

CAADP Ethiopia: A New Start?

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Introduction

This study examines the motives that underlie the drives of the Ethiopian government in embracing the Comprehensive Africa Agricultural Development Programme (CAADP) as a national plan of action aimed at effecting agricultural transformation. This is despite the fact that Ethiopia had already surpassed the targets set by CAADP for furthering agricultural-led economic growth. The central argument advanced in this study is that Government of Ethiopia (GOE)'s adopting of CAADP is not the outcome of any shift in the already existing domestic political incentives. It is rather prompted by the EPRDF government's recognition of the limitations of smallholder agricultural growth on one hand and the quest to offset the negative effects of its soured relations with donors in the aftermath of the May 2005 Elections on the other.

Following its seizure of power in 1991, the Ethiopian People's Revolutionary Democratic Front (EPRDF) government introduced liberal reform measures that were envisaged to bring about a situation where policy making in general and agricultural policy in particular would cease to be the exclusive domain of the state. It was envisaged that this would take effect by inducing the participation of stakeholders including farming communities and CSOs in the decision making process. Official declarations and rhetoric aside, however, developments in the subsequent years proved that government monopoly in policy making remained essentially unaltered.

Agricultural policy under EPRDF commenced in the early 1990s with the introduction of the Agricultural Development Led Industrialization (ADLI) strategy that was presumed to be the cornerstone of economic recovery and agrarian transformation. Under this strategy, ensuring improvements in the performance of smallholder agricultural producers was accorded primacy. The government justified this by stating that such a move would lead to increases in farmers' income, reduction of poverty, and enhancement of both production of industrial raw materials and marketable surplus (Dessalegn 2008). Kassahun (2012: 5) argues that the driving factor behind this move was not limited to ensuring economic growth alone but was also driven by political considerations that took note of the role and importance of smallholder farming communities in politico-administrative and economic aspects of life in the country. This was with a view to ensuring regime legitimacy and perpetuation in power by gaining the support of a sizeable electoral constituency and reducing rural support for internal and external threats that militated against regime survival. Moreover, the EPRDF regime has drawn lessons from its past experience signified by the fall of the imperial and military regimes that was partly precipitated by the disaffection of smallholder farmers. Hence the need to accord primacy to appeasing this section of the Ethiopian population by catering for its basic needs and betterment of livelihood through improved economic performance on the one

hand and effecting control mediated by a system of patronage on the other was deemed crucial.

In the light of this, this study examines the drivers and incentives that underlie the Ethiopian government's endorsement and implementation of CAADP despite already surpassing the targets outlined therein. It argues that the reasons behind this are found in developments following the May 2005 Parliamentary Elections that soured the government's relations with donors whilst intensifying its furtherance of its twin objectives: rapid economic growth and maintaining political control

Research questions

In dealing with the aforementioned concerns, the following major research questions are posed and addressed:

- What are the major features of the political economy of agricultural policy making in Ethiopia in relation to CAADP?
- What is the nature of Ethiopia's engagement in the CAADP process and which quantitative and qualitative indicators could be discerned in terms of agricultural performance, budgetary allocation, and institutional capacity building in the bid towards realizing set targets?
- What are the domestic political and economic incentives that underlie the motivations of the Government of Ethiopia (GOE) in terms of embracing CAADP as a national plan of action?
- What value added has CAADP generated for Ethiopia's agricultural policy?

Hypothesis

Ethiopia is one of the few countries in Sub-Saharan Africa where strong political incentives for agricultural transformation existed prior to the Maputo declaration of July 2003, through which African Heads of State committed to increase support for agricultural development and to adopt CAADP as a vehicle for this. Thus, GOE was committed to implement the CAADP programme through providing a strong political leadership. In embracing CAADP, GOE envisaged possibilities for reaping benefits in the form of donor technical and financial assistance accruing from its engagement in the process. The central hypothesis advanced in the study is that GOE adopted CAADP as a national plan of action for improving the performance of the agricultural sector in anticipation that the threat of diminishing foreign aid resulting from its tarnished image in the eyes of donors after 2005 would be removed thereby enabling it to persevere with promoting its aforementioned twin objectives.

At face value, the forging of partnership between the government, donors, and non-state actors as a prerequisite for embarking on CAADP implementation

by signing a national Compact to this effect signaled that the ever-present state monopoly on agricultural policy making and implementation would come to an end. However, subsequent events proved that this was not to be the case as GOE continued to be reluctant to relinquish its firm grip on policy making processes by bringing other actors on board.

Meanwhile, EPRDF's recourse to the promotion of large-scale agricultural production in the post-2005 years - as reflected in PASDEP and subsequently the Growth and Transformation Plan (GTP), but apparently at odds with CAADP's emphasis on smallholder farming - may have been prompted by its recognition of the limitations of lending exclusive focus to smallholder agriculture. GOE's realization of the limitations of smallholder agriculture in bringing about rapid growth of production for domestic use and export, increased government revenue including foreign exchange earning, and in generating higher incomes and alternative employment opportunities for the masses of peasant producers led it also to embrace large-scale agricultural production. According to this view, 1) EPRDF's twin objectives of ensuring economic growth and political control remained unchanged and 2) large-scale agricultural schemes were seen as complementary to (intensified) efforts to achieve smallholder agricultural transformation, not as being in conflict with them.

Methodology and data collection methods

Data for this study is elicited from key informants and secondary sources including policy and strategy documents, published and unpublished literature, programme reviews and consultancy reports. This study employed a qualitative approach, which is appropriate to explain why and how certain occurrences take place thereby imparting increased understanding of phenomena that are subjects of inquiry. Key informants were purposively selected for their knowledge of the subject under investigation. Those who were approached for providing data that informed the study included officials and experts of the concerned federal Ministries and line departments and two regional agricultural bureaus, non-governmental research institutions, selected donors' representatives, and the AU Commission for Rural Economy and Agriculture.

The Ethiopian Political Context in the Mid-2000s

With the foregoing as backdrop, this study seeks to shed light on the reasons behind the Ethiopian government's adoption and subsequent implementation of CAADP. As highlighted in a study on the political economy of agricultural policy in Ethiopia (Kassahun 2012), the agricultural extension programme under EPRDF is central to efforts to promote smallholder agriculture that are driven by the double-pronged objectives of realizing

economic growth on the one hand and ensuring political control and entrenching a system of patronage on the other. The imperative of realizing these twin objectives comes from the potential and actual internal and external threats that challenge the survival of the EPRDF regime (ibid: 2). In the same vein, another study (Berhanu Abegaz 2011: 55) argued that EPRDF has put high premium on political-cum-economic dominance and control for ensuring the continuation of its grip on power.

As noted by Kassahun (2012: 2), EPRDF has a narrow support base in a country where efforts by successive regimes to establish effective central control over disparate regions have proved futile. This has necessitated according primacy to growth and control as indispensable imperatives for ensuring regime survival and security. This is further compounded by the Ethiopian ruling party's fallout with its former ally, the Eritrean regime, which entailed a rift within EPRDF itself on the issue of the terms of cessation of hostilities vis-à-vis the latter.

In this context the May 2005 Third National/Regional Parliamentary Elections entailed setbacks for GOE thereby exacerbating its sense of insecurity. Following controversies surrounding the results of the said elections and the attendant crackdown on opposition groups and different sections of society, the regime resorted to a wide range of repressive measures expressed in steady and progressive shrinking of the public space limiting the scope of genuine participation and representation of the wider public in socio-economic and political processes. The unfolding of state repression is evidenced by subsequent developments like promulgation of series of restrictive legislations like the 2008 Press Law¹, the 2009 Anti-Terrorism Law², and the 2009 Civil Society Law³ - all of which were subjected to wide-ranging criticisms both internally and externally as markedly prohibitive.

However, in addition to entrenching a rigid system of control, EPRDF intensified its efforts to promote economic growth with the hope of neutralizing the rising disenchantment among broad sections of society that rallied behind the opposition in 2005. Lefort (2012: 691) states that the ruling party showed visible signs of being obsessed with restoring its hegemony and unchallenged control that were seriously challenged since the final months of 2005. However, its responses to the rise in opposition support encompassed both political control and stimulation of growth, looking to buy off potential rural opposition leaders in the process.

EPRDF's recourse to a variety of measures in this regard included:

- Introduction of a 'model' farmer scheme within the wider agricultural extension effort and seeking to enrol as model farmers members of the "peasant elite" who had previously rallied support for the opposition (Lefort, ibid);
- Since 2008, decision making powers including those related to agriculture were transferred from grassroots community

organizations (general assemblies) to the 300 *kebele* council members who are largely believed to be members of the ruling party. This was eventually and *de facto* bestowed on *kebele* cabinets as a matter of expedience due to the alleged impracticality of convening *kebele* council meetings on a regular basis (ibid: 692); and

- The ruling party resorted to massive recruitment of party members whose numerical size grew from about a million to nearly four million within a short period of time.

Widespread state repression in the aftermath of the 2005 Elections triggered international uproar from a wide spectrum of activists and donors like Amnesty International, Human Rights Watch, the US and British Governments, and the EU. The government was accused of blatant oppressive practices that included torture, arbitrary imprisonment, and sustained harassment of critics including ordinary citizens⁴. The US government expressed concerns regarding the negative developments that accompanied the 2005 Elections marked by arbitrary detentions and beatings and assassinations targeting members of the opposition including suppression of civil liberties and freedoms⁵. In addition, the House of Commons was informed by the British government that “DFID may decide to suspend or reduce budget support if [it thinks] that the [Ethiopian] government has breached its partnership commitments”. Accordingly, DFID decided to suspend budget support to Ethiopia due to election-related violence and arbitrary detention and considered switching some or all UK Aid away from government to non-governmental channels⁶. Meanwhile, individuals, civil society activists and public figures in several donor countries underlined that resources originating from international and bilateral sources were being used to stifle legitimate aspirations of Ethiopian society. In view of this, several rights groups called on and urged donors to ensure that unconditional flow of aid to the government should be withheld so that assistance originating from taxpayers’ monies could not be used as an instrument for buttressing political repression.

In addition to the limitations that underlie Ethiopia’s agrarian transformation drive premised on enhancing the performance of smallholder agricultural production, EPRDF faced constraints in financial and political support as a result of its repressive measures of 2005. In view of this, I argue that the EPRDF government resorted to a variety of moves to restore its image in the eyes of donors on the one hand and realize faster economic growth on the other. Even though the government did not officially state that it was keen to mend fences with donors, informants representing some donor agencies indicated that, when it came to CAADP, the thorny issue of involving non-state actors as signatories to the national Compact was agreed without much controversy and resistance on the part of GOE. An informant representing a bilateral donor organization based in Ethiopia stated that in the face of the misgivings of legislative bodies, opposition politicians and civil society activists in the

donor countries in regard to the repressive measures that transpired in the aftermath of the 2005 Elections, prospects for cooperating with GOE in the absence of opening up of the public space appeared to be bleak. According to the same informant, the government pledged to improve its dealings with the opposition. Subsequently, some improvements expressed in the rolling out of the Good Governance Package (GGP), which is a major component of the Public Sector Capacity Building Programme (PSCAP), and inclusion of CSO representatives in the deliberations and associated decisions leading to the signing of the CAADP Ethiopia Compact were witnessed.

