



## Fostering intra-regional agricultural trade in Africa What could the role of CAADP be?

In 2014, in Equatorial Guinea's capital of Malabo, the African Union relaunched the continental African Agriculture Transformation agenda, the Comprehensive African Agriculture Development Programme (CAADP). Trade has become one of the new focus areas. What can we expect from the Malabo agenda for fostering intra-African agricultural trade? And what can we learn from CAADP implementation so far?

In 2003, African leaders took a first step towards reversing decades of neglect with a strong commitment to investing in agriculture. Through the Maputo Declaration at the second African Union (AU) summit, held in Maputo, the capital of Mozambique, African heads of state and government made a bold promise: to allocate ten per cent of national budgets to agriculture and seek a six per cent annual agricultural growth rate. They also adopted a lead document that structured the programme into four thematic pillars. Regional agricultural trade was not a target as such, but it was conceptually covered by Pillar 2: "Rural Infrastructure and Trade-Related Capacities for Market Access". This Pillar was supposed to promote all kinds of trade, from local to international.

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In the 2014 Malabo Declaration on "CAADP and commitment to accelerate agricultural growth and transformation for shared prosperity and improved livelihoods", regional agricultural trade is now one of the seven key commitments (see Box on page 17). It has two clear targets:

- Triple intra-Africa trade in agricultural commodities.
- Fast-track continental free trade area & transition to a continental common external tariff scheme.

What can we expect from the Malabo agenda for fostering intra-African agricultural trade? What can we learn from 13 years of previous CAADP implementation?

- Rationale and targets of CAADP: moving from compact to impact?

The first decade of CAADP, 2003–2013, put a lot of emphasis on organising stakeholder consultations, undertaking evidence-based analysis (stocktaking and identification of sources of growth), developing compacts (short strategy documents with key priority intervention areas signed

by representatives of key groups of stakeholders: private sector, government, civil society organisations, farmer organisations and development partners) and National Agricultural Investment Plans – NAIP (also called National Agricultural and Food Security Investment Plans – NAFSIP in some countries) or Regional Agricultural Investment Plans (RAIP), and organising business meetings for resource mobilisation. These efforts certainly added value in the way programmes and plans used to be conceptualised in CAADP and contributed to the improvement of the quality of the investment plans.

CAADP made a tremendous move forward between 2009 and 2014. While only Rwanda had signed a compact before 2007, a total of 43 CAADP Compacts were agreed and 39 Investment plans developed in the following five years. But in the end, none of these efforts clearly translated into better implementation on the ground. Less than ten countries allocated at least ten per cent of domestic resources to agriculture in 2014, and only few countries achieved the six per cent growth target. In fact, according to a study by the International Food Policy Research Institute (IFPRI), the impact

of CAADP on agriculture expenditure has even been negative in general! In contrast, the estimated impact on agricultural value-added was positive, while the impact on land and labour productivity was mixed and that on income and nutrition insignificant.

Why was this the case? What hadn't worked? Learning from the experiences of the first decade can help to avoid errors in the future and make CAADP more relevant. This is by no means an easy task, because the Malabo Declaration has widened the scope of the CAADP agenda: While the "Maputo CAADP" was more or less restricted to agriculture-related sectors – crop production, livestock, fisheries, environment – (as well as – in theory – to food security, although in practice this was rarely practised and declarations tended to focus on the Ministries of Agriculture and their typical mandates), the new "Malabo CAADP" has a much more explicit multi-sector focus. This may be more realistic and appropriate when it comes to bringing together the actors and conclude coherent policies relevant to agricultural growth and food security, but it makes it even more difficult to come to binding commitments from this increased number of actors, and to negotiate the required policies and plans.

One thing has definitely changed already: there is now much more emphasis and focus on implementation, results and impact. The Malabo Declaration went even further and includes a specific decision to report on this at the AU summit on a biennial basis. This commitment to transparency and accountability goes even beyond the once highly commended African Peer Review Mechanism (APRM) which also reported to the summit, but mainly on implementation and only in qualitative terms. This change stems from the acknowledgement that the CAADP process has come a long way and there is no more excuse not to deliver. "The baby has become an adult and with it comes responsibility, in this case responsibility to show result and impact." While the design and planning process is well established and the desire for results

on the ground is higher than ever, this does not automatically mean that targets will be (better) achieved this time. After 13 years of CAADP implementation, it is necessary to critically look back and learn from past experiences and errors to improve future implementation of the more complex Malabo CAADP. There are a few good examples like Rwanda, where the architecture and institutional arrangement necessary to support the implementation and the roll out of CAADP seems to be producing tangible results. The other African countries need to learn from this and other positive examples and adjust the success factors to their own situation. Peer review is a key principle of CAADP.

For our reflection on overall CAADP experience, we reviewed various impact assessments and reflections as well as seven years of experience of one of the authors in supporting CAADP from within. Of course, this is still not sufficient for an exhaustive analysis of a continental programme encompassing 54 countries, but the basic findings converge across sources of information.

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### ■ Looking back – lessons from Maputo CAADP

The key sin of the Maputo CAADP was to consider that the technical analysis (stocktaking), the development of agricultural investment plans and the mobilisation of donor money were sufficient to transform the agricultural sectors in African countries. Obviously, these assumptions were wrong!

To start with, agriculture and its bottlenecks are governed not only by ministries of agriculture, but also by those of finance, planning, trade, livestock, fisheries, environment, etc. In Africa, it is often not enough to change only within the agricultural sector. The related policies must also be addressed, synergies need to be carefully planned, and gaps have to be avoided. In the Maputo CAADP, agriculture was defined too narrow to the responsibility of the agricultural ministries. The related pillar concept

failed to deliver the expected results and was finally dropped. Where it did tackle inter-sectoral co-ordination, the efforts required were under-estimated and not thought through in the conception phase of the management of the CAADP process at country level. The countries generally lack capacities to manage complex processes and to plan better, this being combined with the lack of incentives for inter-sectoral coordination. Thus, the reforms required to position the NAIPs as the main medium-term agriculture development plan, with enough backing from other sectors at critical junctions, did not take place.

