CAADP 10 YEARS ON

How will Africa sustain the effort?

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Presented at PEAPA Conference. Pretoria. 19 March 2013
Outline of the Presentation

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
* 27 National Investment Plans
* 24 country Business meetings

1 regional compact & Investment Plan (ECOWAS)
Public Expenditure Share in Africa (%) by region

![Bar chart showing public expenditure share in Africa by region from 1995 to 2009.](chart.png)

## GAFSP allocation to-date

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount Allocated</th>
<th>Country</th>
<th>Amount Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethiopia</td>
<td>US$ 51.5m</td>
<td>Burundi</td>
<td>US$ 30m</td>
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<tr>
<td>Niger</td>
<td>US$ 33.0m</td>
<td>Malawi</td>
<td>US$ 39.6m</td>
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<tr>
<td>Rwanda</td>
<td>US$ 50.0m</td>
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<td>Sierra Leone</td>
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<td>Senegal</td>
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<tr>
<td>Togo</td>
<td>US$ 39.0m</td>
<td>Gambia</td>
<td>US$ 28m</td>
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<tr>
<td>Liberia</td>
<td>US$ 46.5m</td>
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</tbody>
</table>
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

- 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\textsuperscript{st} 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 1st 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

The World in 2025

GDP 2006 US$ (bn)

- United States
- China
- Japan
- India
- Germany
- Russia
- United Kingdom
- France
- Brazil
- Italy
Projected size of national economies

The World in 2050

GDP 2006 US$ (bn)

China
United States
India
Brazil
Mexico
Russia
Indonesia
Japan
United Kingdom
Germany
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