Meanwhile, moves to accelerate growth were largely focused on a reassessment of agricultural policy priorities and included: i) a shift in terms of market-oriented agricultural production and commercialization as envisaged in PASDEP (MOFED 2006); ii) active engagement geared towards attracting large-scale agricultural investment; and iii) a couple of years later, embracing CAADP that is recognized by donors as a viable plan of action for realizing agriculture-led economic recovery. Hence a mix of drivers, namely getting into donors’ good books and restoring its tarnished image on the one hand and realizing faster economic growth through new shifts in agricultural transformation on the other explain the factors that prompted the regime to embrace CAADP.

Furthermore, EPRDF’s efforts along these lines have gradually begun to bear fruit. US Ambassador Patricia Haslach, the Deputy Coordinator for Diplomacy, announced in December 2010 that US support for Ethiopia’s agricultural investment policy was imminent given the positive gestures made by the Ethiopian government⁷. USAID also commended Ethiopia for having made tremendous progress in several respects despite the “repressive aftermath of the 2005 elections [that] reversed democratic progress in Ethiopia....”⁸ Citing the Head of DFID Country Office, the Ethiopian Ministry of Foreign Affairs in 2012 also announced that the UK has pledged to continue supporting Ethiopia’s development through providing several millions of dollars for covering costs of undertakings in different sectors including agriculture⁹.

Change and Continuity in Ethiopian Agricultural Transformation Policy

Context

Agricultural policy in Ethiopia under the three successive regimes of the imperial government, military rule, and EPRDF has undergone several changes as regards the major drivers, central foci, and goals sought to be achieved. Notwithstanding the variations in regime type, political orientation, strategy development, policy formulation processes, and configuration of domestic and external players, the central objective of agricultural policy making driving at bringing about

economic growth essentially remained the same. This notwithstanding, however, the EPRDF government lent greater emphasis on the need for ensuring economic recovery-cum-agricultural transformation as an issue of paramount importance. Hence EPRDF emphasised the imperative of agrarian transformation in a manner that is markedly distinct from its predecessors. The quest for improving the performance of the sector as a matter of urgency is thus aimed at promoting the twin objectives of furthering regime legitimacy and survival on the one hand and bringing about betterment of state of affairs in the economy through considerable growth on the other. The three Five-Year Development Plans of the imperial regime that spanned through 1957 and 1973 alternated priority areas of focus of agricultural policy and practice between large-scale commercial farms aimed at augmenting the volume of exportable agricultural production and improving the performance of smallholder agriculture through what came to be known as the package project approach (Dejene, 1990). In all cases, however, the success of the different initiatives attempted during the reign of the imperial regime was inhibited by structural deficits embedded in the archaic land tenure system, the absence of strong leadership committed to agrarian transformation, and poor infrastructure impeding adequacy of agricultural marketing (EEA, 2004/05, Dessalegn, 2004).

Following the ouster of the *ancien regime* that was supplanted by military rule (1975-1991), the country pursued a socialist path of development as a result of which it embarked on new socio-economic and political policies and attendant practices that were presented as being in tune with the basic tenets of socialist transformation. The post-imperial establishment spearheaded by the military regime is famed for introducing radical changes in the workings of the agricultural sector as evidenced by the Land Reform Act of 1975, establishment of large-scale state farms, and intensification of cooperative movements. In terms of land resources, all of these measures led to the entrenchment of public ownership of land, abolition of landlord-tenant relations, and distribution of farm plots to smallholder producers domiciled in the rural areas. Collective and state farms were established in many regions that enjoyed relative potential for surplus production that were deemed crucial for promoting socialist agrarian relations by forcing the peasantry to be organized under cooperative schemes that were provided with privileged access to improved inputs, technical services, fertile land, and higher farm gate prices (EEA, 2004/05, Brune, 1990). Service cooperatives were also formed for purposes of facilitating easy access to basic goods and services (EEA, 2004/05). Despite these, however, the performance of smallholder agriculture experienced steady decline due to the emphasis lent to collectivization to the detriment of household farms (Brune, 1990).

In the aftermath of the May 1991 regime change, Ethiopia's economic policy and attendant practice was anchored in what came to be known as the Agricultural Development-Led Industrialization Strategy (ADLI). As an overarching policy aimed at transforming the

Ethiopian economy in general and the agricultural sector in particular, ADLI gave prominence to smallholder production as opposed to the drive of the military regime that lent primacy to collective and state farms. EPRDF underscored that smallholder production is more realistic and rewarding in terms of realizing goals associated with national economic recovery in view of the prevailing situation in underdeveloped economies like Ethiopia.

In its bid to justify the positive ramifications of ADLI as an overarching economic policy, EPRDF argued that improving the performance of smallholder agriculture could lead to increase in farmers' income, reduce poverty, enhance production of industrial raw materials, and boost the volume of marketable surplus (Dessalegn, 2008). Although the EPRDF-led government strongly held that ADLI is the fastest and surest way to economic recovery and development, its detractors argued that this is a futile exercise by stating that ADLI tended to disregard labour productivity despite the fact that this remains to be the major problem of Ethiopian agriculture (Berhanu, 2003). Lending excessive focus to improving the performance of smallholder production is also questioned on the ground that, in the face of the small size of per capita land holding averaging less than a hectare in much of the country, peasant agriculture cannot shoulder the onus of transforming the performance of the sector in a manner that enables it to play the roles that the government expected of it. Nevertheless, EPRDF's Rural Development Policies and Strategies (FDRE 2003) underlined that breaking the entrenched cycle of poverty and food insecurity in Ethiopia can only be realized by enhancing the performance of smallholder agricultural production. This assertion is made by citing that the overwhelming majority of the country's population lives in the rural areas and that the country's endowment and comparative advantages are in abundant resources like land and labour that should be judiciously utilized in order to bring about the desired economic growth. The focus of the strategy is thus on smallholder farmers with greater weight given to crop production (Dessalegn, 2008).

Prelude to policy shift

According to Dessalegn (2008), a new direction in terms of agricultural development emphasizing a more market-oriented strategy has unfolded over the last few years. This is envisaged to be attained through: i) construction of roads connecting agricultural production localities to market centers; ii) development of agricultural credit markets; iii) improvement of specialized extension services; and iv) promotion of specialized export crops (spices, cut flowers, fruits and vegetables). The same is expressed in a recent study (WFP/FAO 2010) indicating that though the overall agricultural policy of Ethiopia is still anchored in ADLI, a shift in the direction of agricultural development has come to the fore since the mid-2000s. In this connection, the Plan for Accelerated and Sustained Development to End Poverty –PASDEP– (MOFED, 2006) outlined key areas of Ethiopia's agricultural development strategy. These include: strengthening human resource capacity, implementing mechanisms for proper land

use and allocation, adopting agricultural development interventions that are compatible with the different agro-ecological zones, embarking on specialization in and diversification of agricultural production, commercialization of agriculture, integrating agricultural development with other sectors of the economy, and establishing effective agricultural marketing systems. Changes that are in line with these are noticed in terms of a more differentiated approach to input delivery that takes into account the realities prevailing in the different agro-ecological zones (Dessaiegn 2008).

While specialization in and diversification of agricultural production is anchored in the different endowments of the different agro-ecological zones, commercialization of agriculture is hoped to be realized through boosting the efficacy of agricultural marketing systems. These include: setting up of commodity exchange centers, enhancing the capacity of marketing institutions, establishing agricultural information systems, and strengthening quality control and standardization measures (ibid, MOFED, 2006).

According to MOFED (2006: 45), the process of drafting PASDEP commenced in June 2005 in the immediate aftermath of the May 2005 Elections when nationwide consultations in all the regional states and the two city governments took place. The entry point of these consultations was to review the progress of the first generation of Ethiopia's poverty reduction strategy known as the Sustainable Development and Poverty Reduction Programme (SDPRP), introduced in 2000, and to identify peoples' priorities as inputs in the designing of PASDEP. The process lasted over a year until September 2006 when PASDEP was finalized and approved.

PASDEP also placed a strong emphasis on commercial agriculture and private sector development as a major means of accelerating growth and alleviating poverty through ensuring prudent allocation and use of comparative advantages in available land (ibid: 2006: 67-108). This was further underlined in Ethiopia's new five year development plan, the Growth and Transformation Plan (GTP), covering the years between 2010/11 and 2014/15 (MOFED 2010). GTP lent focus to investments in agriculture and pronounced the crucial role of private operators in transforming the sector (ibid: 45-54) in a manner unprecedented hitherto. In line with this, GOE planned to identify, prepare and transfer 3.5 million hectares of land to investors engaged in commercial agriculture and also increase the area under horticulture production nine-fold during the GTP life cycle (ibid: 49).

Did the new attention to large-scale agriculture represent a decisive break with the EPRDF's previous emphasis on intensifying smallholder production? If so, did this in turn reflect a change in underlying political incentives facing the regime? In spite of criticisms from various quarters underlining the limitations of smallholder agriculture in spearheading economic growth, GOE has persistently reiterated its prominence. Getnet (2011: 3) is thus of the view that the new emphasis on large-scale farming was introduced without abandoning

the former focus on smallholders. Rather, efforts to support smallholder intensification were simultaneously intensified. This is consistent with the observation that the political stakes were raised for EPRDF following the 2005 Elections, making the attainment of the twin objectives of economic growth and political control even more urgent. As documented below, large-scale commercial agriculture investment was expected to lead to boosting production for domestic use and export, augmenting farmers' income, generating alternative employment opportunities benefiting smallholders, and increasing government revenue and foreign exchange earning – all of which are presumed to further the attainment of the aforementioned twin objectives. The tens of thousands of hectares of rural land that were leased to foreign and domestic investors were allegedly “unutilized” and/or “underutilized” – meaning that large-scale cultivation should not conflict with smallholder production. However, it has subsequently been shown that the land often was used by local communities, albeit not always for permanent cultivation. Thus, leasing land to large-scale investors could in practice conflict with the political objectives of establishing legitimacy and support for EPRDF in Ethiopia's diverse rural regions.

Legal regimes and institutional arrangements in large-scale land deals

Since 2002, GOE has enacted several legislations governing investment in the economy in general and the agricultural sector in particular by both domestic and foreign operators. In this regard, government legislations enacted in 2002 and 2003 (FDRE 2002 & 2003) and the associated directives/guidelines for regulating operations in large-scale agriculture are noteworthy. These legal instruments have been revised in subsequent years (Getnet 2011: 14-15). Additional legislations (EIA 2008, FDRE 2008 and 2010) covering several issues pertaining to the subject in question include capital requirements, incentives in the form of tax holidays, remittance of profits by foreign investors, immunity against nationalization, payment of compensation whenever these are justifiably deemed necessary, and providing investment guarantees and protection. In addition to the legislation and associated guidelines enacted at the federal level, the Amhara, Oromia and Southern Regional States have also promulgated legislation governing rural land administration and use (ANRS 2007, ONRS 2007, and SNNPRS 2007). It could thus be stated that following the implementation of PASDEP starting in 2006, both the federal and regional governments were actively engaged in promoting large-scale investments as means of attracting foreign capital (Dessaiegn 2011: 13).

