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Emerging Economies and the Changing Dynamics in African Agriculture: what role for CAADP?

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Key messages

Emerging economies are increasingly active in the African agricultural sector, bringing forth new opportunities and challenges. To ensure a sustainable agricultural development, African stakeholders need to be in the driving seat, with clear policies on how partners' support can provide the most benefits.

By ensuring greater alignment with the Comprehensive Africa Agricultural Development Programme (CAADP), African governments could better direct support and investment in line with the respective comparative advantages of partners, while creating more certainty for investors from all countries.

As more emphasis is being placed on the role of the private sector and investment, both from emerging and traditional players, agricultural development frameworks such as CAADP need to ensure that these investments promote agricultural growth that also benefits smallholders. Investments in land are a case in point.

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Acronyms

AFSI	L'Aquila Food Security Initiative
AISD	Agricultural Investment Support Directorate
ASDP	Agricultural Sector Development Programme
ASDS	Agricultural Sector Development Strategy
ASWG	Agricultural Sector Working Group
AU	African Union
CAADP	Comprehensive Africa Agricultural Development Programme
CSO	Civil society organisations
CSR	Corporate Social Responsibility
DAC	Development Assistance Committee
ECDPM	European Centre for Development Policy Management
EIA	Ethiopia Investment Authority
EU	European Union
FAO	Food and Agriculture Organisation
FASDEP	Food and Agriculture Sector Development Policy (Ghana)
FDRE	Federal Democratic Republic of Ethiopia
FOCAC	Forum on China-Africa Cooperation
FS	Food Security
GCAP	Ghana Commercial Farming Project
GoE	Government of Ethiopia
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
KIOCA	Korea International Development Agency
MoARD	Ministry of Agriculture and Rural Development
MoU	Memoranda of Understanding
NEPAD	New Partnership for Africa's Development
NGO	Non Governmental Organisation
NPCA	NEPAD's Planning and Coordinating Agency
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PIF	Policy and Investment Framework
REC	Regional Economic Community
RED	Rural Economic Development
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
TAFSIP	Tanzania Agriculture and Food Security Investment Plan"
TD	Traditional donors
TIC	Tanzanian Investment Centre
UK	United Kingdom
US	United States
USAID	United States Agency for International Development

Executive Summary

This **study examines the changing context for agriculture in Africa** to understand perceptions of the roles of public and private actors from 'traditional development partners' and newer 'emerging economies' in contributing to agricultural development on the continent. It incorporates the views from stakeholders interviewed in Ethiopia, Ghana and Tanzania on **agricultural policy, aid, investment and land.** After outlining these findings the study draws some conclusions on the potential for greater involvement by different partners in the **Comprehensive Africa Agricultural Development Programme (CAADP).**

The Changed Context for African Agriculture and New Initiatives

The study notes that **after many years of relative stagnation in African agriculture,** governments and development partners have adopted initiatives over the last decade that have helped foster a **vastly improved outlook**. A key initiative is the **CAADP,** which has become the main process for African governments, non-state actors and donors to engage on agricultural policies and food security.

This has been supported, and arguably sometimes driven, by pledges from 'traditional development partners' to commit large amounts of aid, most notably at the L'Aquila G8 Summit in 2009. There has also been a renewed interest in foreign investment in agriculture, with other CAADP-related initiatives including the **New Alliance for Food Security and Nutrition** that encourages private investment and the **Grow Africa initiative** that aims to foster public-private partnership approaches.

But at the same time, the actors involved in agricultural investment have also changed. African governments naturally remain central to the story, and investment and aid are both still dominated by developed countries. But they are gradually being joined by Brazil, India and China and other emerging economies, creating a more complex set of opportunities and challenges around achieving coherence and appropriate instruments and frameworks to drive the transformation in African agriculture.

The Policy Setting for Agriculture and CAADP

The study finds that, in general, awareness about the CAADP remains weak except in certain countries, and implementation remains variable. CAADP processes are **not created in a 'vacuum' at the national level**; they build on earlier initiatives, patterns of behaviours and are shaped by various government, donor and stakeholder interest, institutions and ideological views. At the same time, the **CAADP remains an important opportunity for a fully African-owned framework** for engaging all stakeholders (local and foreign whether from emerging countries or traditional donors, as well as both the public and private sectors) to support agricultural change across the continent.

One of the objectives of CAADP is to create predictably both for public and private investment in agriculture, where investors can operate safely regardless of their origin while also helping governments pursue their public policy objectives. Including emerging economies within CAADP could therefore benefit all sides: African governments could better direct support and investment in line with the respective comparative advantages of partners, while creating more certainty for investors from all countries.

Coordinating Aid and Investment within a Coherent CAADP Framework

Stakeholders agree that the **CAADP and related initiatives are shifting away from a focus on public investment in agriculture, and placing more emphasis on the role of private sector investment.** The New Alliance and the Grow Africa initiative are examples of this, with broad recognition that private sector-

focused initiatives can contribute to CAADP's efforts and complement public investments. In most countries such initiatives are currently at an early stage, but are expected to pick up speed relatively quickly.

Aid and investment are naturally, however, treated quite separately from one another: they are driven by **different underlying moral imperatives** and are subject to a different set of government and third-country relations, as well as different policies, procedures and accountability frameworks. Aid tends to be mutually agreed, scrutinised for its alignment to national goals, and closely monitored and evaluated. Investments are handled by dedicated investment agencies and judged on different criteria such as employment potential, and it tends to be taken for granted that investment contributes automatically to agricultural policy goals.

The differences between aid and investment mean that it is not easy to coordinate them and make them complementary as CAADP aims to do. The baseline assumption that private investment contributes automatically to development goals may contrast with principles espoused in CAADP, for example on making concrete interventions to ensure knowledge transfer, or encouraging improved linkages between smallholders and large-scale producers. While some governments administer policies to monitor whether investments are delivering their promised results, most have limited capacity to carry out assessments and enforce their findings. **This defines the challenge of coordinating and creating synergies between the aid activities of donors and those of investors**, including the roles of traditional and new partners in African agriculture.

Land Issues

The issue of land acquisition by foreign investors for agricultural use is a topical and naturally sensitive issue. The issue has been raised by a number of research organisations - using both anecdotal evidence and analysis of contracts – to express concern with so-called 'land grabbing'. While this study did not undertake research on the legitimacy or otherwise of specific land transactions, our interviews suggest that where large-scale land acquisitions have been made, they cannot be attributed exclusively to investors from either traditional partners or emerging economies.

In many cases there is undoubtedly a strong need for investment to develop and improve land (for example through irrigation), realised only with a minimum level of capital and knowledge which private investors can provide. But **a major issue continues to be that many have weak land management systems,** for example a lack of knowledge by landowners over their rights or their ability to make realistic valuations about investment proposals likely to affect them.

Most interviewees seem to believe a sustainable approach to land management that balances the needs of all stakeholders is possible. However the challenges of achieving that balance should not be overestimated: it requires not only a significant strengthening of capacity (for example of land administrators), but it also needs to occur within **incentive and governance structures** that ensure that governments protect the rights of landowners as well as encouraging necessary pro-developmental forms of agricultural investment.

The Role of Traditional Partners and Emerging Economies in CAADP-related processes

A clear finding from this study is that, at present, **emerging economies do not use CAADP structures or processes to engage with partner countries**, or do so only minimally. In its current form, CAADP may be seen as **overly oriented towards the way OECD-DAC donors work (**in terms of approach, methodology, and underlying philosophy) to elicit a strong buy-in from newer donors. For example **traditional partners**

engage heavily with governments on a policy and reform dialogue through aid (and an 'intervention logic' that links aid, reform, investment and productivity) whereas emerging countries define their support activities differently from traditional aid and pursue a policy of non-interference. In this and other areas, **a reflection is needed on how CAADP can be made more attractive for South-South cooperation**.

