

# CAADP 10 YEARS ON

How will Africa sustain the effort?

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# Outline of the Presentation

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## Background and context

- CAADP achievements over last 10 years
- Challenges
- Adapting to a changing world
- The Sustaining CAADP momentum exercise -listening and learning

## Where to and How over the next decade

- Implementation capacity for a transformational agenda
- Sharpening action on policy and institutions
- Asserting African ownership/local leadership

# Why “Sustaining CAADP momentum”

- AUC & NEPAD Agency commissioned this exercise
- Renewing commitment and drive for more action
- Delivery of RESULTS and IMPACT through IMPLEMENTATION and EXECUTION
- Opportunity for bold action in face of changing global/local factors

# Principles and targets that define CAADP

- Agriculture-led social and economic transformation
- Pursuit of a 6% average annual sector growth rate
- Allocate 10%+ national budget the agricultural sector
- Exploit regional complementarities and cooperation
- Dialogue, review, and accountability
- Partnerships, alliances
  - (farmers, agribusiness, and civil society, as well as development partners)

# CAADP implementation & achievements

**Over 40  
Countries  
actively  
engaging**

**\* 30 Country  
Compacts**

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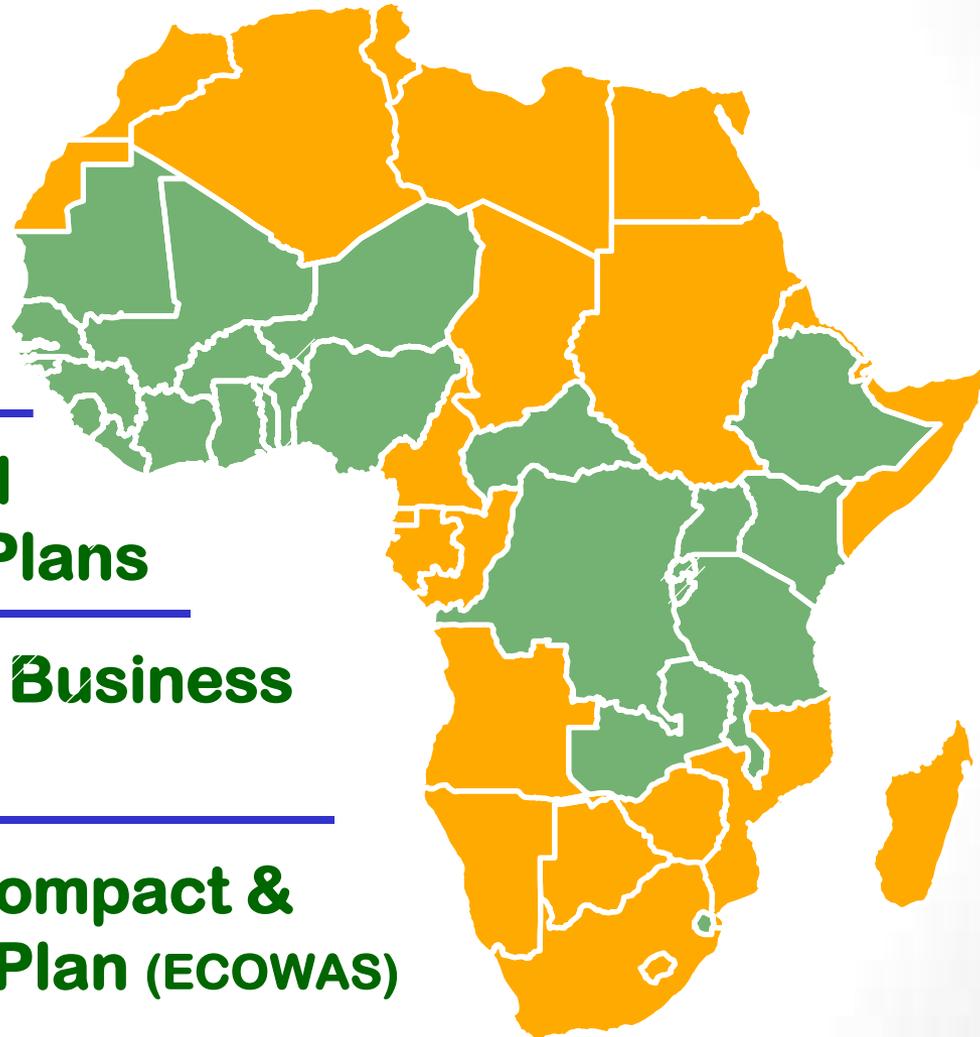
**\* 27 National  
Investment Plans**