The NAIPs have played an ambiguous role in CAADP. Although it is often assumed that the NAIP is the only national medium-term agriculture development plan, this is not always the case. A study conducted jointly by the GIZ-CAADP Support Programme and the sector project Agriculture Policy and Food Security in six countries in 2015 showed that in countries like Rwanda, where the NAIP is the national budget framework, it has ensured a much more reliable fund flow, easing its implementation. In most other countries, like Niger, Burkina Faso or Togo, NAIPs are planning frameworks co-ordinating a host of programmes and projects in the agricultural sector, but not the (entire) national (agricultural) budget.

In Cameroon, the NAIP is meant to co-ordinate the activities of four ministries; in Malawi it is the programme of implementation for the ministry of agriculture only. Where the NAIP is a programme of activities co-existing with several other programmes, this tends to lead to confusion in the sector. In Tanzania, the NAIP used to be a planning framework guiding public expenditure and private investment, but it has now become a public sector programme of implementation and has to compete for funds with the Agriculture Sector Development Programme, an agricultural sector-wide programme that pre-dates CAADP. The study came to the conclusion that there was no blueprint for the role of a NAIP and that it depended on what

is the existing architecture in the sector. But whatever form the NAIP takes, be it a strategy, a plan, a budget or a programme, it must be part of a bigger cycle that effectively translates planning into budget, and budget into co-ordinated implementation of activities. The fact that the NAIPs are not firmly anchored in core national processes of planning, budgeting and accounting explains their often weak role for medium-term expenditure frameworks, for domestic accountability, for cross-sectoral co-ordination and monitoring, and for creating the prerequisite institutional conditions for NAIP implementation such as appropriate legislative frameworks.

IFPRI explains the negative relation between CAADP and agriculture expenditure by the substitution effect between governments' own funding and external sources of funding for the sector. This confirms the assumption that in most cases, the CAADP process was used to mobilise donor funding, most of which tends to be off-budget. According to IFPRI, countries which have shown a higher level of political will, where governments have implementation capacities and have faced peer pressures from neighbouring countries, have made a good progress in implementing CAADP.

Finally, the institutional challenges of the NEPAD Agency, the African Union Commission and the Regional Economic Communities (RECs) and, to some extent, the ambiguity in the division of roles and responsibilities did not serve CAADP. Their dependency on donor funding has been a major weakness of these institutions (the only exception being the Economic Community of West African States (ECOWAS), who funded the CAADP process in its 15 member states with its own resources; each member state received 400,000 USD to support the CAADP roundtable process), even if donor money in some cases may have contributed to increase their capacities. The African ownership and leadership of the CAADP process suffered from this situation. This situation was to some extent exacerbated by a number of donors.

### ■ Conclusions for implementing the new Malabo trade agenda

At the dawn of the Malabo CAADP, it is imperative that the national CAADP processes be firmly embedded in country processes and systems. In order to achieve this, the following issues are needed:

- Inclusive policy and planning processes following clear, domesticated rules, even if these are not optimal or perfect.
- Consideration of the political economy of each country.
- High-quality public planning, institutional and expenditures frameworks which create an enabling environment for private-sector investment.
- Inter-ministerial co-operation with strong leadership by Ministry of Finance/Planning or higher level.
- Linkage of the NAIPs to the country Medium Term Expenditure Frameworks (MTEF), which automatically means that they are going through the normal national policy formulation processes and co-ordination and financing mechanisms.
- Effective donor alignment and co-ordination.
- Backstopping support from an effective NEPAD Agency to country implementation.
- Thorough and honest peer reviewing by independent bodies and reporting back at the AU summits.

For the trade agenda in particular, the following issues must be tackled – many of them are less heavy in expenditures but regulatory in nature:

- Linking the agricultural community to the trade community, in order to feed its particular interests and knowledge into the trade agendas. CAADP, through its participatory approach at national level as well as its firm relation with RECs, is well suited to orchestrate this co-ordination.
- Harmonise state regulations in agriculture and food issues such as seed registration, technical and health norms for inputs, food and other outputs, accreditation of economic agents, etc., across countries, at least at RECs level, but preferably at continental level.
- Harmonise rules of origin in particular for processed agriculture-based goods for intra-regional, continental and international trade as far as possible (this will also depend on trade partners).
- Use part of the RAIPs to support these policies and institutional measures.
- Develop agricultural growth corridors along transnational transport corridors to foster local development made possible by the lower transport costs.

These measures must complement the general trade agreements and trade-facilitating measures such as infrastructure, tariffs, border control measures, inter-state payment systems, etc. After all, the trade ambitions of the African Union are high, being focused on achieving a continental unity and integration for sustained growth, trade, exchanges of goods, services and free movement of people, and without agricultural trade they cannot be met.

For a list of references, see online version of this article at

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### Commitments of the Malabo Declaration on CAADP

1. Recommitment to the principles and values of the CAADP process
2. Recommitment to enhance investment finance in agriculture
3. Commitment to Zero hunger – ending hunger by 2025
4. Commitment to halving poverty by 2025 through inclusive agricultural growth and transformation
5. Commitment to boosting intra-African trade in agricultural commodities & services
6. Commitment to enhancing resilience of livelihoods & production systems to climate variability and other shocks
7. Commitment to mutual accountability to actions and results