At the same time, the core logic of CAADP is about creating an African-led **level playing-field in agriculture where all external partners, public and private, internal and external can operate smoothly and in line with national policies.** CAADP is equally about improving the methodology and quality of interventions in the agricultural sector for example in encouraging coordinated, transparent and accountable action. As such it supports a **multi-stakeholder approach**, which suggests that there is much to be gained by all sides from increasing the involvement of emerging economy actors. And while there is some scepticism around motivations behind the **New Alliance and Grow Africa initiatives,** our findings suggest that these could become **important tools to promote private-sector focused partnerships** between African governments, donors and investors from both traditional and emerging partners.

Crucially, it will be up to African governments first and foremost to maximise the benefits on offer from both traditional partners and emerging economies. A first step would be for Africans themselves to clarify roles and actively ask emerging economy partners to join the CAADP table. In fact, early CAADP documents included South-South Cooperation as one of the CAADP objectives but since then **very few specific efforts have been made to involve emerging economies in those processes.** Given the practical skills and knowledge of recent agricultural transformation that countries like Brazil can bring, much more needs to be done to build on the few cases where cooperation with traditional donors has started to appear, for example at the individual project level.

Ultimately, efforts to increase engagement by emerging economies in CAADP will need to be pragmatic. Going forward it will be necessary to pursue engagement that:

- **is based on a careful assessment of the merits** of incorporating emerging economies within a national-level CAADP framework that involves all stakeholders, while also asking how such processes might be made more attractive for emerging economies' involvement.
- **takes a country-by-country and project-by-project approach based on building trust** rather than broad policy discussions and continental commitments that are favoured more by traditional than emerging partners. Currently, trilateral cooperation projects in agriculture are underway in many countries in Africa. This is encouraging and should be actively pursued.
- **recognises the differences in approach** and the competitive pressures that limit possibilities for cooperation between traditional and emerging partners, but also the similarities and areas **where stakeholders from the different groups might feasibly work together in shared interest**, e.g. corporate social responsibility (CSR) practices for sustainable agricultural development**.**
- **incorporates a more nuanced understanding of the differences amongst emerging economies** (for example in the incentives that drive overseas investment for different countries) and also the fact that there are **many different actors within both traditional and emerging partners**, including different ministries, technical agencies and companies in the same country, with some more interested in cooperating and forming alliances than others.

1. Introduction: the Changing Context for African Agriculture

Until fairly recently, the agricultural sector in Africa was characterised by relatively low levels of growth in agricultural productivity, low investment, inadequate levels of supporting infrastructure and lack of research. After many years of relative stagnation, the sector has undergone a number of developments within the last decade that have **fostered a vastly improved outlook** but have also increased complexity. Driven by a number of 'push factors', such as rising prices for agricultural produce, fear of food shortages and a scarcity of available land elsewhere, there is currently a renewed impetus for a transformative approach to Africa's agricultural sector: from underdevelopment, low productivity and overall inability to feed African populations to increasing public and private, local and foreign, investments with the opportunity for the continent to become the world's food basket.

Recent Continental Initiatives in African Agricultural Policy

As a result, governments and development partners have adopted a number of initiatives aimed at improving policy by raising the profile of the agricultural sector, encouraging key public and private investments, and incorporating recent advances in agricultural knowledge and innovation to increase productivity. One key initiative is the **Comprehensive Africa Agricultural Development Programme (CAADP)**. After a slow start following its launch in 2003, the CAADP has established itself firmly on the political agenda of the main institutions from national governments through to Regional Economic Communities and the African Union. With over 30 African countries having signed a CAADP compact, it has a considerable potential to create agricultural growth and reduce poverty and hunger for a great number of people. The political significance of the **CAADP has now reached a level where it has become the main process for African governments, local and international non-state actors and donors to engage on agricultural policies and food security**.

Box 1: CAADP in brief

The CAADP is the agricultural programme of the New Partnership for Africa's Development (NEPAD), which is a programme of the African Union. Established by the African Union (AU) assembly in 2003, CAADP's goal is to eliminate hunger and reduce poverty through agriculture. To do this, African governments have agreed to increase public investment in agriculture by a minimum of 10 per cent of their national budgets and raise agricultural productivity by at least six per cent per annum. CAADP identifies four key pillars for food security improvement and agricultural investment: (1) Sustainable Land and Water Management; (2) Market Access; (3) Food Supply and Hunger; and (4) Agricultural Research.

The CAADP is centred around the definition of national and regional plans ('Compacts'), an agreement between all stakeholders (public, private as well as donors) serving as a framework for partnerships, alliances, and dialogue to design and implement the required policy interventions and investment programmes. The formulation of national and regional investment plans is one of the most important activities to implement CAADP after the definition and signature of the Compact.

CAADP therefore is not a donors' programme, it is a common framework for stimulating and guiding national, regional and continental initiatives on enhanced agriculture productivity and food security which each region and country can develop and implement as preferred. CAADP is a very advanced attempt at fully implementing the Paris Declaration and Accra Agenda for Action on Aid Effectiveness. It is difficult to identify similar partnerships, even sector-wide approaches, that can claim to have the same: degree of African ownership- both among political and technical experts- at continental, regional national levels, (unlike many other AU/regional initiatives such as free trade arrangements); robust plans for mutual accountability (serious monitoring & evaluation is built into CAADP); outreach to other sectors (trade, capacity development, natural resources, infrastructure, research and technology, safety); level of ODA predictability (substantial commitments of funds and relatively advanced alignment by donors) and regular donor coordination (e.g. headquarters focal points work together via teleconference every other week to task-divide and harmonize their CAADP activities).

A broad range of actors drives formulation and implementation of CAADP-related initiatives. CAADP being a continental framework, the AU, and particularly NEPAD Planning and Coordination Agency (NPCA), is tasked with its coordination. Designated Pillar Lead Institutions oversee and support work that falls under the four CAADP pillars. RECs facilitate the formulation and implementation of a regional compact and a regional agricultural investment plan, while supporting their member states with CAADP initiatives on the national level. At the national level, governments facilitate the formulation and implementation of a national compact and investment plan. Bilateral and multilateral donors provide financial and technical support to CAADP processes and investment.

Source: ECDPM, Discussion Papers 128a-e, Maastricht
For more information on CAADP see www.caadp.net

The CAADP and other related initiatives have been supported, and arguably sometimes driven, by high-level pledges by 'traditional development partners' to commit large amounts of aid to support agricultural reform and development, in order to meet global goals on improving food security. The CAADP framework was fully integrated in the international cooperation agenda through the **L'Aquila Food Security Initiative (AFSI)**, launched at the L'Aquila G8 Summit in 2009. In a Joint Statement on Global Food Security, over 40 countries and institutions (among them the G8 members, AU Commission and several of its member states, as well as the major emerging economies[1]), announced that they supported the CAADP goals and that they aimed to facilitate the implementation of CAADP at the national, regional and continental level. The signatory countries and organisations moreover committed to harmonize their interventions in Africa in accordance with the CAADP framework[2].

Beyond this however, a further, inter-related factor contributing to the outlook has been a renewed interest in investment: most countries in the continent have made themselves more open to the idea of foreign investment in the agricultural sector. As such, another key initiative in line with CAADP national plans has been the **New Alliance for Food Security and Nutrition** co-organised by G8 countries, African governments and private sector actors, proclaims as its final objective to lift 50 million people out of poverty over the next 10 years through inclusive and sustained agricultural growth[3]. The New Alliance is distinctive in that it explicitly seeks to mobilise the international and African private sector to invest in agricultural projects throughout the continent. African governments committed to major policy changes to stimulate private sector trade and investment, and around fifty African and multinational companies signed letters of intent indicating the type of investments they are prepared to make. A third CAADP-aligned international cooperation scheme is the **Grow Africa Initiative**. Conceptually based on public-private partnerships and strong private sector engagement, the Grow Africa provides a platform for stakeholders with the aim to foster productive investments in Africa's agricultural sector[4].