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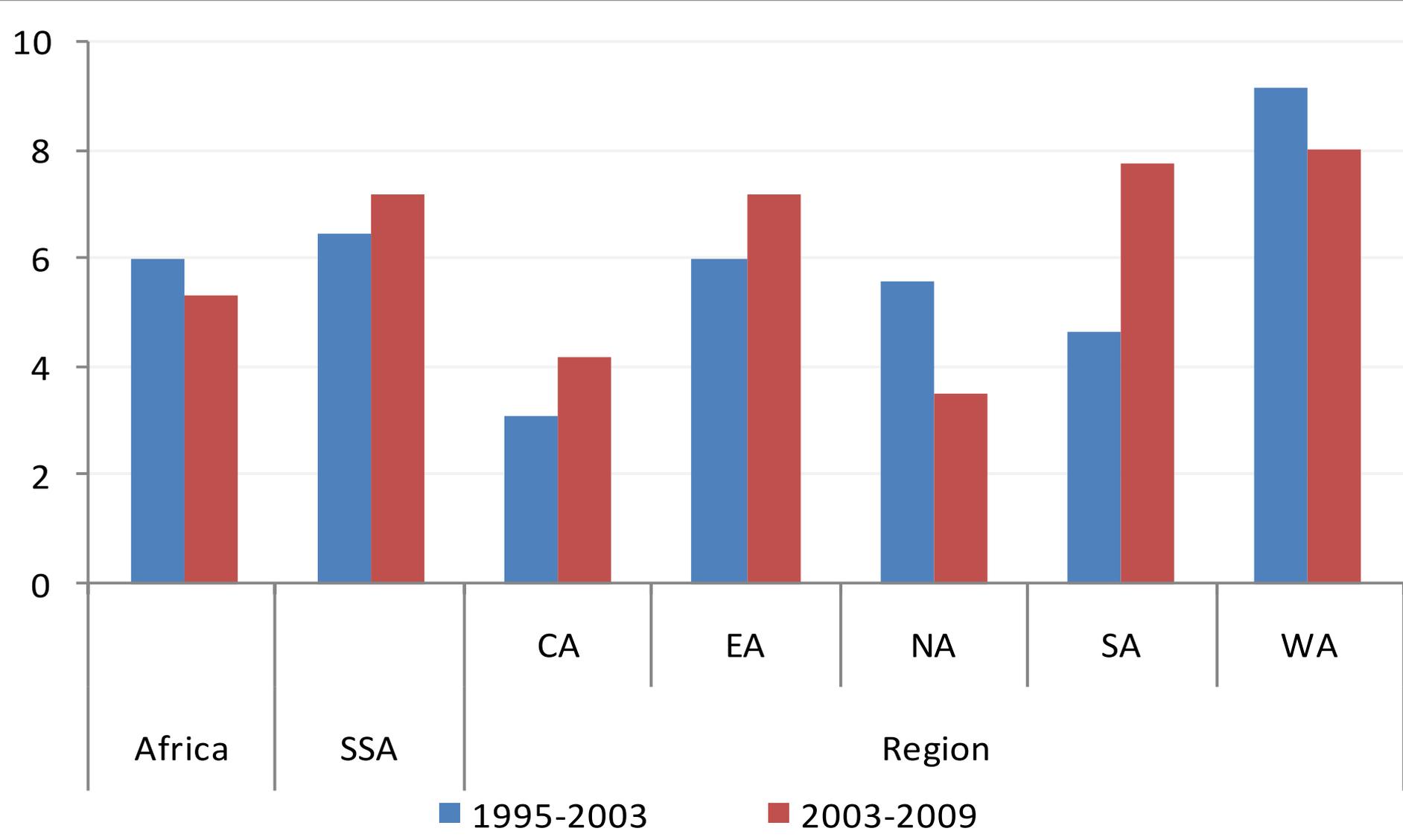
**\* 24 country Business  
meetings**

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**1 regional compact &  
Investment Plan (ECOWAS)**



# Public Expenditure Share in Africa (%) by region



# GAFSP allocation to-date

Country	Amount Allocated	Country	Amount Allocated
Ethiopia	US\$ 51.5m	Burundi	US\$30m
Niger	US\$ 33.0m	Malawi	US\$39.6m
Rwanda	US\$ 50.0m	Tanzania	US\$22.9
Sierra Leone	US\$ 50.0m	Senegal	US\$40m
Togo	US\$ 39.0m	Gambia	US\$ US\$28m
Liberia	US\$ 46.5m		