Institutional arrangements that are in line with the new shift also underlie the processes involved in expediting undertakings in large-scale agriculture. In this vein, GOE designated the Ministry of Agriculture and Rural Development (MOARD) to act as a lead federal agency for large-scale land deals. Accordingly,

the Ministry was charged with the responsibility of availing information and technical inputs, signing contracts with and transferring land to eligible private operators, and undertaking follow-up and oversight functions. A major move in this regard pertains to the transfer of responsibility for land allocation to MOARD as stipulated in article 2 of the Council of Ministers' Regulation of 2008 (FDRE 2008), which in effect modified the federal constitution and other previous laws that vested regional states with such powers. This was further revised by the 2010 Regulation enacted by the Council of Ministers (FDRE 2010). MOARD is thus empowered to receive and administer all consolidated investment land measuring 5000 hectares and more to be accessed by domestic and foreign investors placed through what came to be known the federal land bank, which means that regional states can no more engage in deals involving land measuring over 5000 hectares as was the case earlier. This notwithstanding, however, it was generally stated that the incomes from transactions in such land deals under the auspices of MOARD in the form of rent, income tax, and other payments would be used proportionally for the benefit of the concerned regions (Getnet 2011: 15). Stebek (2011: 178) noted that MOARD has established a specialized unit known as the Agricultural Investment Directorate charged with the task of allocating land measuring over 5000 hectares for investment purposes. It should be noted, however, that the legality of this move is questioned in the sense that it appears to contravene the spirit of the constitution and other associated laws by undermining the rationales for upholding devolved decentralization as a trademark of the workings of the prevailing Ethiopian political system. In this connection, Imeru (2010: 9) noted that although the federal constitution allows the federal government to delegate its mandates to regional states, there is no provision providing for the latter to undertake upward delegation of their mandates to the former under any circumstance. It can thus be argued that this and similar other practices indicate a trend towards reverting back to centralization of power contrary to the rationales for adopting federalism in lieu of the former unitary system aimed at diffusing power concentration.

Land transfers for investment in practice

With the establishment of the federal land bank, six regions, namely Amhara, Afar, Benishangul, Gambella, Oromia and SNNPR transferred over 3.5 million hectares to the federal Ministry (MOARD cited in Dessalegn 2011: 15). It remains to be ascertained whether such transfers were made by the regions under pressure or "voluntarily" as officially claimed by the government. Land allocation to domestic and foreign investors had been taking place on a relatively small scale since the mid-1990s, accelerating only as of the last few years. According to Dessalegn (2011: 16), between 1996 and 2002, local investors requested and obtained land measuring less than 500 hectares in the majority of cases. The demand for land particularly by foreign entrepreneurs sharply rose from 2006 onwards reaching a peak in 2008 when

many among both domestic and foreign operators aggressively requested and obtained larger tracts that often measured 10,000 hectares and more. It was noted that more than one-third of the land allocated to investors since 2002 was undertaken in 2008 alone (ibid). According to the different data sources from MOARD (cited in ibid), about 8000 applications for land were approved by the regions committing over 3 million hectares for transfer between 1996 and the end of 2008. It was also learnt that of the total number of the approved projects processed in this manner, over one-third were small enterprises with holdings of about 100 hectares or less used for horticulture, animal fattening, and dairy and fruit/vegetable production (ibid).

Between 2003 and 2009, a considerable number of foreign investors who operated either by themselves or in partnership with local operators through joint ventures were granted large tracts of land totaling about 1 million hectares. Among the foreigners, an Indian company known as Karaturi was initially given 300,000 hectares in Gambella, which was reduced to 100,000 at a later stage (Stebek 2011: 178). The same firm obtained a lease holding of 11,000 hectares in Bako Tibe district of the Oromia region. By and large, the interest of investors in acquiring large tracts is driven by different motives like growing food crops and agro-industrial agricultural inputs such as cotton, oil seeds, palm trees, rubber, etc. According to different documentary sources that originated from the Ethiopian Investment Agency (cited in Getnet 2011: 16), only 126 FDI projects have been operational out of a total of the approved 1055 between October 1995 and July 2011. In addition to local investors who acquired land for medium and large-scale agricultural production in various parts of Ethiopia, the profile of foreign investors is dominated by those from India, Saudi Arabia, USA, Israel, and UK (ibid) in descending order of significance. The same source indicated that 35 Indian firms have acquired about 1 million hectares through lease. While a few among these received over 100,000 hectares, the holding of the majority is between 25,000 and 50,000 hectares. The second major group in this regard is the Saudi Arabian Saudi Star Company followed by those from USA, Israel and UK. It was learnt that investors from the aforementioned five countries have obtained approval to lease 53% of the total land earmarked for FDI-based agricultural projects.

Debates surrounding large-scale land deals in Ethiopia

In this section, attempt is made to shed light on the positions of the Ethiopian Government and its supporters on the one hand and those of its critics and detractors on the other in regard to large-scale land deals. Official statements emphasize the positive ramifications of large-scale land deals by stating that multifaceted advantages could result from the exercise. These include: enhancement of export-oriented production that boosts the country's foreign exchange earnings; create employment opportunities for the rural population in and around the project areas; entrench prospects for

ensuring food security; expose citizens to incremental technological know-how; develop social and physical infrastructure from which communities can greatly benefit; collect augmented government revenue in the form of increased tax and proceeds from lease payments; and promote energy security resulting from production of bio-fuel plants¹⁰. It should be recalled that the argument in favor of large-scale land deals is premised on the assumption that the land allocated to investors is “unutilized” and “underutilized” and that establishment of large-scale agriculture is aimed at supplementing smallholder farms rather than replacing or dismantling them. These views that are advanced by the Ethiopian Government are also supported by multilateral agencies like the World Bank that commended the initiative as an essential move towards agricultural transformation and improvement of efficiency in production (World Bank 2010).

However, criticisms from CSOs, researchers, academics and rights groups pointing at the shortcomings of the ongoing large-scale land deals abound. According to Dessalegn (2011: 5-6), the magnitude and intensity of the inconsiderate rush of putting large tracts of land in the hands of profit-seeking local and foreign private operators on an unprecedented scale tends to alienate smallholders from their customary rights and ways of life that would be increasingly threatened. It is thus argued that the commercialization of land will boost the powers of the bureaucratic and economic elite working in tandem with the regime in power at the expense of smallholder communities whose voice will be gradually muted due to lack of consultations and participation in decision making. Moreover, the current trend of allocating more and more land to developers will eventually result in the concentration of land in the hands of the few thereby leading to a situation where class divisions and conflicts between the haves and the have-nots would likely surface. Hence there cannot be any guarantee that such a state of affairs would bring about food security as envisaged by the proponents of the scheme. The same is also true with regard to the anticipated benefit of employment generation in the face of increased usage of modern technologies on large-scale farms (ibid). A US-based Ethiopian academic¹¹ stated that as a result of the ongoing trends of land allocation, “fertile lands will lose their trees, top soil, natural habitats, and rivers and lakes” that are likely to be polluted by toxic waste and hence rendered unusable. Moreover, Horne’s Report to the Oakland Institute (2011) highlights the adverse impacts of large-scale land investments in Ethiopia that could entail loss of cultural heritage, dispossession and displacement, and environmental hazards. The Report adds that, despite the fact that it is too early to conclude about the outcomes of the venture in terms of technology transfer, the developments observed to date do not appear promising.

Getnet (2011: 23-24) summarized the already experienced negative outcomes of the ongoing large-scale land deals as follows:

- They undermine the positive ramifications of smallholder agriculture that was previously believed to play multifaceted and crucial roles in sustaining the livelihood of the overwhelming majority of the rural population fragile. This takes effect by elevating the status of foreign capital as the dominant player and thereby radically changes the agrarian structure;
- They entail a loss of farm and grazing land and sources of water, fuel wood and fish thereby negatively impacting on the lives of pastoralists and smallholder farmers as a result of which signs of protest and resentment are already emerging;
- Considerable displacement resulting from acts of clearing the way for investors’ unencumbered access to leased land has forced the affected populations to move to planned resettlement sites and start to build their livelihood afresh;
- Depletion of forest resources resulting from clearing and flight of wildlife to unknown sanctuaries across the borders is progressively on the rise; and
- The contracts and business plans associated with large-scale investments failed to put the requisite preconditions on developers in terms of designing and observing plans containing mechanisms for ensuring food security, employment creation, and infrastructural development.

Comprehensive Africa Agriculture Development Programme (CAADP)

Background

The Comprehensive Africa Agriculture Development Programme (CAADP) was officially endorsed by African Heads of State at the Maputo African Union Summit in July 2003. The Programme was rolled out under the auspices of the New Economic Partnership for African Development (NEPAD)¹² to serve as a framework for accelerating growth by eliminating poverty and hunger in the continent. The vision of the African Union’s New Partnership for Africa’s Development (AU/NEPAD) and its strategic framework that was developed identified four pillars that are presumed to guide the effort of expediting approved plans enshrined in the CAADP document in accordance with the realities in individual member countries. At the continental level, the following four pillars are identified as a basis for embarking on planned

activities while at the same time allowing individual governments to adjust and align them to the conditions and priorities of their respective countries. These include:

- Pillar I:** Extending the area under irrigation and reliable water control systems;
- Pillar II:** Improving rural infrastructure and trade-related capacities for market access;
- Pillar III:** Increasing food supply, reducing hunger and improving responses to food emergency crises; and
- Pillar IV:** Improving agricultural research, technology dissemination and adoption

CAADP embraced the principle of agriculture-led growth as the main strategy for achieving Millennium Development Goal # 1, namely halving poverty and hunger in the African continent by 2015. Hence the focus was on promoting agricultural development through ensuring food security, improving nutrition, and augmenting producers' income. To this end, CAADP emphasized the need to adhere to the following principles as the major courses of action:

- Ensure a 6% average annual growth rate in the agricultural sector at the national level;
- Allocate 10% of the annual national budget to the agricultural sector;
- Exploit advantages accruing from regional complementarities and cooperation for boosting growth;
- Adhere to principles of policy efficiency, dialogue, review, and accountability in the course of implementing the Programme;
- Uphold principles of forging partnership and alliance by ensuring the participation of stakeholders like farmers, agribusiness, and civil society communities; and
- Develop strategies for programme implementation by assigning roles and responsibilities to individual countries and designating responsibility of coordination to Regional Economic Communities (RECs) and facilitation of efforts to the NEPAD Secretariat.

In summary, CAADP was launched as a continental programme of action and a common framework for accelerating the national efforts of African countries in their bid towards realizing agriculture-led economic growth as a major strategy. It is thus worthy to note that CAADP is intended to be an integral part of national efforts aimed at promoting the agricultural sector and boost economic development despite its being continental scope. Hence it is not a supranational programme to be implemented by individual countries in a uniform manner but rather a common focus and framework of engagement. In specific terms, it is aimed at:

- (i) Guiding country strategies and investment programmes;
- (ii) Allowing for regional peer-learning and review; and
- (iii) Facilitating the alignment and harmonization of national development efforts.

CAADP emphasizes the need to strengthen the political will towards developing and implementing pro-poor agricultural policy. Concurrently, through its supporting organizations, (such as NEPAD, regional economic communities, and participating international donors) CAADP also strives towards accessing donors' technical and financial support for enhancing agricultural policy making and investment. Thus CAADP embraces measures needed to address both political and technical constraints impeding pro-poor agricultural policy formulation and implementation.

