some cases. Occasionally, strategies that had already existed, were simply re-written.

It should be noted that the processes only accelerated when some donors, the US in particular, announced that they would make compliance with CAADP a prerequisite for further agricultural aid. Before that, few countries had supported the CAADP agenda by their own means. There is reason to doubt whether these countries are really convinced of the value of the CAADP, or if they merely see it as a vehicle for commitments of aid.

The third phase from about mid 2009 brought further significant changes. These particularly focused on improving the process design, i.e. more broad and deeper analyses, stronger participation, better involvement of *peers* and the PLI networks, as well as monitoring and evaluation. Investment plans are currently being assessed accordingly, and a few first ones have already been approved. A CAADP fund has been created under the auspices of the World Bank, which now gives financial backing to the various actors and CAADP processes – after quite a delay. The funds for the actual implementation of these plans will come from the national budgets and from donors.

It is yet to be determined what the actual value of the CAADP is at the national level. According to the CAADP, the growth rate of the agricultural sector in 2008 was above 6% in only 8 countries (out of 30). In 14 others, it was at least between 6% and 3%. It is not clear, whether there is a correlation between the

CAADP and the national agricultural budgets (see above). It is fairly certain that the CAADP has not yet contributed to the improvements in agricultural policies and investments, and thus to the growth rates in this sector. Generally speaking, the CAADP's two central indicators by themselves cannot do justice to the variety of conditions in over 50 countries.

The CAADP's original (often weak) processes and plans are currently being amended. But in the end it is the implementation, and not planning, that is crucial for the effectiveness of the CAADP. Whether countries can accept external (albeit African) expertise, has yet to be seen. The prospect of additional funds will certainly raise the interest in and the willingness to invest in the CAADP at the national level. However, it might result in genuine motivation for reform being whitewashed, especially as different ministries and special interest groups may have differing concepts of agricultural development, food security or conservation of resources. Whether the CAADP mechanisms are strong enough to actually improve the quality of agricultural policy planning, and its implementation and effectiveness under these conditions, will have to be proven. In the medium term, it is crucial that the actors in charge of budgets at the national level (e.g. finance ministers, heads of state, banks, donors) are convinced that the CAADP will generate added value, and that it can actually be demonstrated and made to be politically effective.

Outlook

Whether the central position of the CAADP for African agricultural policy can be maintained and extended in the coming

months and few years, above all depends on whether the CAADP can demonstrate its value for agricultural policy and investment planning at the national level. To that end, the agricultural policy processes and their integration into the CAADP agenda, the utilisation of the instruments deployed and the programmes agreed upon, need to be carefully observed and evaluated. In its role as mediator between levels and actors, the CAADP needs to put strong emphasis on transparency and communication.

In supporting the CAADP, donors need to be very circumspect. Too slow or weak as well as too fast or strong support can have negative ramifications. Often, when struggling over limited budgets, external support is necessary in assisting in the establishment and implementation of national political initiatives - African agricultural actors and administrators are often among the weakest. Where CAADP principles are observed and where steering capacities are sufficient or in the process of being established, a leap of faith should be made, for instance in the shape of freely available funds or (sectoral) budgetary assistance. Differing regulatory and strategic solutions should be accepted, even concessions made for certain errors, if they have been reasonably elaborated (after all, donor countries are far from perfect when it comes to making mistakes in agricultural policy).

However, when given too promptly or in too large an amount, support can undermine the quality of initiative; and any leaps of faith need to be responsibly backed up by results-oriented monitoring, a serious dialogue (countries, donors, peers) and flexibility when it comes to steering the processes.

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