# Agricultural growth rates

- Africa's annual total GDP grew:
  - Average 4.8% between 2000-10
  - Compared to 2.1% in the previous decade (1990-99),
- The Ag sector annual GDP growth rates were 3.2% and 3.0% respectively for the two decades.
- Although agriculture grew at a moderate rate, this growth has contributed to significant reductions in poverty in many African countries

# The African Context

- Yet Africa still: food insecure; low agric productivity; low rural incomes
- Urbanization: 50% urban by 2035
- Youthful population: (40% under age 23)
- CAADP providing the instrument to respond to challenges and opportunities?

# Other CAADP implementation & achievements

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- Agriculture is back to the political and policy agenda
- Political commitment to increased budgetary allocations
- Mobilised African stakeholders around a common agenda
- Promoted regional integration and coordination
- MDTF support capacities of AU institutions
- Evidence-based & peer-reviewed agricultural plans and programmes
- CAADP serves as an important point of departure for governments in their engagement with domestic international private investors

# CAADP failures in 1<sup>st</sup> Decade

- CAADP raised high expectations of mobilization new resources
- Confined itself to investment plans and created a financial dependency to which only donors could respond
- Did not align donors to the policy choices of African state
- CAADP shifted to financial commitments, thus political alignment with the strategies and available donor funds
- African financial institutions (AfDB, regional development banks, and private equity and investment banking institutions) hardly involved

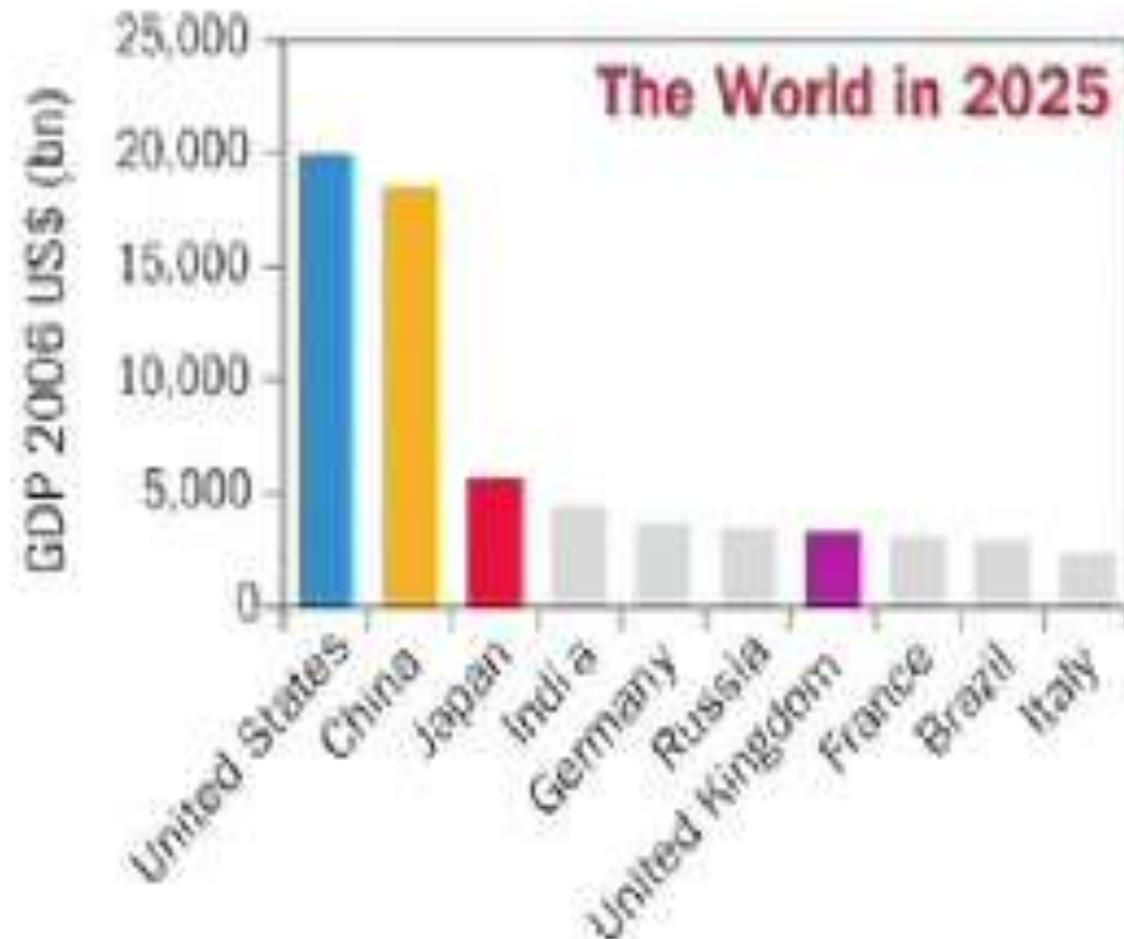
# Implications of 1<sup>st</sup> decade failures