CAADP Ethiopia: Genesis and associated processes

Although Ethiopia was one of the countries that endorsed CAADP when it commenced at the July 2003 AU Summit in Maputo, the country began taking concrete measures in terms of engaging in the process only in 2007/08¹³. Ethiopia officially launched CAADP in September 2008 followed by stocktaking studies that culminated in the signing of the Country Compact in September 2009. The drafting of the Policy and Investment Framework (PIF) was completed in July 2010 (finalized in March 2011) and the Business Meeting was held in December of the same year¹⁴.

External factors explain the majority of the "delay" in implementing CAADP in Ethiopia. Being an Africa-wide programme that is housed in NEPAD, CAADP took some time to be consolidated at continental level and required a relatively long process to cascade it to individual member countries. Time was also need for the pertinent regional economic community, COMESA (to which Ethiopia belongs), to obtain the mandate from NEPAD for embarking on the implementation of the scheme. This necessitated that the Programme Framework had to be designed and guidelines developed following which each country had to customize the different components to its own realities. All these indicate that the year 2003 was merely a commencement phase of the Programme.

On the other hand, it should be noted that Ethiopia was among the first four countries that signed a CAADP Compact (the first being Rwanda that signed the Country Compact in 2007). The fact that the country was among the first that signed a Compact can be partly explained by the urge for restoring its image that was tarnished due to the government repression in 2005 spoiling its relations with donors and the international community at large.

CAADP Ethiopia Compact

Objectives, partnership modalities and commitments

The signing of the country Compact in 2009 was undertaken with a view to ensuring implementation of the programme in line with the Plan for Accelerated and Sustained Development to End Poverty (PASDEP). This

was preceded by an extended review of the relevant documents that enabled stakeholders to gain a detailed understanding of the country's policies, strategies and programmes covering the four indigenized CAADP Ethiopia Pillars that are based on those outlined by NEPAD. The review resulted in a two-volume country study (Demese et al 2009) conducted under the leadership of the CAADP Focal Unit within the Ministry of Agriculture and Rural Development. The review process involved consultations with the nine regional/state governments, the private sector, civil society and development partners, and was finalized in July 2009 thereby serving as input for subsequent consultations and exchange of views and a basis for the agreement reached by the Compact signatories in the same year. The formulation process of the national Compact was subjected to a multi-stakeholder mid-term review following which the signatories came together in August 2009 and affixed their signatures¹⁵. The Compact document states that the CAADP process in Ethiopia is aimed at strengthening and adding value to the ADLI strategy, PASDEP, and other supportive programmes all of which focus on realizing Ethiopia's Rural Economic Development and Food Security (RED & FS) objectives. The ultimate goal of the process is described as one aimed at improving development results in the sector by: i) helping define a coherent long-term investment framework to provide guidance regarding the planning and implementation of the different generations of PASDEPs, ii) identifying strategic options and sources of pro-poor growth for the agricultural sector in order to support the realization of MDG #1 (reducing extreme poverty by half in 2015), and iii) developing new knowledge systems aimed at facilitating peer review, dialogue, and evidence-based planning for implementing agricultural sector policies and strategies, which appears to be one of the demands put forward by donors as an expression of defining their role as development partners in the process of implementing CAADP.

Engagement in the CAADP process in Ethiopia commenced in 2007/08 by ushering in measures for institutionalizing the CAADP framework and aligning the initiative with national agricultural sector policies, strategies and programmes. GOE recognized that the goals that underlie the formulation and signing of the national Compact would assist efforts towards defining and accelerating the country's agricultural development drive in a manner that matches the overall framework. In the Ethiopian context, the objective is thus viewed as supportive of endeavors aimed at implementing ADLI in general and GOE's agricultural and rural development strategy in particular. The signing of the Compact was thus expected to: a) set the parameters for long-term partnership in expediting agricultural development plans and projects, b) specify key commitments on the part of stakeholders, namely the government, the private sector, civil society, and international development partners, c) clarify the contribution of agribusiness and farming communities towards the successful implementation

of the different components of CAADP and PASDEP, d) set the context for joint sector policy, and budgetary and investment dialogue, and e) ensure commitments to align, scale-up and improve the quality of long-term public investment and development assistance aimed at buttressing possibilities for implementing planned activities specified in Ethiopia's indigenized CAADP pillars (ibid).

The aforementioned official justifications aside, it can be argued that one of the main drivers that prompted the Ethiopian government to adopt CAADP as a national plan of action of agricultural development was GOE's desire to straighten up its tarnished image in the eyes of bilateral and multilateral donors. It is to be remembered that the negative portrayal of EPRDF's image entailed the progressive dwindling of external aid that was badly needed to finance GOE's growth-oriented programmes.

The Compact signatories included: the Ministries of Agriculture and Rural Development and Finance and Economic Development (representing GOE), the Commission for Rural Economy and Agriculture (on behalf of the African Union), COMESA (as the relevant REC), the Ethiopian Horticulture Producers and Exporters Association (delegated by the private sector), the Ethiopian Association of Agricultural Professionals (as a representative of civil society), and a representative of development partners (donors) operating in Ethiopia. The parties committed their respective organizations to uphold agreed on modalities and principles based on consultation and undertake long-term and sector-wide strategic planning and programme-based approaches for promoting the CAADP agenda.

It would also be worthwhile to state that many of the parties to the Compact - like the AU, COMESA and particularly the donors - were inclined to bring the Ethiopian government on board once it had decided to join the process. This is mainly in recognition that Ethiopia is a major player and a force to be reckoned with given its role in regional strategic, economic and political concerns. In particular, although donors were aware that GOE was reluctant to change the modality of its dealing with Ethiopians by way of opening up the public space for ensuring citizens' engagement in the policy making process, it appears that by 2009 they were looking for justification to continue cooperating with the regime and consequently forge partnership with it¹⁶. This is due to the fact that, by this time, the EPRDF-led government had positioned itself as a strong ally in a troubled Horn of Africa. The country could claim influence on the AU, large population size, military prowess, a vibrant economic model characterized by rapid growth, and most importantly its potential and actual role as a bulwark against simmering terrorist insurgency in the sub-region as evidenced by its unseating of the Union of Islamic Courts in Somalia in December 2006.

Accordingly, the representatives of the parties that entered into partnership for expediting the Programme affixed their signatures in the Compact document and committed their respective organizations as follows:

- In line with the Paris Declaration on Aid Effectiveness and the Accra Action Plan, GOE expressed its commitment to promote long-term economic and social development aimed at reducing poverty and achieving food and nutrition security. It affirmed that it recognizes CAADP as a useful national framework for achieving goals associated with economic and social transformation. To this end, it pledged to enhance the capacity of the private sector in order to enable it to actively engage in efforts towards achieving agriculture-led economic growth and ensuring trade openness and macroeconomic stability. It also pledged to allocate a minimum of 10% of the national budget to the agricultural sector and strive towards increasing the budget share of agriculture to 13%. Pursuant to the principles of transparency and accountability, GOE also committed to ensure maximum efficiency and effectiveness in utilizing resources allocated to the sector by prioritizing and focusing on the key CAADP components that are expected to bring about sustained development. To this end, it expressed its willingness to work with the parties to the Compact and other relevant stakeholders, institutionalize and aligning CAADP in the national system, and monitor the state of implementation of the Programme.
- Ethiopia's development partners stated that CAADP is an effective vehicle for ensuring that the resources originating from them are targeted to boosting Ethiopia's development efforts in implementing approved plans and priorities. They also acknowledged that the existence and practical expression of national political will is crucial in ensuring country ownership of CAADP. Hence they collectively committed themselves to align their assistance to the sector with regard to the priority areas identified in the CAADP Ethiopia pillars in particular. This was envisaged to be expedited through scaling-up technical, financial and material support aimed at meeting the required project investment costs on the basis of rigorous evaluation of the impact of interventions by the government and the concerned stakeholders. Moreover, they pledged to provide indications of future aid to the sector in consultation with the government, in as much as possible and on a multi-year basis.

This is with a view to improving predictability that allows better planning, budgeting and programme implementation in accordance with the preferred modalities of the CAADP agenda that are anchored in principles and mechanisms of dialogue, coordination, mutual review, and accountability.

- The African Union, COMESA and regional partners pledged to support Ethiopia's agriculture-led economic development efforts in terms of defining poverty-alleviation programmes in a manner that enables the country meet CAADP Ethiopia's objectives aimed at attaining MDG #1. To this end, they pledged to support Ethiopia's national strategies enshrined in PASDEP and the Country Compact by mobilizing political, financial and technical support.
- The private sector and civil society committed to effectively partner with GOE and other stakeholders by establishing enterprises and initiatives that could have measurable impact on reducing poverty levels and thereby contribute towards enhancing efforts aimed at realizing economic growth.

Partnership and coordination arrangements

Pursuant to the agreement reached as expressed in the Compact, the parties agreed that the Ministry of Agriculture and Rural Development (MOARD) shall assume leadership in coordination and harmonization among development partners. This shall be expedited by bringing on board all relevant ministries, donors, CSOs, the private sector, representatives of farmer and pastoralist communities, and others. Besides, GOE and the development partners are entrusted with the task of mobilizing funding needed for strengthening and scaling-up PASDEP, finalizing operational investment plans for the unfinished activities indicated in the 2009 CAADP Ethiopia Study, and ensuring unhindered implementation. Whereas GOE commits to strengthen its institutional capacity through meeting the necessary personnel, institutional and logistical requirements for successful implementation of the already existing and new initiatives, the development partners agreed to avail the necessary technical and financial assistance that are crucial for meeting the identified capacity requirements by working to this end in tandem with GOE. Moreover, donors pledged to work jointly in the effort of mobilizing funds and developing and implementing a robust monitoring and evaluation system and peer-review mechanism based on analytical studies, impact assessments, and information sharing arrangements.

Contextualizing the political economy of Ethiopia's engagement

Ethiopia is in the process of institutionalizing CAADP as its agriculture sector policy, strategy, and programme framework. To this end, key areas for strengthening coordination of activities between line ministries and agencies dealing with agricultural development are identified (CAADP 2010: 3). These include:

- Ministries of agriculture and Water Resources for irrigation;
- Ministries of agriculture, Water Resources, Health, Mining and Energy, Trade and Industry, and Environmental Protection Agency for climate change, disaster risk management and food security;
- Ministries of Health and Agriculture for food security and nutrition; and
- Ministries of Trade and Agriculture for trade and private sector development.

The Ministry of Agriculture is charged with the responsibility of coordinating the activities of the aforementioned government agencies. It is to be recalled that the Ministry is designated to serve as a Permanent Chair of the RED & FS Sector Working Group (SWG), which is the major body that oversees progress in the implementation of CAADP. Moreover, it is indicated that 22 partner institutions are represented in the SWG spearheaded by the Ministry of Agriculture (ANNEX 2).

Ethiopia's engagement in the CAADP process is driven by a number of factors including attracting donor financial, logistical and technical/professional assistance by subscribing to this continental CAADP framework. It is to be recalled also that the country has surpassed the CAADP targets of ensuring a 6% annual agricultural growth rate and a 10% annual national budgetary allocation for successive years prior to the commencement of the CAADP process. In view of this, a query on why then did Ethiopia adopt CAADP would be in order.