1 The emerging economies who endorsed the AFSI were: Brazil, India, Indonesia, Mexico, Nigeria, People's Republic of China, Republic of Korea, South Africa and Turkey
2 G8 Expert Group on Food Security 2009, 8-10 July, *http://www.g8italia2009.it/static/G8_Allegato/G8_Report_Global_Food_Security%2c2.pdf*
3 Smith and Dr. Rajiv-Shah, 2012, http://www.whitehouse.gov/blog/2012/05/18/new-alliance-food-security-and-nutrition
4 The Grow Africa Initiative (accessed 17.07.12) http://growafrica.com/

The Increasing Activity of Emerging Economies in African Agriculture

At the same time, the dynamics of agricultural growth in Africa have changed in another fundamental way: the actors involved are themselves changing. While the majority of donors and investors in Africa's agricultural sector tend still to be from 'traditional development partners' in the Western world, they are gradually being joined by those from growing emerging economies: Brazil, India, China, and a host of others[5]. China published their "*White Paper on Aid"* in 2011, in which agricultural support featured high on the agenda. Brazil has gained extensive experiences in agricultural transformation and development through its domestic large-scale projects for reduced hunger and agricultural and rural development, which they now intend to share with its partner countries in Africa. Brazil is also a leader in the provision of technological knowhow in agriculture in tropical environments. South Korea is expanding its development assistance across the African continent and has launched several technical support programmes for African agricultural productivity.

Although the involvement of new actors is a naturally welcome development, it raises some important questions about the interaction between aid, policy and investment in agriculture and whether some of the agreed policy frameworks – designed in theory to achieve a more coherent approach to agricultural development, but still rooted in traditional models of aid relations – are being challenged by the new context. It is clear that simply launching more initiatives will be insufficient to solve the problem: policy coherence and investment coordination amongst all of the different external partners will also be essential to ensure that the potential of such initiatives is fulfilled. In principle, the CAADP agenda and mechanisms provide such a platform for coordination, harmonization and ownership amongst public, private and all types of development partners.

The Shift to Encouraging Agricultural Investment and Land Policy

Questions surrounding land policy and private investment have also come to the fore in recent years. In an environment characterised by weakly defined land rights, increasing private investment from OECD countries and emerging economies can cause significant friction with local communities. As such it is important to understand how international food security initiatives (AFSI, Grow Africa, bilateral partnerships, etc.) relate to land management practices. The CAADP agenda itself recognizes that sound land management policies are essential for food security, especially in the context of increased competition for productive land for food and energy investments. For private actors, the accessibility to land, both in terms of the amount of available land and the legal access, can have a significant impact on their investment decisions.

Despite the centrality of these issues, government policies and practices for land acquisitions are often highly sensitive and politicised, and tend therefore to be inadequately addressed by broad food security frameworks. This is partly true for CAADP as well, in spite of the fact that that land management is acknowledged as a key factor to sustainable agricultural development. Many OECD countries are major actors on the land market, but as this study suggests, the interest for land investments are increasing also among the emerging economies' private sector, even though they currently play a more marginal role. Land is therefore an area where cooperation between traditional partners, emerging countries and national governments is most pressing, suggesting that recognised coordination frameworks

5 It should be noted that many emerging economies, including China, India and Brazil, have been present in the African agricultural sector for several decades. However, the recent increase in both economic activity as well as political emphasis on agriculture has significantly contributed to a changing donor landscape.

such as the CAADP process may need to become more prominent in terms of policies and investment for sustainable land management.

Purpose, Approach, Methodology and Structure of the Study

As such, this study examines recent trends and processes in African agriculture and seeks to answer a number of questions around the role of different actors from developed and emerging countries, and whether frameworks such as the CAADP still provide the best model for developing the sector going forward, or need to be adapted to meet the changing context. In particular the study seeks to:

- identify the *perceptions* of different stakeholders about: (i) the agricultural development cooperation programmes and the investment patterns of the emerging economies and (ii) how these programmes/investments relate to CAADP, Grow Africa, and other frameworks and programmes recently adopted by African governments and institutions.
- understand how these different agricultural cooperation programmes and investment patterns influence the issues of land management, and dynamics between the private and public sectors in this area in light of the particular attention given to the central and sensitive issue of land in agricultural policy.
- explore whether there is room for improved coherence and possible synergies between the food security approaches of traditional development partners and emerging economies, in particular in terms of sharing experiences and lessons, as well as the identification of potential complementarities and cooperation prospects in the context of CAADP.
- try to identify opportunities for further research and policy dialogue around the role of emerging economies in food security in Africa, especially as part of national and regional CAADP processes.

The focus of this study is on *perceptions* about the different agricultural development programmes and investments of international partners in African countries. The study is primarily based on interviews with stakeholders, which we conducted together with local research partners in Ethiopia, Ghana and Tanzania. We engaged a wide range of relevant stakeholders including farmers' organisations, private sector actors, civil society organisations (CSOs), government officials, emerging economy embassies, and agricultural research institutes. Additional interviews were conducted in Brussels and other EU capitals. As a result, it is important to note that since the study focuses on perceptions, the country case studies and this main report do not claim to represent a comprehensive picture, or judgement, on the activities and dynamics described.

The rest of the study is structured as follows: the main part of the study in Section 2 draws on our three country case studies and presents a detailed set of findings on perceptions of various aspects – current policy frameworks and initiatives, aid and investment from traditional partners and emerging countries, issues around land, prospects for cooperation – from various stakeholders on the ground. Section 3 provides some policy-relevant conclusions from the study.

2. Key findings from Case Studies in Ethiopia, Ghana and Tanzania

In order to get a deeper understanding of the perceptions by different actors working on the various aspects described above – from CAADP-related policy initiatives and aid coordination with non-OECD development partners, to agricultural investment and land issues – **we conducted case study fieldwork in Tanzania, Ethiopia and Ghana.** These three countries were selected due to their high relevance to the study, since (i) they are **relatively advanced in the CAADP process** and have successfully elaborated their National Investment Plans, (ii) they have **a strong private sector engagement** and were in the forefront of the establishment of the Grow Africa Initiative and (iii) their governments have **designed joint cooperation frameworks within the New Alliance.**

Moreover, in regard to the central issue of land management and the challenges and opportunities this presents to food security and agricultural development, Ethiopia and Tanzania provide ideal cases since they are among the top targeted countries for land acquisitions. East Africa is the most targeted region in Africa, and Ethiopia and Tanzania are respectively the second and third most targeted countries in the region[6]. Ghana serves as a useful additional case study as a fast-growing West African country where Brazil's *Empresa Brasileira de Pesquisa Agropecuária* (Brazilian Enterprise for Agricultural Research, or Embrapa), has its African headquarters. It is also one of the countries benefiting from Brazil's *Mais Alimentos Africa* (More Food Africa) programme.

2.1. Perceptions on National Agricultural Policy and the Role of the CAADP

One of the defining features of the CAADP approach is that countries develop National CAADP Compacts and Agricultural Investment Plans to ensure strong alignment between approaches and commitments agreed at the continental level, and the policies and investments implemented at national level. In this way, the CAADP aims at fostering an integrated approach to resource mobilisation for strengthening the productive capacity in the sector, and a level of 'buy-in' for essential reforms. A key indicator of whether CAADP is having the anticipated impact on agricultural policy is therefore stakeholder perception of how integrated and mainstreamed CAADP principles and goals are within current thinking and policy at the national level.

Our main finding from consultations was that experiences were highly varied across different case study countries in terms of the linkages between CAADP and national agricultural policy. At one end, discussions with officials from Ethiopia's Ministry of Agriculture and Rural Development (MoARD) show an impressive knowledge of the CAADP process and a very high level of alignment of national policy to CAADP. Officials point out that their policy frameworks were already in place prior to the CAADP, but that the design of the most recent agricultural Policy and Investment Framework (PIF) was based on the CAADP approach (which was also already reflected in Ethiopia's overall five-year 'Growth and Transformation Plan'). The MoARD is itself structured fully in line with the CAADP thematic pillars, with three directorates focusing on: Natural Resources and Sustainable Environmental Resource Management; Agricultural Productivity and Growth; and Food Security and Disaster Risk Management. Modalities to strengthen the Ministry's work around the fourth pillar of Agricultural Research are being studied, although the infrastructure for this already exists, with a number of international research institutions, (IFAD, IFPRI, etc.) as well as national and regional ones, already present. One key official at MoARD saw the key impact

6 The Land Portal, "*The Land Matrix"* accessed 18.07.12 http://landportal.info/landmatrix/get-the-detail?mode=map

of CAADP as being funding and increased ownership: it ensured greater priority on agriculture and helped to 'change the conversation' within government and with donors on agricultural policy.

