



Conference Summary
CAADP at 10: Progress Toward Agricultural Prosperity

Friday, December 14, 9:00 a.m. – 2:00 p.m.
The Brookings Institution, Stein Room
1775 Massachusetts Ave, NW
Washington, DC 20036

Conference Summary

CAADP at 10: Progress Toward Agricultural Prosperity

On December 14, the Africa Growth Initiative (AGI) at the Brookings Institution hosted a discussion on the Africa Union's *Comprehensive African Agricultural Development Program* (CAADP). The event culminated in an AGI review of the program, which produced a report examining CAADP's historical performance and future prospects. This was done in partnership with TransFarm Africa.

The event featured remarks by Mandi Rukuni, a former dean and faculty member of the University of Zimbabwe, Harare and the co-author of a report entitled, "CAADP—Sustaining the momentum in to the next decade." Following Mr. Rukuni's remarks were three discussion sessions. The first tackled strategies for national-level implementation of CAADP. The second assessed the role of the private sector within CAADP. The third addressed the role for regional integration within the process. The selection of these topics was informed by research undertaken by AGI. Mwangi Kimenyi, director and senior fellow at AGI, Katrin Kuhlman, president of TransFarm Africa, and John Staatz, a professor emeritus at Michigan State University, served as moderators for the sessions. A final "wrap-up" session concluded the event with remarks by Jeff Hill, the director of policy at the Bureau of Food Security at USAID, and David Nielson, the lead agricultural service specialist at the Africa Region of the World Bank.

This document is a summary of the key ideas presented in the event. Particular points were not attributed to specific speakers, as the meeting followed Chatham House rules. In conjunction with the separate reports that AGI and TransFarm Africa have produced, it is hoped that this report can be used to support the ongoing assessment of CAADP currently taking place throughout Africa. Specifically, it is hoped that these documents provide input to Mr. Rukuni as he presents his analysis of and recommendations for the program at the African Union Summit to be held in January in Addis Ababa, Ethiopia.

Session 1: Current Status of CAADP

The first session described the current status of CAADP and its successes and challenges after roughly ten years of existence. A prominent idea in the session was that the program has been successful in raising the profile of agriculture in the continent. Before CAADP existed, the sector was largely neglected—in many countries' original Poverty Reduction Strategy Papers (PRSP) agriculture wasn't even referenced. In contrast, at present the sector is given much more attention, and the program itself is almost universally supported among African leaders. Over 40 countries have formally engaged with it, 30 have signed CAADP compacts, and 23 have CAADP investment plans. The program has also professionalized the agriculture planning process. It has put into place mechanisms for greater peer review and stock-taking of agricultural planning, shined a spotlight on the otherwise ignored issue of agricultural education, and facilitated greater coordination on agricultural issues among bureaucrats at the highest level of governments in some countries.

Yet CAADP has not been an unmitigated success. The program cannot claim to have raised levels of private-sector investment in agriculture or significantly increased productivity in the sector. Nor has it conducted much analytical work that has furthered public policy reforms on issues such as land tenure and agricultural subsidies. More broadly, the program has not

delivered on its goal of agricultural transformation, which many believe could be a main driver of African economic development.

In the coming years, the program will face significant challenges. These challenges include attracting more and higher quality investment in the sector, influencing public policies so that farming activities become more profitable, and helping the continent grow more food. Africa's population will increase 140 percent in the next 40 years. Coupled with the trend of urbanization, this sizeable demographic bump will translate into a tripling of the demand for food over that time period.

Session 2: National-Level Implementation

Part of the discussion in the second session focused on the country of Nigeria. It was noted that the CAADP's effect in the country is hard to ascertain: The country's agricultural projects are not given CAADP labels, and its national plan avoids mention of the program. Nonetheless, discussants argued that CAADP *has had* effects on Nigeria's economic planning—hidden though they may be—and that the program is at least indirectly responsible for policy reforms dealing with fertilizer importation, distribution and marketing, and greater provisioning of credit to the private sector.