In addition to the aforementioned, the quest for drawing lessons from the experience of other African countries could be mentioned as one of the underlying motivating factors for Ethiopia's involvement. Several key informants in the Ministries of Agriculture and Finance contend that in the absence of donor support, surpassing the CAADP target by itself cannot beget sustainability for resource-poor countries like Ethiopia. This means that there is a need to look for increased resource flows to realize the objectives of ensuring rapid growth rates without being contented with surpassing the set targets enshrined in the Programme. It is thus believed that the chance for ensuring sound donor commitment in terms of providing aid and other forms of support for improving the performance of Ethiopian agriculture could be endangered unless the country adheres to the

imperative of joining the CAADP process. In other words, failure to join the CAADP process, which is crucial for attracting donor funding for the country's agricultural development programmes, would impede flow of much needed resources and put Ethiopia at a disadvantage of forfeiting what could be obtained as a result of coming on board. In this connection, it should be recalled that the preparatory process for Ethiopia's engagement in CAADP commenced more than a year prior to the signing of the Compact in September 2009. It is also worth noting that the major donors had implicitly indicated that African countries should adopt the CAADP framework in order to qualify for donor support that is crucial for expediting their agricultural development programmes. Given this, one can justifiably argue that there were clear economic and political incentives for Ethiopia to embrace CAADP regardless of its surpassing the stated targets.

In view of the foregoing, a number of basic assumptions that underlie the Ethiopian government's readiness to subscribe to the CAADP agenda as a national plan of action can be posited. These include:

First, Ethiopia is among the first group of African countries that embarked on the task of transforming the agricultural sector with a declared justification that agriculture-led growth is the only way to attain economic growth by making use of its comparative advantages in terms of such factors of production like land and labor. In this vein, GOE firmly believed that improved performance of the different sectors of the economy can be realized if the country's endowments in land and labor are judiciously utilized. Hence the African Union's according of primacy to agriculture as a vehicle for sustained economic growth in the continent is considered as a vindication of GOE's earlier moves along these lines.

Second and relatedly, the Ethiopian government saw the commencement of the CAADP process framework as a justification of its previous policy direction and hoped that it would serve to mute prior criticisms from various quarters for its emphasis on agrarian transformation at the expense of other concerns like urbanization, industrialization and expansion of the service sector.

Third, the agricultural transformation programme initiated by the government nearly a decade prior to the introduction of CAADP is justifiably believed to promote dual objectives, namely promoting agriculture-led economic recovery and growth on the one hand and serving as a vital instrument for obtaining regime legitimacy and political control on the other. It can thus be assumed that the quest for EPRDF's perpetuation in office by winning the votes of the majority of the electorate can be further strengthened by realizing broad-based growth and prosperity that could be brought about by proactive engagement in and implementation of the different CAADP projects.

Fourth, the agricultural transformation drives focusing on smallholder production since the early 1990s may not be sustained indefinitely in the face of unrestrained

population growth resulting in land fragmentation, landlessness, overcrowding, and reduced income. It goes without saying that these would likely neutralize whatever benefits smallholder farmers have reaped so far. In view of this, it can be envisaged that the EPRDF regime can face the peril of loss of its established constituency and consequently termination of its incumbency if the aforementioned constraints persist unabated. Hence the implementation of the different CAADP projects that are reconfigured as indigenized country pillars can provide opportunities for offsetting the undesired effects of the aforementioned challenges. In this connection, possible risks and uncertainties resulting from non-sustainability of smallholder agricultural production could be contained through resorting to large-scale agricultural land investments that are believed to bring about gainful employment, alternative sources of income, and additional means of livelihood for smallholder producers. This is very much in tune with CAADP's objectives of dealing with hunger and poverty provided that the anticipated benefits in terms of employment creation, additional income generation, and alternative means of livelihood are realized. Changes that take effect in this manner, therefore, can provide the regime with leverages that could be instrumental for persevering with its political control and entrenchment of patronage.

In the light of the foregoing, I argue that there is no real shift as regards the already existing political incentives on the part of GOE resulting from either its focusing on large-scale agriculture or joining the CAADP process. In other words, the Ethiopian government decided to adopt CAADP despite its already proven commitment to ensure fast economic growth without abandoning its tight political control as was the case prior to its endorsement of CAADP in 2003.

Progress in CAADP Implementation in View of Previous Policies

Based on the NEPAD-CAADP pillars, Ethiopia designed its indigenized version in July 2009 prior to the signing of the country Compact. This was allegedly undertaken in a manner that reflects the country's reality and priority needs. The indigenized pillars are thus taken as the core element for addressing the objectives, principles, and targets of CAADP Ethiopia.

Post-2009 developments

Following the signing of the Country Compact in 2009, the first order of business became the designing of the country's Policy and Investment Framework (PIF) covering the period between 2010 and 2020. The PIF is presumed to serve as a roadmap for guiding and implementing Ethiopia's Agricultural sector policy that is reconfigured and aligned with the four major pillars outlined above. According to the PIF document (MOARD, 2011: 1), the roadmap was an outcome of a broad-based collaborative

process involving the relevant key stakeholders. The process commenced with the Ministry of Agriculture and Rural Development's recourse to deploying a team of consultants who undertook the design that culminated in the production of a final report known as the "Ten Year Road Map"¹⁷ (ANNEX I). The Road Map is anchored in and aligned with the national vision of becoming a middle income country by 2020 and based on key policies that include:

- The draft Five-Year Growth and Transformation Plan (FYGTP) spanning from 2010/11 to 2014/15 (MOFED 2010);
- The Agricultural Development-Led Industrialization (ADLI) Strategy;
- The Plan for Accelerated and Sustained Development to end Poverty (PASDEP) covering the period between 2005/06 and 2009/10;
- Ethiopia's Millennium Development Goals (MDGs); and
- The Rural Development Policy and Strategies (RDPS).

The PIF formulation process was spearheaded by a steering committee comprising key representatives of the Rural Economic Development and Food Security Sector Working Group (RED & FS WG), which is chaired and directed by the Planning and Programming Directorate (PPD) of the Ministry of Agriculture (ANNEX II). This involved: (i) reviewing key policy and strategy documents; (ii) compiling statistical information on sectoral trends; (iii) holding consultations with a cross-section of stakeholders comprising GOE, CSOs, CBOs, the private sector and development partners; (iv) holding consultations with relevant actors in the four major regions (Oromia, Amhara, SNNP and Tigray) of the Ethiopian federation; and (v) convening a national consultation workshop to review the draft report in which all stakeholders including representatives of the private sector and farming communities took part.

Following a request by the Ministry of Agriculture, the Food and Agricultural Organization (FAO) provided assistance in facilitating the drafting of the PIF on the basis of information contained in the Ten Year Road Map Report that outlined key tasks and indicative timeframe for implementing and monitoring progress of the PIF. Tasks and responsibilities of actors presented in the Road Map are derived from the PIF document, the PIF Annual Review, the CAADP Ethiopia Business Meeting, and consultations that took place at varying times. However, the Road Map as such does not constitute an exhaustive list of PIF-related activities most of which are described in the annual work plans of the Rural Economic Development and Food Security Sector Working Group (RED&FS SWG), the constituent Technical Committees (TCs), as well as the Directorates/Agencies/Institutes of the Ministry of Agriculture (ANNEX II). The illustration in Annex III sheds light on indicators of progress for the years 2010 and 2011 based on information elicited from various sources like the Executive Committee of the Sector

Working Group, the associated Technical Committees, and the Planning and Programming Directorate of the Ministry of Agriculture and Rural Development.

Accomplishments in view of CAADP objectives

As mentioned, Ethiopia had already surpassed the CAADP targets in regard to annual agricultural production and budgetary allocation when the CAADP Compact was signed in September 2009. This was signified by the fact that “the growth rate of the agricultural sector in terms of agricultural production reached 13% whereas the budget allocated for agriculture both at the Federal and Regional State Governments level was about 15%”¹⁸ during the year in question. There are some modest indications of improvements based on available data regarding some areas of agricultural development prior to and after the signing of the national Compact. Though this cannot be directly attributed to CAADP, it is worth noting that capital budget allocated to agriculture increased by nearly 2 and a-half times from 4.4 billion birr in 2006/07 to over 10 billion birr in 2011/12 (MOFED 2011, see ANNEX III).

According to the Agricultural Sector Policy and Investment Framework document (MOARD 2011), GOE has re-aligned its policies to the CAADP pillars and pledged to increase budgetary allocations to agriculture. This is with a view to enhancing production/productivity, which would be accompanied by intensification of commercialization initiatives as the need for food aid and other forms of food security-related development assistance tend to decline. In accordance with the CAADP and PIF processes that highlighted areas where policy reviews, adjustments and refinements are needed, efforts are underway to attract private investment that is perceived as key to successful rural commercialization.

Financing

The PIF document also indicated that GOE is expected to continue its strong commitment to finance agricultural and rural development programmes over the next decade. The expectation is that with incremental economic growth in the country, the annual agricultural sector budget is expected to grow from around USD 0.7 billion in 2010-11 to as much as USD 1.7 billion per annum by the end of the PIF period. On this basis, the total budget over the ten-year PIF programme cycle would be in the vicinity of USD 18.0 billion. Of this, USD 2.5 billion is already committed to finance existing programmes and projects. It is also stated that USD 15.5 billion will be required during the second half of the PIF period after 2015. Priority investments have been identified under each of the four strategic objectives (SOs) to be financed jointly by the Government and its development partners. On the basis of GOE’s commitment to provide 60% (\$9.3 billion) of the costs, the remaining 40% (\$ 6.2 million) will be covered through donor funding¹⁹. However, it

is estimated that a lower economic growth scenario would reduce contributions to around USD 7.7 billion and USD 5.1 billion originating from Government and donor sources respectively. Whereas GOE’s contribution is to be derived from own internal sources (taxes, duties and other revenues), contributions from donors is to be made in two forms, namely grants (30% of the total) and ‘concessional loans’ (10% of the total)²⁰.

Ethiopia received in 2011 US \$ 51.5 million from the Global Agriculture and Food Security Programme (GAFSP), which is a multilateral mechanism established by leading donors in response to rising world food prices in 2008 and which sets alignment with CAADP as one of its conditions for funding to African countries. In the same vein, US support for agricultural growth-oriented activities in Ethiopia was doubled in 2010²¹.

Programme ownership

In terms of programme and process ownership, the Ethiopian Government has embraced CAADP and started playing a leading role in rolling out the Programme by spearheading implementation of the same. These are signified by the following:

- Commissioning studies aimed at stocktaking, gap identification and institutional capacity building;
- Holding business meetings and series of consultations with stakeholders;
- Reconfiguring CAADP Pillars in a manner that is in line with the country’s priorities;
- Facilitating the signing of the Country Compact;
- Aligning already existing policies, strategies and programmes with the CAADP agenda;
- Developing Ethiopia’s Agricultural Sector Policy and Investment Framework that serves as a roadmap for the period 2010-2020 and identifying priority areas for investment and the financing needs envisaged to be met by GOE and development partners;
- Designating focal institutions and assigning responsible units and staff for programme implementation housed in the Ministry of Agriculture and Rural Development; and
- Determining the respective roles to be played by the government and donors in terms of leadership and collaboration in respect to expediting the four CAADP Ethiopia pillars.