The role of CAADP in Tanzania still appears to be surrounded by some ambiguity in terms of how CAADP is to be implemented, beyond the broad commitment to commit 10 per cent of the national budget to the agricultural sector. Even between and within the different ministries, there appear to be divided understandings of the existing implementation mechanisms and how they provide linkages between the national CAADP Compact and the national agricultural development strategies. The original plan was to implement the CAADP Compact through the national Agricultural Sector Development Programme (ASDP), but after requests from the NEPAD-CAADP secretariat, the Tanzanian government agreed to establish a new adapted investment plan - "Tanzania Agriculture and Food Security Investment Plan" (TAFSIP). TAFSIP covers a more comprehensive range of issues, including parts that were insufficiently addressed in the ASDP, such as private sector development, climate change and nutrition. However, several interviewed stakeholders still referred to ASDP as the main framework for implementing and guiding the CAADP process. Moreover, the consultation process of the TAFSIP did not sufficiently involve stakeholders from the private sector, farmers and civil society, nor representatives from outside Dar es Salaam and Zanzibar[7]. Lastly, given the fairly broad range of agricultural strategies and programmes[8] and the large amount of ministries engaged in agricultural and/or land issues, there is a significant risk that insufficient policy coherence hinders the efficiency and effectiveness of agricultural development support.

Ghana presents an interesting case when looking at the "domestication" of the CAADP agenda and process. Most interviewees noted that CAADP originally felt like a "top down" imposition of a process not fully country owned. Today the CAADP in Ghana has mostly been absorbed by pre-CAADP structures. Indeed, CAADP came at a time when Ghana was already undertaking significant work to develop and put in place its 'home-grown' food security policy – the FASDEP – there was reportedly a feeling of frustration amongst both in-country donors and government officials when they were asked to follow the CAADP principles and processes. Most of the persons interviewed felt that CAADP had originally led to a duplication of structures and efforts at the time of its introduction. Today, the structures that were supposed to guide and implement the investment plan are moribund, and the donor-government coordination group, a pre-CAADP construct, assures its governance. As such, its primary purpose is of guiding development partner dialogue with its Ghanaian counterparts. Questions around what added value the CAADP has had for Ghana abound amongst all kinds of stakeholders.[9]

CAADP and the role of the Private Sector

Despite the variety of experiences across countries in developing and implementing the CAADP, there appears to be agreement on one aspect: that the CAADP and related initiatives are shifting away from a focus on public investment in agriculture, and placing more emphasis on the role of private sector investment. The New Alliance and the Grow Africa initiative are examples of this trend, with broad recognition that private sector-focused initiatives can contribute to CAADP's efforts and complement public investments. In most countries such initiatives are currently at an early stage, but are expected to pick up speed relatively quickly. In practical terms one problem encountered in pursuing the 'dual approach' is that it is clear that private and public investment function according to fundamentally

7 Cooksey, 2013.

8 i.e. Agricultural Sector Development Programme (ASDP), Agricultural Sector Development Strategy (ASDS), Kilimo Kwansa, Tanzanian Agriculture and Food Security Investment Plan (TAFSIP), National Strategy for Growth and Reduction of Poverty (NSGRP), the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), and the Development Vision 2025

9 See Kolavalli, S., Flaherty, K., Al-Hassan, R. and K. Owusu Baah, 2010.

different logics, so any assessment of how the former correspond to a country investment plan is difficult. Nevertheless, traditional partners are increasingly orienting their projects in order to 'catalyse' private investment, such as the Ghana Commercial Farming Project (GCAP), part of the Grow Africa initiative.

Similarly in Tanzania, ministry of agriculture officials argue that signing the CAADP compact has lead to a further focus on involving the private sector in the agricultural development strategies. However, CAADP is not the sole driver in this process as several Tanzanian national agricultural programmes highlights the need for stronger private sector. The most significant is the establishment of the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), a process which is closely linked to the CAADP, New Alliance and Grow Africa initiatives (see Box 2).

Box 2: Southern Agricultural Growth Corridor of Tanzania (SAGCOT)

As part of the Kilimo Kwansa strategy and basically outside of the national CAADP framework, SAGCOT was launched as a public-private partnership in 2010 at the World Economic Forum on Africa. The primary aim of the project is to attract large volumes of national and international private investment that can bring new economic opportunities for smallholder producers. This will be done via "*incentivising stronger linkages between smallholders and commercial agribusiness, including "hub and outgrower" schemes that allow smallholders in the vicinity of large-scale farms to access inputs, extension services, value-adding facilities and markets*[10]*".* By committing $2.1 billion of private investment to be catalysed over the next twenty years, together with $1.3 billion of public sector grants and loans and 350,000 hectares of land, the SAGCOT aspires to lift more than two million people permanently out of poverty. Other targeted outcomes over the next 20 years is to transform tens of thousands smallholders farmers into commercial farmers, create 420,000 new employment opportunities in the agricultural value chain, raise the annual value of farming revenues to $1.2 billion and assure regional food security.[11][12]

2.2. Perceptions of Development Assistance Programmes from Traditional and Emerging Economy Partners

Beyond a certain degree of buy-in within African countries for the CAADP process and related policy reforms, a key driver of the new push to enhance the agricultural sector has been a renewed interest from donors after the G8's aforementioned *L'Aquila Initiative,* signed by the major emerging partners, and the provision of significant levels of aid resources. While it has recently become fashionable to talk about the role of emerging economies in African development, one key finding from our research is that **external public support directed towards agricultural development is still dominated by traditional partners** from OECD countries. **Ethiopia, for example,** naturally has a significant level of aid going to agricultural development, given the scale of challenges it faces in the area of food security and its overwhelmingly rural population. The biggest contributors remain the EU and USAID, one official noted that '80 per cent' of development assistance came from these sources, with technical support from agencies like FAO also featuring heavily.[13] By contrast, direct support from the emerging economies to the agricultural sector appears thus far to have been at a relatively low level, and have tended to be focused on technical exchanges and assistance projects.

[10] SAGCOT, 2011:1
[11] SAGCOT, 2011 and Byiers and Rampa, 2013
[12] Byiers and Rampa, 2013.
[13] Recently also China has been providing agriculture assistance to Africa via the FAO, in addition to its bilateral assistance to individual African countries. In 2009 China established a $ 30 million trust fund managed by the FAO for supporting agricultural projects in Africa (http://www.chinafrica.asia/china-food-agriculturefund-for-africa/).

Modalities for delivering and coordinating aid differ with emerging economy donors: MoARD indicated that China tends to sign Memoranda of Understanding (MoU) with the government on an *ad hoc* basis. An example of one such MoU from April 2012 provided by MoARD as a typical example of the scale and scope of such cooperation, reads:

> '*At the request of the FDRE, the Chinese Government agrees to dispatch eight agricultural technologists [for two years] to Ethiopia to carry out agricultural technical cooperation. The domestic salary, international trip expenses, expenses for accommodation, living, medical insurance and transportation (including fuel, driver and vehicle maintenance) of the eight Chinese technologists, and the expenses for purchasing 2 work vehicles, requisite agricultural machineries and equipment, agricultural materials as well as office supplies [...] shall be covered under the grants stipulated in the Agreement on the Economic and Technical Cooperation signed on 15 December 2003 between the Chinese and Ethiopian Governments*.'