- African countries need to regain leadership of the process by:
  - Promoting economic policy instruments at relatively modest cost
  - Mobilise domestic resources and reduce dependence on donors
  - Policy instrument implementation and institutional changes
- New thrust for CAADP should not lead countries to repeat planning processes:
  - focus on programme implementation, institutional arrangement, and policy tools designing and negotiations
- This strategy may not suit some of the donors who may want to limit the state intervention to a minimum as mediation of private investment without affecting the current economic rules that is in the “spirit of OECD”.

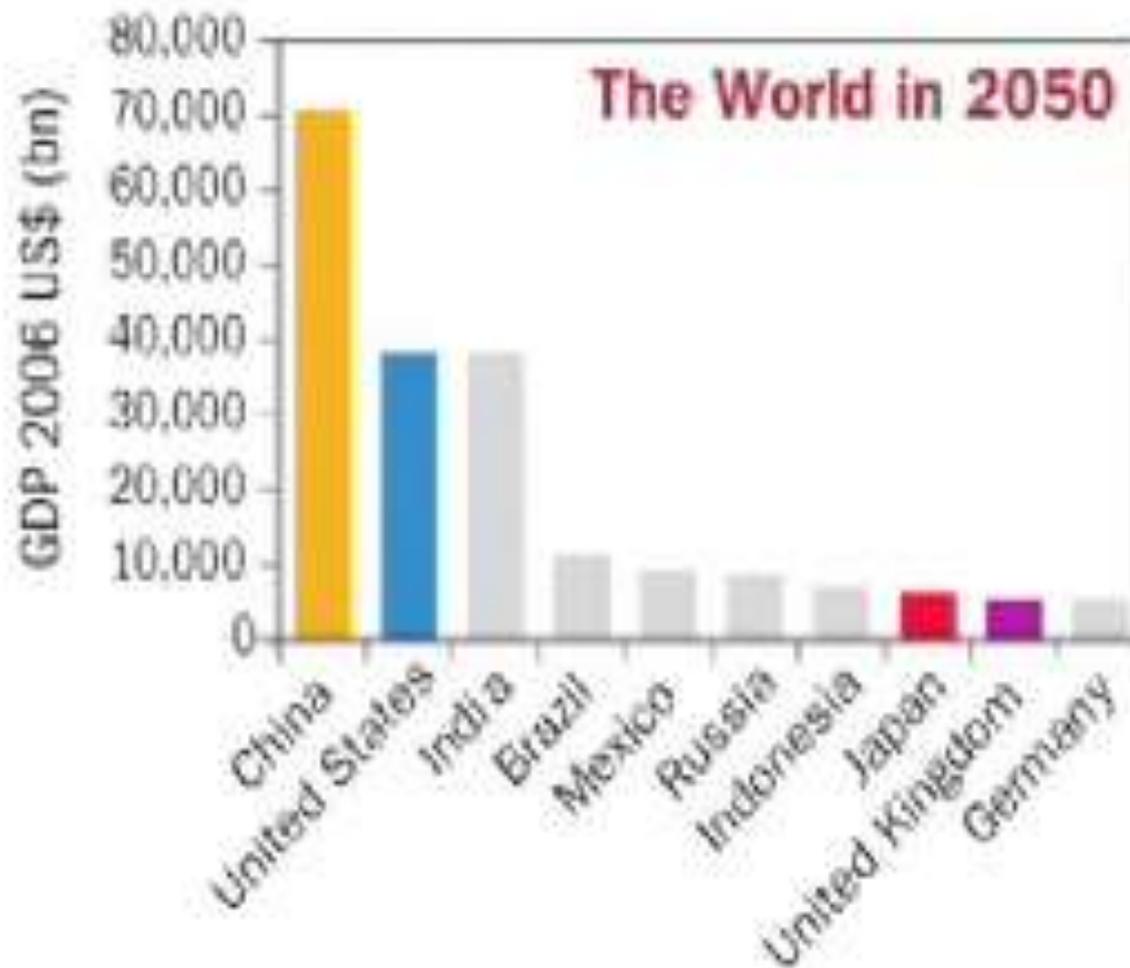
# Changing global environment

- World food stocks low, prices increasing
- Impacts of climate change; bio-fuels etc.
- Parts of world economy shrinking
- ODA also shrinking
- Financial markets turbulent
- Scarcity and higher demand globally for cheap primary resources (land, water, labour)
- OECD countries still subsidizing agric.-negative impact on African competitiveness
- Global economic and geopolitics changing fast
  - **Africa not on the map unless integrated**

# Projected size of national economies



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# Challenges/Opportunities facing CAADP

What stakeholders have told us:

- too much focus on the issue of public financing;
- too much focus on the supply side and not on making markets work
- weak inter-ministerial and inter-sectoral coordination
- consistent and coherent African vision, agenda and positions (e.g. enabling smallholders, governance of natural resources etc...);
- risk of bureaucratization = talks no action on concrete concerns of agriculture
- multiplicity of initiatives

# Bold Actions Needed

- Africa and CAADP should develop in the next 5 years a master-plan for Africa:
  - Not dependent on food aid
  - As the new breadbasket for the world
- The plan should lay out the transition from a “resource” to an “efficiency/innovation” driven economy
- Africans better utilise natural resources to leverage know-how, technology, markets, jobs and capital to develop and modernise agriculture and economy.

# Bold Actions.....

- African financial institutions (ADB, regional development banks, and private equity and investment banking institutions) should play a prominent role
- Systemic capacities:
  - Public sector: institutional reforms and policy alignment
  - Farmers: collective action and business entrepreneurship