Implementation strategy and Government-donor relations

Means and ways of realizing the goals and objectives associated with the four CAADP pillars are outlined in the PIF document, which is hoped to enable both GOE and donors synchronize their interventions and monitor

progress in implementing programme-based activities. Accordingly, development partners pledged to commit additional resources and closely monitor progress of implementation of projects. This ushered in a well-coordinated and comprehensive arrangement signified by the termination of previous practices where donor interventions were characterized by bringing on board their individual frameworks and cooperation modalities.

Consequently, donors began to operate in a more organized and coherent manner by aligning and harmonizing their programmes in line with the goals stipulated in the CAADP Ethiopia Pillars. This resulted in reduction of the burden on the government that was required to comply with complex and diversified processes embedded in the working systems of individual donors. Progress in this regard is demonstrated, among others, by the fact that 22 donors have joined hand with GOE in participating in the Rural economic and Food Security (RED&FS) Sector Working Group that serves as a joint platform where mutual commitment on the part of each partner is clearly articulated. Accordingly, the major donors signed a communiqué committing to ensure that their joint intervention is to be carried out under the umbrella of what is known as the Donors' Assistance Group (DAG). RED&FS Sector Working Group Secretariat, which is a donor-government platform, was established for implementing activities embedded in the CAADP Ethiopia Pillars. The Secretariat is housed in the Ministry of Agriculture and Rural Development that became the hub for facilitating donor-government communications and implementation of schemes falling under its mandate. The Secretariat is co-chaired by the Ministry of Agriculture and the donors under an arrangement where the former remains a permanent chair while donors take turn every two years as co-chairs. Programme implementation is reviewed every year and this is done with a view to enabling utilization of donor resources efficiently and effectively.

Institutional development

A major development that took place following the signing of the National Compact regarding institutional capacity building pertains to the establishment of the Ethiopian Agricultural Transformation Agency (ATA) in January 2011. In 2009, the ex-Ethiopian Prime Minister (the late Meles Zenawi) requested the Bill and Melinda Gates Foundation (BMGF)²² to provide technical assistance by undertaking a diagnostic study aimed at identifying means and ways of dealing with the problems affecting agricultural transformation endeavours. The Foundation responded by deploying local and international experts to conduct the study the findings of which came up with suggestions for possible improvement. This led to establishing a dedicated special unit that enjoyed capacity in terms of resources, working systems and operational mechanisms that could be used for boosting efforts regarding the country's agricultural transformation. This culminated in the formation of the Agency signifying GOE's committed engagement driving

at the enhancement of the performance of smallholder agriculture by addressing the bottlenecks that militate against sated goals and objectives. Hence the creation of ATA is driven by the imperative of promoting smallholder production rather than the introduction of CAADP as a national plan of action regarding the sector. ATA's formation was thus driven by the urge for overhauling the Ethiopian agricultural system across eight sub-sectors involving a high profile consultative and multi-stakeholder process spearheaded by the Ministry of Agriculture and the Governing Council of the Agency. The diagnostic study identified a core set of needs as regards institutional capacity building, which was prompted by the recognition on the part of the country's top leadership that agricultural growth was not progressing fast enough as expected. The fact that the Head of GOE, the Prime Minister, assumed the chairpersonship of ATA's Governing Council is expressive of EPRDF's quest for persevering with its monopoly over policies and attendant practices associated with agrarian transformation in Ethiopia.

Without prejudice to the already existing roles, jurisdiction and competence of the Ministry of Agriculture, ATA is thus mandated to: i) spearhead problem-solving efforts by identifying solutions that are presumed to address systemic bottlenecks in priority areas; ii) extend support in implementation of identified solutions by providing project management, capacity building, technical assistance and knowledge-sharing to partners; and iii) enhance linkage with and coordination among stakeholders in high priority areas. The PIF document²³ states that the primary aim of the Agency is to promote agricultural transformation by supporting existing structures of government, the private sector and other non-governmental partners by addressing systemic bottlenecks and deliver on priority concerns. Registering economic growth and food security was envisaged to be achieved by focusing on: (i) seed systems; (ii) soil fertility; (iii) cooperatives; (iv) inputs market; (v) technology access and adoption; (vi) extension and research; and (vii) output markets for key commodities. ATA is thus expected to undertake a range of activities in terms of supporting the aforementioned programmatic areas by engaging in problem solving, lending support to implementation efforts, and spearheading activities in specific areas such as piloting of innovations. It is also charged with the responsibility of extending support to those engaged in the removal of shortcomings that underpin the Ethiopian agricultural extension system through introducing innovative measures that include providing trainings and facilities and introducing new and improved approaches in agricultural research²⁴.

In regard to governance, the Agricultural Transformation Council chaired by the Prime Minister who is deputized by the Minister of Agriculture is the highest regulatory body of the Agency. Other members of the Governing Council include the Ministers of Finance and Economic Development, Water and Energy, Cabinet Affairs, and Agriculture Bureau Heads of the four major

regional states (Tigray, Amhara, Oromia, SNNPR), and the Director General of the Ethiopian Institute of Agricultural Research who also serves as the Secretary of the Council. The powers and duties of the Council include²⁵:

- Providing leadership in identifying and developing solutions to the major impediments hampering agricultural development;
- Providing policy directions aimed at ensuring effective coordination among different actors engaged in the sector;
- Approving plans and evaluating the performance of the Agency and directing its activities as deemed necessary and appropriate; and
- Establishing various committees as the need arises.

The Agency works in partnership with pertinent line ministries and agencies of GOE, BMGF, IFPRI, US governmental organizations (Feed the Future, USAID), UNDP, the World Bank, and nonprofit NGOs like the Nike Foundation, the Rockefeller Foundation, and the Synergos Institute²⁶,

Monitoring & Evaluation (M&E) and Accountability

A system of monitoring and evaluation based on CAADP and PIF indicators is now already in place for evaluating programme activities annually²⁷. A roadmap for every pillar is also provided in the PIF Review Document whereby each pillar develops its own action plan. M&E will be undertaken at different levels to support effective implementation of the PIF by maintaining its focus and direction and providing information that could be used for addressing constraints and encountered problems. It is also envisaged that M&E will also be critical in ensuring accountability and transparency as regards funds channeled through national and regional government systems on the basis of the principles and procedures governing the multi-donor funded Protection of Basic Services (PBS) programme. This approach is consistent with the CAADP Compact in which GOE and the development partners agreed to mobilize funds and work together in developing and implementing M&E mechanisms including peer review, analytical studies, impact assessments, and information-sharing for continuous policy and programme development.

It was agreed that the RED&FS working group will also play monitoring roles by conducting annual reviews as regards implementing the PIF by way of evaluating performance against the milestone indicators. The Planning and Programming Directorate (PPD) of the Ministry of Agriculture is charged with the primary responsibility for M&E on the basis of results matched against the milestone indicators. The M&E strategy is envisaged to establish an interactive process for identifying issues and problems to ensure that the PIF focus is maintained and expected outputs and outcomes

are achieved. To augment its existing resources, the PPD deploys a fulltime expert specializing in M&E with direct responsibility for aggregating and analyzing information from the various programmes and projects that collectively constitute the PIF. The M&E system developed in this manner will utilize the Agricultural and Rural Development Database that is currently underway using assistance obtained from FAO, UNDP and the World Bank. The database will be developed on the basis of programmes, sub-programmes and projects and aligned to the four CAADP pillars. For each programme and sub-programme, fiscal data will be obtained directly from the Ministry of Finance and Economic Development (MoFED) including: (i) federal, regional and woreda level fiscal data and aggregated at national level; (ii) approved and adjusted budgets, and (iii) actual expenditures. It is envisioned that the database will generate information for each programme and sub-programme at different levels of government. These include: (i) recurrent and capital budget and expenditure data; and (ii) further detail as per the line items within the chart of accounts; e.g. salaries and wages, spending on fuel, capital goods and agricultural inputs. In addition to capturing expenditure details, the database will also contain indications of outputs generated under each programme and sub-programme at different levels of government, namely data on the percent of rural households receiving extension services, the number of new crop varieties released, and the size of farmland under small-scale irrigation. It is also stated that implementation of the PIF will be subject to independent external evaluation on at least two occasions during its ten year lifecycle.

Conclusions on value added

The Midterm Review of the Multi-Donor Trust Fund for Supporting CAADP²⁸ stated that Ethiopia's engagement in the CAADP process, despite its surpassing of the targets set for budgetary allocation and annual agricultural growth rate, has helped the country in a number of ways in the sense that it: i) brought together all relevant stakeholders to focus their attention and energy on the development of the agricultural sector; and ii) prompted stakeholders to examine how the budget allocated to the agricultural sector had been spent prior to the commencement of the CAADP process.

Informants²⁹ are of the view that there is no adequate data to measure the overall outcomes resulting from engagement in the CAADP process. Hence there is a need to undertake an in-depth study aimed at comparing the achievements resulting from engagement in the CAADP process and determining the measurable outcomes regarding state of affairs as compared to the pre-CAADP years. In terms of efficiency, there is a clear progress due to new initiatives associated with sector-oriented approaches that are currently in use. Moreover, there is a clear interest on the part of GOE to work closely with donors. The Paris Declaration on Aid Effectiveness regarding foreign aid has also contributed to the development of sector-oriented approach that led to a clear determination of which donor country/agency

supports which programmes/projects thereby facilitating efforts towards smooth alignment, coordination, and harmonization of activities that is hoped to avoid duplication of efforts.

Challenges and Gaps that Need to be Addressed

The PIF document³⁰ states that institutional capacity for implementing Ethiopia's agricultural policies and strategies is markedly limited. In spite of the fact that GOE has vigorously embarked on implementing the Civil Service Reform Programme (CSRP) in its bid to improve the workings of the public sector including those of the Ministry of Agriculture, there is still a lot to be desired in terms of offsetting the negative consequences resulting from capacity constraints of various sorts. The Ministry has fairly succeeded in introducing efficient and effective systems and procedures and has persevered with its efforts of improving institutional performance. Noteworthy also is the fact that one of the rationales behind establishing ATA is grounded on the recognition of the need to overcoming the limitations affecting the performance of the Ministry in question. These notwithstanding, the PIF document³¹ has identified numerous gaps covering a number of policy, strategy and institutional issues calling for remedial measures.

Policy gaps

Issues surrounding land administration and land use planning have been identified as important areas of concern in a number of policy documents (PASDEP, RDPS). However, several policy gaps in terms of meeting needs in regard to technical and other forms of support from the development partners for the design and implementation of improved land administration and land use planning by enhancing tenure security largely remain unaddressed. Second, paucity of an integrated and focused livestock development policy is evidenced by the absence of guidelines and directives governing dairy production. Third, existing policies are devoid of clear and substantive stipulation in regard to the supply of high quality seed at affordable prices, which is critical for ensuring agricultural productivity. The PIF document states that Ethiopia has so far been unable to develop a comprehensive seed production and distribution system to guarantee supply of high quality seed to all farmers under a situation where private sector participation in seed production and distribution is stagnant and highly curtailed. Fourth, constraints in financial services impeding the capacity of smallholders and emerging commercial farmers to adopt improved agricultural practices are observed. The problem is thus compounded by the absence of a feasible credit policy that enables investors to have access to medium/long-term loans and foreign exchange if Ethiopia is to embark on accelerated irrigation development, modern large-scale grain production, and agro-processing.