The anecdotal evidence from Tanzania correspondingly seems to suggest that most agricultural development projects supported by emerging economy governments are provided *ad hoc* and that overall levels of funding are limited compared to the assistance provided by other partners. As in Ethiopia, most emerging country programmes are targeted towards capacity and vocational training and technological transfers, with a primary focus on government-to-government cooperation. South Korea, for example, provides training to government officials who then are expected to transfer these skills to the wider society. China has focused its agricultural cooperation on direct technical support, primarily through one large agro-technology research and demonstration centre in Morogoro, Tanzania, and other smaller technical assistance projects. As with many of the Chinese projects, the Chinese government finance this centre while a state-owned company runs it : the rationale is that the company, through this public-private endeavour, should become commercially viable after a few years. China is also providing training courses, held both in Tanzania and in China. As part of the 2006 FOCAC pledges, China committed to send 100 agricultural experts to Africa, of which three went to the Tanzanian Ministry of Agriculture to build capacity and provide training for government officials in supporting smallholder farmers.[14] **Brazil too is providing support through training courses, in particular in the areas of cashew apples, horticulture and livestock.** The total agricultural support provided by Brazil to Tanzania accounts for less than US$1m, but may increase as Brazil plans to further expand their activities beyond their traditional Portuguese-speaking African partners.

In Ghana, there are three types of agricultural cooperation supported by Brazil: projects run by Embrapa, bilateral exchanges by way of Ghanaian missions to Brazil (or Brazilian missions to Ghana), and a $96 million loan for Ghana's agricultural mechanization programme, part of Brazil's *More Food Africa* initiative. Interestingly, Brazil is the only country found in our case studies that goes beyond the provision of technical assistance to provide direct financing to African agriculture. One finding from the Ghanaian case is that there is a clear enthusiasm about the potential lessons, and replication, of the Brazilian model of agricultural development in the country; and traditional donors share this perception. Nevertheless, Ghana's experience with Brazilian funding for agricultural machinery seems to be mixed – the loan, heavily publicized on both sides, made available to the country has still not been used.

While the so far limited agricultural support provided by emerging economies is partly due to the nascence of their involvement, it may also, in some cases, reflect the realities of domestic politics. Brazilian officials for example emphasised that the country only has limited funds available, given that it is difficult, within Congress, to justify the provision of overseas aid funding in the face of the recent economic

[14] China is however not exclusively providing training to government officials; in 2011, 30 fishermen from Zanzibar went to Xiamen to visit several aqua-farming projects. Brautigam, 2012

slowdown and the domestic social problems that still need to be overcome. In the last year the budget of the Brazilian Cooperation Agency has been cut in half, and Ethiopia, Mozambique and Guinea-Bissau were the only countries to receive missions in the second half of 2012 to identify projects. A similar dynamic may be at play in India: it is particularly difficult to support agricultural projects in Africa when rural poverty at home remains a very significant problem.

At the same time the picture may be more nuanced. One important and very valid point made by a number of Ethiopian stakeholders was that the small scale of Chinese aid to agriculture by no means implied that China did not support the Ethiopia government in its objectives – instead the Chinese government is investing billions of dollars in improving network road infrastructure. Some invoked comparative donor advantage as a reason for this, along similar lines to the EU concept of ‘division of labour’. As such, assistance to the agricultural sector needs to be judged in relation to overall development support.

In terms of the key features of the emerging economies’ support to the agricultural sector, there were a number of areas in which stakeholders highlighted what they perceived as different approaches towards development support. One key principle often emphasised by emerging economy donors is that their support is **given without any political conditionality or ‘strings attached’, and without any expectation of reciprocity.** Interestingly, one official described Brazil’s cooperation strategy as a “soft power approach”, where cooperation is explicitly framed within foreign policy objectives such as creating positive and beneficial diplomatic relations. Brazilian officials also distinguished their interests *vis-à-vis* other emerging economies, pointing out a range of reasons (social, political, economic-structural, linguistic and historical) why Brazil had less interest in a purely commercial exploitation of Africa compared to other partners. Nevertheless the ‘friendship’ argument for aid – put forward by emerging countries and developed ones alike – can be treated with some scepticism. While it is undoubtedly part of the justification for providing aid, other officials from Brazil highlighted a more interest-driven ‘commercial diplomacy’ motivation behind their work in Africa.

In addition, all stakeholders from the emerging economies emphasise the fact that they base their support programmes on their domestic experiences of recently being a developing country and on their development path towards economic and agricultural growth. Box 3 below provides one example from Korea of how this approach is put into practice. With regards to Brazil, Embrapa’s history as a government agency providing technical solutions to agricultural development challenges also guides its activities and way of operating on the African continent. In this sense, Embrapa does not see itself as “a donor” or an implementing agency, but as a technological “solution provider” in the complex field of agriculture. While critics could argue that this is a somewhat rhetorical argument or simply ‘better marketing’ by emerging partners, the reality is that it provides an attractive counterpoint to theories that sometimes tend to emphasise Western ‘expertise’ over the practical experience of what has worked in recently-developed countries.

Box 3: The Korean Approach to Agricultural Support: The *Saemaul Undong*

One example of how emerging countries and newer donors can integrate their own experience and promote fresh ideas into development is the South Korean references to the *Saemaul Undong*. In 1971, the South Korean president Park Chung-hee initiated the *Saemaul Undong*, or New Community Movement. The *Saemaul Undong* had a significant influence on the Korean agricultural sector, and was fairly successful under its approximately 10 active years in providing agricultural growth and reduced hunger. The *Saemaul Undong* is based on three spiritual pillars - self-reliance, hard work and a communal spirit. In the Tanzanian region Morogoro, KIOCA has launched an integrated rural development pilot programme called the Hunger Project, which to a large degree is based on these fundaments. Launched in 2011, this 3-year pilot project is now on its second year and an estimated 80 per cent of the initial commitments have been implemented.

Three spiritual foundations, self-reliance, hard-work and a communal spirit, have been integrated into the project via the emphasis on the farmers' own contributions, the village's responsibility for the harvest and the livestock and the fact that all aspects are communally owned. The project is divided into two parts, one focusing on agricultural activities and one on constructions of a school, a hospital, a road and an irrigation system. KIOCA provided the villagers with initial training to promote the benefits of the project, but despite the many successes of the project there remains a fairly widespread scepticism of the intent of KIOCA, the true level of voluntariness, and a hesitation to work on communal land rather than the individually owned land. This could in part be based on the previous Tanzanian experience of the Ujamaa[15], which might cause some reluctance among farmers. There have furthermore been conflicts with the surrounding villages about the land being used for maize production and the water resources used for irrigation. The two issues remain unsolved, and since the projects ends in 2013, it is unclear if it will be resolved before the project is finalised.

Source: Interviews with representatives from the Hunger project, the KIOCA office in Tanzania and Reed, 2010

In a similar vein, one senior government stakeholder in Tanzania also emphasised the value, in his words, of 'cultural transformation and multicultural exchange' with newer emerging economy partners. According to this person, the work ethics and saving propensity of the Chinese labour force could have an important impact on the Tanzanian resource strategy to reduce ODA dependence through improved domestic resource mobilisation, sustainable consumption and increased private savings.

Traditional partners and emerging economy partners may also have significant differences in their outlook for development in particular countries. One interesting difference in Tanzania was in the perceptions of different stakeholders: while there is fairly frequent feeling amongst Tanzanian officials that the traditional development partners are getting 'tired and pessimistic' in their cooperation with Tanzania, the emerging economies are believed to be more 'optimistic'. This is partly based on the role that the different actors take on: traditional partners see their role as primarily providing long-term support and they are losing faith in the capacity of Tanzania to realise the different support projects. The emerging economies are more positive because they themselves see opportunities in engaging with Tanzania and their engagement is more voluntary and short-term, which reduces the risks and the potential losses in the case of a failing project.