The discussion also identified three areas to which African governments should devote more energy. The first is creating a better investment climate. Depending on each country's particular circumstances, improving the investment climate might involve developing clearer definition of property rights, stronger mechanisms for the enforceability of contracts, greater ease in the process of registering a business, and/or more pervasive credit markets in rural areas. Historically, CAADP has not paid much attention to these issues, although potential pay-offs could be high. Not only would improvement on these grounds attract greater foreign and domestic investment, it would also lay the basis for the enunciation and enforcement of rules which prohibit deleterious investment—which would, in effect, make investment more aligned with the social good.

The second issue identified involves strengthening the value chain of certain agricultural products. In particular, discussants stressed the need for public policies to incentivize the distribution of labor along the value chain, so that farms would not be the main province of agricultural employment. However, governments will first have to increase their investment in public goods, which is the third issue the session identified. In order for workers to broaden their skill base to obtain new jobs in manufacturing, transportation, marketing, etc., efforts to improve rural schooling, perhaps in partnership with the private sector, will have to be undertaken. Furthermore, investment is needed in the maintenance of roads, the support of agricultural research and the creation of rural electrification projects. Presently, less than 10 percent of the rural population in sub-Saharan Africa has access to electricity.

Session 3: Private Sector

The role of the private sector was addressed in the event's third session. One strand of the conversation dealt with the appropriateness of excluding farmers from the more commercial interests of the private sector. An example of this was illustrated by the fact that small-holder farmers were excluded in the discussion of regulatory design in the standards for the processing of milk in the East Africa region. As a consequence, regulations that demand certain steel, temperature-controlled containers be used in the product's development were established. These regulations were advocated for by large companies with full knowledge of the fact that

they would effectively push many small, local dairies out of the market, given the expenses associated with compliance. It was argued further that the habits of milk consumption—people in the region boil their milk before drinking it—had obviated the need for such regulations.

The issue of land tenure was also discussed, and fairly unanimously, participants argued for a less cumbersome and less corrupt land registration process. They also expressed concern with respect to the entrance of large multinational corporations in Africa's land markets, as their emergence can have detrimental effects on small-holder farms and prospects for food security.

However, despite the need for attention on the issue of land tenure, African governments have been largely reluctant to address it. In light of these conditions, the idea of voluntary guidelines for land titling was proffered as a potential solution. It might mitigate some of the worst abuses of the current system and be more politically feasible than other options. Already, there are steps taken that advance this idea: The World Committee on Food Security, a part of the Food and Agriculture Organization (FAO) of the United Nations, has endorsed a version of voluntary guidelines. If CAADP were to champion such a project, it is possible that Africa could benefit significantly.

The experiences of particular companies were also highlighted and remarked upon in this session. Case studies included Plumpy'nut, a business that produces peanut-based, therapeutic food that treats child malnutrition. To date, the company has 14 factories, each of which employ roughly 30 people, in 12 African countries. The company sources its peanuts locally and gives feedback to its farmers down the value chain so as to ensure quality control. It is mainly run along for-profit lines and, over the last seven years, has been largely responsible for the development of a whole new food subsector.

Finally, the role that foreign donors could play in promoting the private sector was examined. One participant noted that the fiscal crisis in the developed world has begun to threaten foreign aid budgets. In turn, this has heightened the importance of finding catalytic, "systems-creating" investments—which could, in a sense, pay for themselves at some point in the near future. Along this line, one idea that was discussed was whether more aid could be invested into the private sector directly. Traditionally, assistance has gone to governments or civil society organizations but, increasingly, donors are open to this alternate route, as evidenced by the USAID program Development Innovation Ventures.

However, some participants argued against the idea of donors taking such a proactive role in private sector promotion. They questioned whether the goals of a donor were compatible with profit motives of businesses in many circumstances and expressed skepticism as to whether deserving sources for aid could be distinguished from non-deserving ones. Furthermore, they wondered about the efficacy of such assistance, noting the multiple instances in which industries have blossomed without donor help. These include the billion-dollar horticulture industry in Kenya and the gigantic mobile telecommunications industry throughout most of Africa.