Strategy gaps

The PIF document noted that paucity of review of existing agricultural water management strategy is militating against efforts towards making major investments in irrigation development. This gap has entailed a situation of limiting the use of water resources to irrigating only horticultural crops whereas possibilities for production of large-scale industrial crops such as cotton and sugar through irrigation has remained marginal at present. In view of this, it is suggested that focus should also be lent to utilization of agricultural water for producing high value staple food crops as well as livestock feeds in order to enhance export of food crops and animal products. The existing strategy governing private sector participation in fertilizer production and supply chain is stated as being in need of being reviewed despite the fact that it envisages fertilizer production and supply to be actuated through a competitive and efficient importation and marketing system. This is due to the fact that the focus at present is on cooperatives rather than enhancing the role of private operators in the fertilizer import and distribution system. It should be noted that competition between traders and cooperatives would provide opportunities to farmers in terms of accessing fertilizers at reduced prices thereby enabling end users to have choice in terms of quality, type of input, and price if private investment in input production and supply is encouraged.

Institutional gaps

The PIF document has observed that poor implementation of existing policies and strategies is commonplace currently. This is mostly attributed to: i) institutional capacity limitations at all levels and in all of the sector institutions in general and at the level of local governments in particular. This is manifested in the form of human resource constraints, work premises, equipments, communication facilities, machinery, and logistics; ii) inadequate sector-wide linkages, relationships and synergies expressed in lack of vertical and horizontal collaboration and communication among and between ministries, CSOs, parastatals, and research institutes and the private sector; iii) inherent limited capacity within MOA constraining the conduct of effective planning, monitoring and evaluation, which negatively impacts on the level of investments envisaged under the PIF; iv) overlaps and duplication of responsibility for irrigation development is shared amongst Ministries of Agriculture and Water Resources and Energy (MoWRE) at the federal level and Bureaus of Agriculture (BOAs) and Water Resources and Energy (BoWRE) in the regions thereby creating confusion and a growing tendency of shunning accountability.

With regard to the aforementioned gaps, there is no complete information on whether these shortcomings are adequately addressed. However, there are indications that shed light on the fact that attempts are underway to deal with some of these that include land administration

and land use planning, agricultural water management, capacity building, and irrigation development, among others. Most importantly, there is no information on practical steps that are being taken in regard to private sector participation in the fertilizer production and supply chain despite repeated recommendations and the existence of strategies and haphazard policy statements to this end (Berhanu Abegaz 2011: 52). This could be explained by the ruling party's close guarding of its monopoly on seed and fertilizer production and supply, which proved to be an essential factor in preventing smallholder producers from using alternative sources that is presumed to be detrimental to the regime's quest for uncontested control and influence over them.

Inadequate representation of NSAs

In spite of the efficiency experienced in rolling out the CAADP process in a short period of time as mentioned earlier, a tendency that compromised the quality of participation and dialogue was observed. In this regard, the Midterm Review of the CAADP Multi-Donor Trust Fund³² provided evidence by stating that unlike what took place in other countries like Ghana, representatives of farmers organizations, the Parliamentary Committee for Agriculture and Pastoral Affairs, representatives of pastoral development commissions, and traditional leaders in Ethiopia were not included in important forums like the RED&FS Sector Working Group. The Midterm Review noted that the RED & FS forum was mainly dominated by the government and donors. For example, during the RED&FS meeting held on December 10, 2009, the representation of NGOs/CSOs and the private sector was only 3.3% and 6.7% of the total participants respectively³³.

It could be argued that such a low-level of involvement of non-state actors is an outcome of the coming into force of the 2009 CSO Proclamation (FDRE 2009) that largely excluded many CSOs from engaging in a wide-range of advocacy, policy, and rights-based issues.

Concluding Remarks

This study has shed light on the already existing domestic political incentive for transforming the Ethiopian agricultural sector that was further boosted as a result of GOE's adoption of CAADP as the country's plan of action. This move is signified by a situation that the EPRDF regime reaped a number of political and economic benefits that include: first, the vindication of its previous policies designed along similar lines despite criticisms of various kinds from different sources ranging from the political opposition to members of the internal and external technocratic elite; second, GOE is now able to invoke a continental mandate and donor approval to persevere with the imperatives of furthering its desire of persevering with entrenching the imperatives of economic growth on one hand and political patronage and control for ensuring its perpetuation in power on the

other; third, ensuring flow of increased donor funds for the attainment of the aforementioned twin-objectives through forging partnership with "development partners" who pledged to support GOE's agricultural transformation scheme at continental, regional and national forums; fourth, synchronization and alignment of donor assistance and modality of intervention resulting from engagement in the CAADP process had eased the onus of the government in handling the enterprise of agricultural transformation single-handedly; fifth, the deficits in institutional capacity building and technical drawbacks appear to be in the process of being offset as expressed in the efficient rolling out of the programme in a short period of time and the establishment of the ATA; and last but not least, GOE has succeeded in gaining added leverage for attracting more aid as a reliable ally of the western donors partly resulting from its fight against Islamist insurgents in Somalia that it waged since 2006.

GOE's engagement in the CAADP process is underpinned by aspects of change and continuity. Whilst the fact that it has taken donors and non-state actors on board as opposed to its previous practices signified by its solo engagement in agricultural transformation policies and practices constitute an aspect of change, its persistence with regard to the near-exclusion of domestic players like CSOs/NGOs and CBOs at arms length despite formal posturing of inclusiveness constitutes continuity of its previous dispositions. Generally speaking, EPRDF's adoption of CAADP and its proactive engagement in the associated processes is not a new start but rather a continuation of previous initiatives, albeit in a slightly changed form. Given that Ethiopia's full engagement in the CAADP process is a phenomenon of the recent past, it is hardly possible to clearly discern the value added of the Programme in terms of bringing about fundamental changes in the workings and outcomes of Ethiopia's agricultural transformation effort.

END NOTES

- ⁱ Addis Ababa University
- ¹ Revised as Proclamation 759/2012, Media Proclamation, Addis Ababa: Berhanena Selam Printing Press.
- ² FDRE (2009), Proclamation No. 652/2009, Anti-Terrorism Proclamation, Addis Ababa: Berhanena Selam Printing Press
- ³ FDRE (2009), Proclamation 621/2009, Addis Ababa: Berhanena Selam Printing Press.
- ⁴ HRW (2005), "Ethiopia: Political Dissent Quashed", www.hrw.org/news/2005/05/09/ethiopia-political-dissent-quashed, accessed on 25/11/2012. see also <https://www.amnesty.org/en/region/ethiopia/report-2005>.
- ⁵ US Department of State (March 2006), "Ethiopia: Diplomacy in Action", Washington DC: Bureau of Democracy, Human Rights and Labor, www.state.gov/j/drl/rls/hrrpt/2005/61569.htm

- 6 www.publications.parliament.uk/pa/cm/200506/cmhansrd/vo06...
- 7 CAAD News (December 9, 2010), "US Supports Ethiopia's Agriculture Policy and Investment", www.CAADP.net/news/?p=926, accessed on 22/11/2012.
- 8 USAID/Ethiopia (March 2012), Country Development Strategy, 2011-2015, Addis Ababa: USAID Country Office.
- 9 MOFA, GOE (November 19, 2012), "UK Pledges to Continue to Support Ethiopia's Development", www.diplonews.com/feeds/free/19_November_2012_83.php, accessed on 22/11/2012.
- 10 Ministry of Foreign Affairs, GOE, 22 January 2010, "Politically-Motivated Opposition to Agricultural Investment", *A Week in the Horn*. See also Official Statement by Berhanu Kebede, Ethiopia's Ambassador to the UK, *The Guardian*, 4 April 2010.
- 11 Fikre Tolossa, March 1, 2011, "Land Grab in Africa: The Case of Ethiopia", A speech delivered at the Commonwealth Club of California, <http://nazret.com/blog/index.php/2011/03/03>, accessed on May 24/2012
- 12 NEPAD Planning and Coordinating Agency Website, January 06, 2012.
- 13 William Kingsmill, Amdissa Teshome and Stephen Tembo (November 2011), *Mid-Term Review of the CAADP Multi-Donor Trust Fund*, p.48
- 14 *Ibid.*
- 15 <http://www.caadp.net/pdf/Ethiopia%20CAADP%20compact.pdf>.
- 16 Ethiopia used to receive a total of \$ 1.9 billion each year from donors in various types of aid prior to the 2005 crackdown on the opposition, which prompted donors to put on hold the Direct Budget Support (DBS) the government used to receive annually (*Somaliland Times* 2005). The reprisal against government misconduct, however, did not last long. Various sources (Easterly and Freschi 2010) indicated that the Ethiopian government received more than the amount provided prior to 2005, which is about \$ 3.3 billion every year since 2008.
- 17 Demese Chanyalew, Berhanu Adenew and John Mellor (2010): "Ethiopia's Agricultural Sector Policy and Investment Framework: Ten-Year Roadmap (2010-2020)".
- 18 *Comprehensive Africa Agriculture Development Programme, Ethiopia Study Volume I (Final Report)*, July 2009, Addis Ababa, Ethiopia, p. xviii.
- 19 *Ibid.*
- 20 Ministry of Finance and Economic Development in conjunction with Ministry of Agriculture and Rural Development, 2010, "Request for Funding the Public Sector Window Submitted to the Global Agriculture and Food Security Programme (GAFSP); Agricultural Growth Programme Gap Financing, Part 1; "Summary of Agriculture and Food Security Strategy and Post-Compact Policy and Investment Framework, Part 2: Country Proposal for GAFSP Funding" (Draft), p. 06.
- 21 www.caadp.net/news/?p=926.
- 22 BMGF (July 2010), "Accelerating Ethiopian Agriculture Development for Growth, Food Security and Equity"
- 23 MOARD, GOE, (March 2011), "Ethiopia's Agricultural Sector Policy and Investment Framework, Final Report", p. 9.
- 24 www.ata.gov.et/programs/system-programs/extensions-research/, accessed on 24/12/2012.
- 25 www.ata.gov.et/about/governance/ accessed on 22/07/2012
- 26 www.ata.gov.et/about/partners/ accessed on 22/07/2012
- 27 MOARD, GOE, (March 2011), "Ethiopia's Agricultural Sector Policy and Investment Framework, Final Report", pp. 32-33
- 28 William Kingsmill, Amdissa Teshome and Stephen Tembo, p. 48. The multi-trust fund is a contribution by several donors that include the World Bank, USAID, SIDA, DFID, the EC, and the Netherlands Government.
- 29 Natural Resources specialist, Private Consultant, former Head of Technical Assistant to the Government of Ethiopia and Donors' Working Group, Ministry of Agriculture and Rural Development (Int. May 04, 2012, Addis Ababa); Coordinator, Rural Economic Development and Food Security Sector Working Group Secretariat (April 20, 26, 2004, AA); Monitoring and Evaluation Specialist, MoARD, (April 26, 2004, AA); Senior Expert, UN Agencies and Regional Economic Cooperation Directorate, MoFED (April 17, 2012, AA).
- 30 MOARD, GOE, (March 2011), "Ethiopia's Agricultural Sector Policy and Investment Framework, Final Report", p.9. .
- 31 *Ibid*, pp.9-12.
- 32 William Kingsman et al., pp. 48-49
- 33 *Ibid*, p. 49.
- 34 Summary commitments excerpted from Joint Communiqué signed by the Government of the Federal Democratic Republic of Ethiopia and Development Partners on the occasion of the CAADP Ethiopia Business Meeting, held December 7, 2010.