Despite these differences, the development assistance provided by traditional and emerging development partners is often perceived to be fairly complementary. Even though many governments generally prefer budget support, several interviewees also emphasised the advantages of the flexibility and efficiency of the assistance provided by the emerging economies. Technological transfer and capacity training are seen as vital aspects in promoting an increase in agricultural production and efficiency. Some stakeholders argued that these projects, if replicated on a larger scale, could have more impact compared to budget support, as there would be less risk that the overall value of the support is reduced by inefficient strategies and corruption. In Ghana for instance, several donors and other stakeholders also recognized the strong value added that Brazil had in terms of providing cutting edge, yet locally adaptable, technology in agriculture.

[15] *Ujamaa*, Swahili for 'familyhood', was the social and economic policy developed by Julius Kambarage Nyerere, president of Tanzania from 1964 to 1985. Centered on collective agriculture, under a process called villagization, *ujamaa* also called for nationalization of banks and industry, and an increased level of self-reliance at both an individual and a national level. http://africanhistory.about.com/od/tanzania/a/What-Was-Ujamaa.htm

2.3. Perceptions on Private Investment and Land Issues from Traditional Country and Emerging Economy Partners

Investment Policies and Patterns

In terms of the overall policy approach, there are seemingly few stakeholders in Africa at this point who do not believe in the importance of attracting domestic and foreign private investment to the agricultural sector, and for growth and development more generally. Where debate continues to take place, it centres on differences of understanding and assessment of what the international and domestic large-scale investments might actually bring. Some see potential for improved social services and supporting infrastructure, while others argue that this must remain the responsibility of the government and that benefits only come in terms of enhanced economic opportunities. Different opinions also exist on whether large-scale investments actually provide better business prospects to smallholders, or rather lock them in a situation of economic marginalisation due to imbalanced bargaining powers.

Thus far, investment patterns in agriculture would appear to be fairly specific in different African countries although our anecdotal evidence would suggest some commonalities on the balance between investors from emerging countries (which are growing in value but are still relatively modest) and investors from developed countries. For **Ethiopia,** the biggest investors by total value in the agricultural sector are currently India and the Arab countries (notably Saudi Arabia). By contrast, Brazil and China are not investing heavily in agriculture, although the latter is investing in a range of other areas including textiles, manufacturing and construction. At the same time, there are still significant investments in Ethiopia being made by traditional partners, particularly in higher value agricultural production in the region around Addis Ababa. Most of the many floriculture producers (which are also increasingly moving into horticulture) are joint ventures between European or U.S. and Ethiopian investors, although there are also some Indian and Saudi companies exporting flowers or producing fruit and vegetables for the Addis market and for export. Here it is **important to note how crop choice shapes investment requirements and patterns**. Different types of crop will have very different patterns of investment, in terms of scale, openness to (or penetration by) foreign investors, land and other requirements. 'Traditional crops' grown by Ethiopians naturally include coffee and teff: these tend to be dominated by smallholder and cooperative structures, and are not open to foreign investment. By contrast many cash crops need a large scale (e.g. 10000ha) in order to be profitable such as soybeans, sugar, rice, etc. and are therefore naturally inclined to link to larger foreign or domestic investors who can supply capital that is necessary to generate such scale. However a further contrast is that many floriculture and horticulture farms require far smaller plots of around 20 to 40ha: the key demand for them is proximity to Bole International Airport and infrastructure for distribution and export. Along with differences in the suitability of various geographical areas for different crops (due to soil or climatic conditions), this creates different policy challenges depending on the combination of demand and supply factors at work. In Ethiopia it has meant that horticultural land around Addis Ababa is now relatively expensive and scarce, requiring public investment to open up more land, while land in the outer areas is relatively cheap and can be used for large scale projects. As such there is no single policy approach to 'agricultural investment'; instead governments need a tailored and flexible approach that maximises the social and private returns depending on the situation.

For Tanzania, a fairly similar picture emerges: while there has been ample discussion regarding the role and impact of the private investment originating from the emerging economies, one of the findings of this study is that emerging economies in fact are perceived to play a fairly marginal role in agricultural and land investments. Very few of the interviewed stakeholders could mention more than one or two private agricultural investments originating from an emerging economy, and next to no one could give any further details of those investments, in terms of size, location etc. There was a general feeling among the interviewed stakeholders that the public oversight of both foreign and national agricultural investments is quite limited, as no one except the Tanzanian Investment Centre (TIC) has access to these data. Two stakeholders claimed, independently of each other, that the majority of the investments originate from Tanzania, followed by investments from OECD countries and Arab countries, while investors originating from emerging economies only rank fourth on the list of agricultural investments. Although it is difficult to verify this assertion in light of the lack of data, it nevertheless gives an impression of how relevant the role of the emerging economies is perceived to be in agricultural and land investments. The lack of knowledge around agricultural investment was also noted in **Ghana**, although in **Ethiopia** public information was more accessibly available through the Ethiopia Investment Authority (EIA).

It is important to note that authorities were keen to stress in all case study countries that they do not discriminate between investors by their country of origin and that investment decisions are based on objective criteria. As such there is no reason *a priori* why an Indian or Saudi investor would have priority over an American or European one, and in fact, all types of investments are welcomed as long as they bring in new resources and fulfil their development commitments. Although this is difficult to verify, most stakeholders tended to agree with this assertion when asked, and the presence of many investors from different countries would suggest that discrimination amongst foreign investors is rare in practice.[16]

In terms of the factors underlying investment patterns in Africa, one interesting point was that the 'demand-push' factors for land play a large role in who invests. For example in India – where land is difficult to get due to a number of factors, including limited availability and physical supply, poor infrastructure and cumbersome land regulation – Indian producers are incentivised to invest overseas. The scarcity of agricultural land would also appear to be a strong factor for Saudi Arabian investment overseas. The same however is not true for Brazil – which has more land and more secure rights, and accompanying investment opportunities at home – which along with other factors (such as language) diminishes the demand-push factors for Brazilian investors. Physical size was also cited in this context as a similar factor: China and India have massive populations of 1.2bn to feed, while Brazil at 200m has less pure demand pressure. At the same time, one stakeholder noted that the background to the G8 commitments and New Alliance was the global food crisis in 2006, and that recent initiatives should thus be seen more in the *global context* of a scarcity of productive land and inadequate investment to boost production, to lower the social pressures felt across all countries as a result of high food prices.

Issues related to Land Acquisition for Agricultural Investment

Land acquisition is amongst the most controversial of areas related to the current policy consensus on the need to increase investment in agriculture, and as already noted above, has been the subject of significant scrutiny. In **Ethiopia** the overall context for land is that it is mainly owned by the government and leased to investors. In terms of supply factors, most stakeholders pointed out that in Ethiopia there is actually an abundance of undeveloped and unoccupied low-lying land suitable for large-scale agriculture. Some regional officials highlighted that even though investors are encouraged via the provision of favourable terms, in fact the availability of cheap land is the primary key selling factor for Ethiopia. Yet many investors are local ones, including those from the highlands that have acquired plots in the lowlands. Over the last few years a great effort has gone into surveying available land: some 42 per cent of land has been surveyed and designated as being suitable for various types of cultivation. Much of this land requires development – in terms of supporting infrastructure and land improvement (the former is gradually provided by government, the latter is where foreign investors are most needed).

[16] This does not of course exclude the possibility of other forms of favouritism in specific land dealings.

In terms of land use policy, at the overall Federal level, Ethiopia appears on paper to have a clear policy framework, which looks ostensibly to balance competing interests. On the one hand there is a need for a functioning land market in order to make available the large plots of land for foreign and local agricultural investment that are required for transforming the Ethiopian agriculture sector. On the other hand there is also a need to ensure that environmental concerns are respected and that lessees are protected and adequately compensated. As such, officials are keen to emphasise the criteria that exist for agricultural investment land allocation:

- Free from farmer settlement (including public grazing on communal land)
- Free from environmental protectionist concerns (e.g. forest or wildlife)
- There has been no previous investment

Yet despite the clear criteria, land management issues are complex in Ethiopia: primarily due to the fact that there are different actors at different levels of the government, apparently with different powers in different parts of the country. Mandates are also currently in flux. A typical agricultural investor would probably start at the dedicated Agricultural Investment Support Directorate (AISD) at MoARD, who would help the investor to get a licence at the Ethiopia Investment Authority. However, even with the EIA license the investor would also need to work at the level of the regional authorities to acquire a lease for suitable land. Some commentators noted a difference in the strengths of regional governments: the central regions are much stronger and autonomous than the outer regions – with the outcome that this process does not apply in a uniform way across the country i.e. some regions may have greater capacity to value land or negotiate terms.