Session 4: Regional Integration

Participants seemed to agree on the need for regional integration, the topic of the fourth session. One argument made in the discussion for this agreement had to do with scale: Industries must exceed certain minimum thresholds in terms of their size in order to operate efficiently, competitively and sustainably. Without the enhanced markets that regional integration offers, these levels cannot be achieved in many circumstances. Another argument

dealt with economic stability. As global climate change increases the variance of agricultural production in Africa, the price of many food products have and will continue to vacillate accordingly. These changes, in turn, will have negative effects in terms of food security in many parts of the continent. In contrast, the relatively open borders that regional integration could bring would dampen such price fluctuations and help to reduce food instability. A third argument noted that agricultural production basins often straddle national borders; and thus, compartmentalizing infrastructural and research-related projects along these artificial boundaries can be inefficient and ineffective. It is better for such projects to be organized on a more rational basis, for which regional integration would allow.

Despite these persuasive arguments for integration, the goal is politically difficult to accomplish and is easily impeded by actors who benefit from disunity. They might be domestic producers who feel threatened by foreign competitors and thus pressure political agents to shut down import operations. They might be governments that are unconvinced of the benefits of regional integration and deliberately slow down its progress. Of particular importance in the latter scenario are regional hegemonic countries (South Africa, Nigeria, etc.) who have the power to drive (or stop) the process of regional integration singlehandedly.

What could be done to spur the agenda along? One unorthodox recommendation was for policymakers to re-examine the *sequencing* of integration. The idea here is for small countries in a regional grouping to integrate with each other first (as this might come easily given that their interests are often closely aligned). Then, the bloc can integrate with the rest of the region—a transition which would be facilitated by the fact that there would be more equitable arrangement of power, i.e. the desires of a regional hegemon would be checked by a larger and more organized counterweight.

Another innovative idea was to create regionally-certified warehouses (which could be co-financed by the country and regional block they are situated in.) In theory, products stored in these facilities could be tested for compliance with governmental regulations and their owners be given receipts that could expedite their transportation across borders within the region. If implemented, this idea would lay the groundwork for the standardization of regulations across various countries, and increase the speed of commerce on the continent.

Whether or not these particular ideas are realized, however, participants seemed to express an affinity towards the type of relatively quick and easy projects that they typify, i.e. “low-hanging fruit” of regional integration. Other examples are the potential removal of a non-tariff barrier, the creation of an efficient border post, or the promotion of a particular value chain. Such an orientation towards “easy wins” will help convince governments and private interests that regional integration can work, and that it is in their interests to pursue this end. Furthermore, it was argued that more grandiose, complicated and difficult projects will necessarily involve greater “top-down” direction and, consequently, will be more likely to fail. CAADP could profitably take note from such a message: Perhaps it is important to include at least a few “easy wins” in the regional CAADP compacts that are to be finalized in the coming years.

Wrap Up Session: “CAADP at 10”

A final “wrap-up” session concluded the event and offered some perspective on what CAADP is exactly. It was noted that various stakeholders often have very different conceptions of the program. One interesting and well-argued interpretation of the program is that it is, at its

essence, simply a commitment to improve African agriculture in four areas: planning, policymaking, investment and coordination.

Viewed from this perspective, it is understandable that logistical questions are bound to arise about the program. Most fundamentally, there is the question of *what* topics CAADP should devote its attention to; there are hundreds which could be chosen. CAADP deserves some credit as far as figuring out this question, as it has rallied Africa around a framework that has helped set an agenda for the continent. A second question revolves around figuring out *who* will perform whatever action is called for. Given that there are thousands of stakeholders at a number of different levels that could potentially be involved with any single issue, answering this question is similarly difficult. Complicating matters is CAADP's structure; intentionally flexible, it does not assign responsibilities in any strict sense. That said, CAADP has been at least somewhat successful at cultivating the buy-in and facilitating the type of political arrangements that are needed to address this matter. Finally, there is the question of *how* exactly the actions get done. Even if there is a clear sense of *what* is to be done, and *who* is to do it, *doing it* can be problematic for a variety of reasons. It is perhaps this question that has tripped up the CAADP process the most. But, if nothing else, CAADP has set the stage for future action by putting in place the necessary building blocks.