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ANNEX I

ROAD MAP FOR THE IMPLEMENTATION OF THE ETHIOPIA'S AGRICULTURAL SECTOR POLICY AND INVESTMENT FRAMEWORK

Government of the Federal Democratic Republic of Ethiopia and Development Partner's Commitments³⁴

For the Government of the Federal Democratic Republic of Ethiopia:

- Sustain its engagement and leadership in the development and implementation and monitoring of the PIF, including through its role as chair of the RED&FS SWG and its Technical Committees (TC).
- Allocate and commit sustained financial resources for support of the PIF's goals and objectives, with a target of reaching 7.5% of GDP by 2020, and communicate the details of this commitment to the development partners on an annual basis.
- Continue policy and institutional reforms called for in the PIF and the Growth Transformation Plan.

For all Development Partners:

- Use the PIF as a platform for ensuring alignment and harmonization of investment programming in an environment of communication, cooperation and mutual accountability.
- Endorse and support the PIF and the Technical Review and Roadmap and consider their strategic recommendations in the development and delivery of policy, programs and projects.
- Use the RED&FS SWG as the principal mechanism for dealing with issues related to (1) harmonization and alignment with the PIF; (2) executing elements of the Roadmap; (3) resolving technical, policy and operational constraints; and (4) identifying financial resources to support implementation.
- Strive to achieve and sustain the 8% target growth rate for agricultural GDP.

For Donor Agencies:

- Exercise the harmonization alignment, mutual accountability and managing for result of development principles established under the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.
- Augment aid effectiveness by committing to coordination platforms such as the RED&FS SWG and its associated Technical Committees; where possible engaging with flagship programming; and adhering to the proposed "Guidelines for Alignment of New Projects" currently under development.
- Review their portfolios to draw lessons from their programs and identify best practice interventions that could be extended and/or improved.
- Provide financial, technical and methodological support in developing, financing and implementing PIF goals and objectives. To the extent possible, regularly communicate financial commitments to this process on an annual basis to the GoE, beginning June 2011.

	Tasks	Lead responsibility
SO1:	To achieve a sustainable increase in agricultural productivity and production	
1	Support the implementation of Agricultural Growth Program	AG TC
2	Integrate Livestock/pastoralism Program in to PIF*	AG TC
3	Design and support a Livestock/Pastoralist Development Program in line with CAADP/ PIF	AG TC
4	Support investments in Agriculture Input System (Seed, Fertilizer and agro chemicals)	AG TC
5	Support investments in the research and extension systems and strengthen linkages between extension , research and farmers	AG TC
SO2:	To accelerate agricultural commercialization and agro-industrial development.	
6	Support the review of agricultural land administration and use strategies and programs of large scale agricultural land investment	AG TC
7	Support investments in storage facilities and value addition	AG TC
8	Support investments to establish and improve markets and marketing systems (market information, market infrastructure etc)	AG TC
SO3:	To reduce degradation and improve productivity of natural resources.	
9	Support implementation of the Sustainable Land Management Program	SLM/NRM TC
10	Support implementation of Ethiopia Land Administration and Land Use Development Program, ELALUDEP (enhancing the policy and legal framework for land administration and land use, develop institutional and technical capacities in these areas, and strengthening land rights for pastoralists).	SLM
SO4:	To achieve universal food security, avoid and/or lessen at the adverse impacts of hazards and related disasters, and protect lives and livelihoods of at risk population.	
11	Support the implementation of the DRM approach (needs clarification?)	DRMFS TC
12	Support emergency and recovery responses (needs clarification?)	DRMFS TC
13	Support the implementation of the Food Security Program (needs clarification?)	DRMFS TC
14	Support finalization of the DRM Policy, and the DRM SPIF and the investment planning process.	DRMFS TC /EXCOM
	Cross Cutting Areas	
15	Revision of PIF in line with emerging issues	EXCOM/SLM/AG TC
16	Support REDFS SWG advocacy and awareness	Ex com
17	Support harmonization and alignment of programmes under the three TCs	EXCOM
18	Annual review of PIF implementation, including assessing the contribution of each pillar's programmes to other SOs.	Ex Com
19	Strengthen the capacity of Planning and Programming Directorate (PPD) of MoA. <ul style="list-style-type: none"> Ensure improved result based management and financial/budget monitoring systems are in place and functional 	Excom/PPD/ATA supported by Secretariat
20	Assesses progress towards Aid Effectiveness indicators	Excom supported by Secretariat
21	Ensure gender mainstreaming in all pillars of the RED&FS	Ex como Women Affairs Directorate/

Source: MOARD, 3rd Version, March 2012, Addis Ababa.

ANNEX II

RURAL ECONOMIC DEVELOPMENT AND FOOD SECURITY (RED&FS) SECTOR WORKING GROUP (SWG) AID EFFECTIVENESS INDICATORS				
Government Partners Representatives in the SWG		22		
Development Partners Representatives in the SWG		10		
SWG Chair		Ministry of Agriculture		
SWG co-chairs		USAID and World Bank		
Number of Development Partners contributing to the sector		22		
Indicator of progress	Source of Information	2010	2011	
		Baseline	Target	Result
Ownership				
1. A clear medium term investment framework linked to the national five year development plan in place.	RED&FS Ex Com	PIF & Road Map	100% of Road Map items have begun implementation	% Road Map implementation in progress
2. A formal mechanism of dialogue/coordination between the GoE and its DPs is in place with clear ToR	RED&FS Ex Com	RED&FS SWG and TCs ToRs and Action Plans	Action Plan completed	% activities of Action Plan completed
	RED&FS Ex Com & TCs	Required number of meetings as defined in ToRs	100% of required meetings held	% of required meetings held
3. A mechanism for ensuring alignment of new projects is operational.	RED&FS Ex Com	Draft Alignment Guidelines	100% of donors (by portfolio investment value) signed on to Guidelines	% of donors (by portfolio investment value) signed on to Guidelines
4. Involvement of GoE in project design: % of new projects where GoE fully (at all stage) involved in preparation of new projects	MoA PPD	Requires ongoing consultation with PPD	Start implementing this action.	Status of implementation
6. % of Aid going to the agriculture sector/total aid	MoFED	TBD (12% for all RED&FS?)	TBD	TBD
Alignment				
7. Total Value of Projects	RED&FS database	3.5 bill USD	3.5 bill USD	2011 Result
8. % of Aid flowing to the agriculture sector which is reported on the Gov national budget	MoFED	Not available	Will start receiving data from MoFED	2011 Result
9. Number and value of projects implemented by the GoE/ number and value of total projects	RED&FS database	28% -in number 63%- in value	33% -in number 73%- in value	2011 Result

10. Number and value of projects using parallel PIU/ number and value of projects implemented by the GOE	RED&FS database	6% -in number 3%- in value	6% -in number 3%- in value	2011 Result
11. Number and value of projects using GoE procurement system/ number and value of project implemented by GoE	RED&FS database	6% -in number 68%- in value	6% -in number 68%- in value	2011 Result
12. Average size of projects (total US\$ amount/ projects)	RED&FS database	US\$30 million	US\$33 million	2011 Result
13. Total number of projects	RED&FS database	118	107	2011 Result
14. Value of funding into pooled funds/total value of funding	RED&FS database	50%	55%	2011 Result
Harmonization				
15. Number of donors present in sector and sub-sectors.	RED&FS database	22	22+ (more donors will join the SWG)	2011 result
16. Number of initiatives leading to donors' joint positions or activities	RED&FS Ex Com	To be referenced in survey of Ex Com, SWG, and TC minutes	process will be initiated	Status works on this matter
Managing for Results				
17. Annual joint results reviews for GTP and PIF are conducted.	RED&FS Ex Com	Final GTP and PIF documents in place	Reviews conducted	2011 results
18. Review recommendations are followed up.	RED&FS Ex Com		100% recommendation follow-up initiated	2011 results
19. M&E system of sector is strengthened.	RED&FS Ex Com	Establishing M&E system initiated	Sector M&E system finalized	2011 results
Mutual Accountability				
20. Undertake mutual assessments of progress in implementation of agreed commitments to aid effectiveness	RED&FS Ex Com	Agreement on Aid Effectiveness Indicators	RED&FS Joint assessment of progress	2011 results
21. Annual review of sector indicators	RED&FS Ex Com	Joint Approval of Aid Effectiveness Indicators	Joint review of sector indicators completed	2011 Result

22. Annual sector budget review exercise	RED&FS Ex Com	Joint agreement on sector budget review (discussion underway)	Joint review of sector budget completed	2011 Result
23. Sector performance expenditures review	RED&FS Ex Com	Requires established sector budget review process	Expenditure review process initiated	Status of the review process
24. Number of Shared Reports	RED&FS ExCom&Secretariat	Secretariat will establish report library	Library Archive established and receiving reports	2011 Result
25. Financial Data on Projects	RED&FS database	Database modified to receive MoA data	All MoA project data entered into database	2011 Result
26. Tracking Mechanism of FDI in Agricultural Sector	MoFED or Investment Bureau	Ongoing	Ongoing	Ongoing

Source: MOARD, RED & FS Sector Working Group (SWG) Aid Effectiveness Indicators, June 2011.

Annex III: Government Capital Budget including Agricultural Capital Budget (million birr)

ETHIOPIA: GENERAL GOVERNMENT CAPITAL EXPENDITURES BY FUNCTIONAL CLASSIFICATION, PERFORMANCE (2001/02-2011/11) (CUMULATIVE)												
Ethiopian fiscal year	02:01:47 AM											
Fiscal year ending July 7	29-Sep-12	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
		budget										
Economic development		3750	4594	5070	10311	14623	16140	21313	26751	27474	32493	56366
Agriculture		569	997	1681	2861	3739	4044	4819	5497	5772	7169	10110
Natural Resource		603	746	636	1170	1992	2056	2607	3372	4334	5056	12256
Mines & Energy		39	109	113	95	135	1300	1379	1387	3263	4914	8883
Industry		78	68	91	14	0	0	0	0 1376		1137	1196
Trade, Industry & Tourism		7	19	106	335	210	248	370	514	507	593	1600
Urban dev't & housing		170	221	165	1852	1520	2379	2987	4143	479	2942	2763
Road construction		1910	2307	2282	3330	4376	5897	8866	11450	14372	14915	27457
Transport & communication		374	196	87	667	2652	216	285	389	633	681	985
Social Development		1465	2225	2291	2746	3612	5435	6203	8641	10942	15664	20290
Education		958	1426	1564	2235	3104	3628	3700	5791	7657	10762	14464
Health		465	733	679	455	418	1663	2276	2679	3109	4491	5158
Social welfare		22	35	20	16	43	23	12	10	18	16	94
Culture & sport		20	30	28	40	47	122	214	162	158	394	574
General Development		549	369	981	542	681	992	1136	1581	2158	3846	5787
Total Capital Expenditure		7062	7188	8341	13600	18916	22567	28652	36974	40573	52003	82443
Domestic source		2555	3759	4429	9744	13764	15833	20527	26850	29849	38182	64850
External assistance		1299	1275	1326	1780	3137	4280	5239	6645	6943	8695	10785
External loan		1909	2199	2574	2076	2015	2454	2887	3480	3781	5126	6807

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