One interesting development in Ethiopia is a recently emerging land pressure, particularly for the lowland area of 200km around Addis Ababa. This is prime land due to its proximity to the transport linkages: land for horticulture (flowers, fruits and vegetables) needs to be close to Bole International Airport with good infrastructure linkages. As a result it is now becoming very difficult to acquire land in this area, coupled with increasing levels of labour shortages in certain areas south of Addis - which is itself surprising in Ethiopia where unemployment is widespread. Interestingly, there has been a price response, with investors complaining that lease values in this region are increasing. One example was provided by a flower firm that had just acquired an extra plot of land paying a premium: the land itself was prone to flooding and could only be developed with machinery, and therefore the leaseholders were quite willing to move. In this instance, regional and local authorities reportedly negotiated hard on behalf of those that would need to vacate the land – as such the system appears to have worked well in highlighting the importance of a certain level of good governance to ensure that smallholders are protected (rather than exploited) by the government. On an overall level, the declining availability of land around Addis Ababa has in turn provided a large incentive to open more land: one plan is to open up investment possibilities in the central-northern Bahir Dar region by upgrading the airport to handle international cargo, thus enabling firms to establish themselves in another part of Ethiopia.

Land is also a highly central issue in Tanzania and plenty of reports have been written about foreign investments in Tanzanian land[17]**. One of the fundamental issues in the land debate in Tanzania is the legal definition of land.** First of all, since independence, land in Tanzania has been divided into two different tenure systems; a formal law governing land held by non-African settlers and a customary law governing land held by Africans. Four policies underlie this dual structure (i) all land belongs to the state and not to individuals; (ii) the right to land depends on the way the land is used; (iii) land rights are managed administratively rather than judicially, and; (iv) land is not a saleable commodity. All except

[17] See for example Mwami and Kamata, 2011 and Mousseau and Mittal, 2011

the last one is still firmly in use to this day. In 2001 a new land law was adopted that divided the land into three categories, "*general land*", "*village land*" and "*reserved land*". Village land is the land within the demarcated areas for each of the 12,000 Tanzanian villages, reserve land is the land that by sectoral legislation has been set aside for national parks and reserves, and general land is basically all remaining areas of land. However, there are two components within these definitions that make the process more complicated. First of all, through the Village Land Act the President has been given the right to legally transform village land into general or reserved land if it serves the public interest. The village assemblies have the right to reject these reclassifications, but only if the total land area is below 250 hectares. Yet, even in cases where the land area is less than 250 hectares, no clear mechanism exist for the village assembly to appeal or block such a transformation. Thus, given the national aim to promote private large-scale land investments, there is a risk that villages might lose their land in order to secure vast areas of undisrupted land for investment. Second, the general land definition includes unoccupied or unused village land, which can result in an infringement of village land currently resting but with important future (short- and long-term) uses.[18] As such, there is a widespread perception that the legal control over these investments needs to be improved in terms of transparency, the definition of unused land, compliance measures, information and education etc.

In addition, some Tanzanian stakeholders – including research institutes and farmers organisations – also argued that the practices of the TIC at times created problems. In cases where an investor wants to invest in village land, the TIC is responsible for providing the farmers using the land with accurate and transparent information as well as ensuring that they get properly compensated. However, stakeholders stated that this is regarded more as a statement than an actual policy. According to these stakeholders, farmers are often ill-informed of their rights, responsibilities and the related legal frameworks. The legal challenges are however not restricted to information gaps: several complaints have been voiced that TIC and investors apply inappropriate and insufficient contractual instruments and strategies. In these cases, TIC and the investor use the minutes of the first introductory meeting as the contract rather than committing to strong legal contractual arrangements. Farmers have also reported cases in which the land arrangement has been a closed process between the TIC, the investor and a few local elites, and where the majority of the affected farmers have been excluded. **The TIC is moreover responsible for setting up a national land register, in which all Tanzanian land should be mapped, registered and qualified.** However, 10 years after its launch, only about 10% of the land has been registered and the process is going much slower than initially expected.

Importantly, in terms of the role of external partners in land dynamics, land issues are generally seen as a problem that must be governed and dealt with by the national governments. Development partners can assist in providing capacity training and financial support to the government, but not through direct interventions with the private sector. This point was repeatedly emphasised by ministries, development partners, research institutes, and farmer's organisations. Thus, the complexity of the land and land investments is primarily related to the national capacity to govern and soundly regulate the land market. This is a key issue for future agricultural growth and rural development, and as far as our research has found, no real differences exist between investors originating from traditional or emerging economies, at least not on a structural level. Apart from promoting social corporate responsibility activities and sound business approaches, there is a limited scope of how much development partners can influence and regulate their own national businesses. If one of the key objectives with the recent promotion of private sector investment is to benefit smallholders, **then more needs to be done by African governments, who in fact are the only actors with the full mandate to regulate investments and reform agricultural markets**.

[18] Mousseau and Mittal, 2011.

Issues in Monitoring Private Investments

Beyond issues related to initial land acquisition, there is a range of issues regarding the framework for monitoring and appraising private investments. Across the case-study countries, the capacity to appraise necessary checks on investment applications and to carry out necessary environmental assessments, in particular at the level of regional or local government, is very weak. Systems for investment appraisal – the ability of the authorities to judge in advance whether projects are likely to succeed – appear to have been inadequate, with agricultural projects subsequently varying in terms of their quality and ability to deliver promised development benefits. In Ethiopia one stakeholder contrasted two projects in Gambella in Western Ethiopia, one apparently being a well managed large Saudi Arabian rice project that included transfers of imported technology, and another a large Indian maize investment that was poorly prepared, and did not take action to prevent foreseeable flooding. Most of the interviewed stakeholders in Ethiopia suggested that systems for post-investment monitoring and appraisal need to be strengthened further, although the MoARD does point to recent cases in which leases and licenses were revoked as companies had left land idle.

One particular problem that has received attention in recent years is the phenomenon of land speculation. Nevertheless, pure speculation - the purchasing of land for the sole purpose of selling it later for a profit – is generally prohibited in African countries that stipulate in their investment procedures that land must be developed. In Ethiopia, MoARD openly admitted that they had suspected it had happened on some occasions. In past years, investors had been given plots of land so large that there was no feasible way in which they could meet their lease obligations to develop the land within the timeframe specified. On another occasion an investor wanted to sub-lease his very large plot into smaller plots, in contrast to his contractual obligation to develop the land. There was suspicion that this was either land speculation, or that the land was used for charcoal production. However the MoARD is now responding to this and are considering in future restricting the size of investments (e.g. to an initial maximum of say 5000ha). Similar occurrences have been witnessed in Tanzania, where in particular some European companies have been accused of leasing massive areas of land while only using a small share, or rearranging their land use after signing the contracts. Several media have reported that the Tanzanian government decided in January 2013 to restrict the amount of land that single large-scale investors, both foreign and local, can lease for agricultural use[19].

Another question (common to many African countries) concerns what happens once the initial incentive packages granted to attract individual investors expire. In many countries it remains to be seen whether expiring incentive packages (which typically include concessions on import duties or income tax) will be allowed to lapse as intended, and what impact this may have on the profits of agricultural businesses. In the last few years agricultural production has increased but recent falling prices and some failed crop harvests have cut overall exports in some countries: some stakeholders suggested that the consequent reductions in revenue and foreign exchange earnings have already led governments to compensate by 'squeezing' firms' profits by raising certain taxes. As in other sectors such as mining, important questions remain over the extent to which current high levels of investment in the agricultural sector are driven by such incentives, and whether investment will be sustained once they expire.