  - NSA: collective action; policy engagement, CD
  - Community and local government: social and economic capital

# The Improved African Environment for Bold Action

- Agriculture-led economic development & food sovereignty still high on agenda of African countries
- 2000/10 best African decade in economic growth
- Greater democratic intensity and good governance
- growing African ownership and leadership of CAADP
- AUC/NPCA Strategic competence
- AU/NHSOC

# Key issues in sustaining CAADP

- Positioning 'wealth creation' as primary driver for agriculture development
- Improving Africa's capacity to feed itself when global markets become unreliable
  - (food security and food sovereignty)
- Increase quantity and quality of public investments that leverage private investments
- Policies and investments to forge regional trade and inter-regional trade preference

# Looking Forward – Priorities for 2013 and beyond

- **Focusing the efforts at country level**
  - Develop, strengthen country implementation capacity
  - Bring in more private sector support and other financing
  - Support commodity value chains and platforms
  - Strengthening quality of country plans
- **Strengthening regional dimensions for CAADP implementation**
  - Integrative actions, trade, regional cooperation

# Driving for results and impact

## IMPACT

**CREATE:** Wealth; jobs & incomes; food; resilience; growth

## OUTCOMES

**DELIVER:** increased productivity, competitiveness, regional and global integration

**COUNTRY CAADP IMPLEMENTATION AND INVESTMENT PLANS**

Country Support Programmes

## STRATEGIC THRUST

- (a) Build Institutional Capacity for Policy and Leadership
- (b) Support Farmers with Knowledge, Information, Learning Skills
- (c) Mobilise Domestic and Foreign Financing and Investment

# TRADITIONAL AFRIKAN PRINCIPLES OF AGRICULTURAL RENAISSANCE

- Small family farms.
- Farming is a tradition to bequeath
- Preserve gene pool, farmers, cultural DNA
- Holistic resource management
- Inter-cropping
- Organic foods and fertilizers
- Continuous harvesting

Development is about..

## MORDENIZING NOT WESTERNIZING

- **Culture:** Hard work; Saving and investment; Collective responsibility; Learning; Wisdom; Peace; At one with Nature; Dignity for all
- **Society:** Strong families; Strong communities
- Answers lie within
- The only truth is one you discover for yourself
- **These are the highest values that create wealth and an ADVANCED SOCIETY**

**Siyabonga**

**Asante Sana**

**Thank you**