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[19] Allegedly, the permanent secretary in the prime minister's office, Peniel Lyimo, told the Inter Press Service that; "For a large-scale investor who wants to invest in sugar, the ceiling has been put at 10,000 hectares [24,710 acres]. [The limit for] rice is 5,000 hectares. The ceiling for sugar is significantly higher due to the fact that it may also produce electric power". Kiishweko, 2012-12-19, Curbing Tanzania's "Land Grabbing Race", Retrieved 130325, http://www.ipsnews.net/author/orton-kiishweko/ See also Guardian 12-12-21 Tanzania takes major step towards curbing land 'grabs', retrieved 13-03-25 http://www.guardian.co.uk/global-development/2012/dec/21/tanzania-major-step-curbing-land-grabs

On another front, one of the most controversial issues, tied to the issue of land-grabbing, is that of resettlement. As in other African countries, the resettlement debate is extremely sensitive for historical reasons (e.g. the Ethiopian Derg Regime response to the 1985 famine and the Tanzanian Ujamaa policy). Ethiopia also highlights the regional-ethnic-cultural difficulties that are faced by those who are relocating to a new community. As noted above, there are guidelines in place for the allocation of land to foreign investors in Ethiopia and examples of the system working well. At the same time, some organisations have highlighted instances of forced resettlement in Western Ethiopia for example. Stakeholders interviewed for this study however suggested that reports were sometimes exaggerated– often people do prefer to move from marginal lands that they cannot themselves cultivate to towns with basic services – although one question is whether at times people have moved too early, before these services exist.

This creates an interesting context: for donors land issues are a sensitive and complicated subject and most western donors tread a relatively fine line in Ethiopia between being critical of the human rights stance of the government, and engaging in support programmes through government itself. However it also creates an interesting context for potential investors: some stakeholders pointed out that this leads to *de facto* differences in the operating environment since traditional partner country investors (and certainly their governments) are 'terrified of picking up a copy of the New York Times with an article about forced resettlement of Ethiopians as a result of an investment'. By contrast, investors from emerging economies may not have to worry as much about this.

2.4. Perceptions on the Potential for Improved Cooperation in Agriculture between Traditional Partners and Emerging Economies

Cooperation on Agricultural Development Assistance through the CAADP and Other Processes

One of the key features behind the CAADP approach is that it provides a single platform for any donor to identify, align and coordinate its activities within a clear policy framework for agriculture that has strong national ownership. As noted above, there have been varying degrees of progress in translating the CAADP vision into reality, yet regardless of the success of the CAADP *per se*, most countries have established elaborate mechanisms for donor coordination that are aligned to CAADP principles. In **Ethiopia** for example there are elaborate modalities through which traditional DPs coordinate assistance and align to government priorities at national level. The Ethiopian government appears to place a high priority on donor coordination in general, and agriculture appears to be a sector where government-donor relations work best, with the Rural Economic Development and Food Security (RED&FS) Donor-Government Committee as one of the better-functioning committees. The RED&FS Committee includes 22 partners on the donor side who agree priorities with the government. It is co-chaired by a donor partner and a Minister, with a support secretariat based in the office of the Minister. Donors appear to be aware and responsive to the sensitivities of GoE – for example not being outnumbered by donors in meetings. Even though the RED&FS is seen as something of a success, some voices complained that certain donors still tend to circumvent the process somewhat in their practices: in particular one government source argued that 'there is no transparency on spending' through CSOs or technical support agencies.

Given that such aid coordination mechanisms are now replicated across Africa, it is fair to assume that in most countries aid activities tend to be highly 'regulated', with strong accountability mechanisms to ensure that donors align to government priorities (though in Ghana such alignment was hard to gauge due to the broad nature of the overall policy framework). Both traditional donors and African governments have signed up to national and international aid and development frameworks, such as the 2005 *Paris Declaration on Aid Effectiveness*. In terms of the newer emerging economy donors however, the **key question that emerges is whether they should also sign up to practices and**

participate in aid coordination and management mechanisms such as those related to the CAADP. To that end, a better understanding of the modalities, the aims and the inner workings of South-South cooperation is probably needed.

Evidence from this study on such questions was fairly clear: for a variety of reasons there is limited appetite from emerging countries to integrate into the established aid architecture in Africa. This supports the argument that CAADP is still largely perceived by emerging economies as a donor-driven framework, and - since they do not think of themselves as donors – it remains outside of their interest and mandate. In **Tanzania** for example none of the representatives from the emerging economies consulted seemed to see much value in coordinating their activities with the CAADP compact, a feeling echoed in Ghana. Their baseline argumentation was that by aligning their cooperation modalities with the Tanzanian Government they would inevitably be working towards fulfilling the CAADP objectives, since the government has designed their priorities in accordance with the Compact. It is therefore up to the Tanzanian government to ensure that the principles of CAADP are included in the national strategies. A second argument was that signing the CAADP would be counteractive to their aim of providing non-conditional support without a political agenda. Whether CAADP is perceived as a donor driven or an African project, the framework is not compatible with the core fundaments of the emerging economies' strategic visions of international cooperation and thus it is not relevant for them to sign up.

This is not necessarily the result of bad will. In the case of Ghana, Brazil's public and private activities do clearly contribute to the country's CAADP agricultural investment plan. The difference with other development partners lies in the way Brazil engages with Ghana. Newer, emerging donors like Brazil operate according to different norms and operational guidelines. The way they structure their cooperation activities is also markedly different from that of OECD DAC donors. This will inevitably impact the shape of their engagement with frameworks such as the CAADP.

Nevertheless, **China and NEPAD recently signed an MoU on African Agricultural Growth,** which stated that:

> '*Both parties will work together to enhance the participation of Chinese enterprises as well as African enterprises in Africa's agriculture and rural development. Furthermore, they will work together to regularly arrange high-level exchanges, and have policy, practical and technical dialogues between Africa and China with a view to accelerating Africa's agricultural and rural development. The NEPAD Agency within its mandate, will add value to the on-going bilateral agriculture and rural development programmes between China and Africa by assisting the African Union member states to incorporate the above into their national CAADP development processes*.' [20]

The implementation of this commitment and its impact however remain to be seen.

At the same time in both Ghana and Ethiopia there were some notable observations on how countries may be 'brought into' the CAADP framework, particularly in relation to the role of Brazil who, as noted above, are keen to project themselves as perhaps a more sophisticated donor than other emerging countries. Nevertheless consultations with officials revealed an interesting debate and significant obstacles for Brazil in becoming a fully-fledged member of the aid architecture, which centred in short on whether emerging countries should participate in mechanisms that were designed for specific purposes of

[20] IISD, 2011.

aid management and for specific modalities and patterns of behaviour that arguably may not apply to newer forms of South-South development cooperation (see Box 4).

Box 4: Brazil's Practical Approach to Cooperation and the Difficulties of Alignment within Aid Architecture

In the case of Ghana, Brazil's public and private activities do clearly contribute to the country CAADP investment plan. The difference lies in the way Brazil engages with Ghana. Newer, emerging donors, operate according to markedly different norms, operational guidelines, and structures in their cooperation, compared to OECD DAC donors. This would inevitably impact the shape of their engagement with frameworks like CAADP, which have been de facto engineered for working with OECD DAC donors.

Brazil does attend the donor-government dialogue and coordination group (ASWG) on a semi-regular basis, through Embrapa, and finds it a useful tool for coordination and information sharing with other donors, but refrains from engaging in policy discussions. There is a sense that Embrapa, the technical agency representing Brazil in this group, is qualitatively different from other donors and technical agencies at the table. It is more research oriented in nature – closer to a university or research consortium than to a development partner. This qualitative difference naturally limits its input and use of the ASWG. Additionally, the fragmentation of Brazilian development cooperation raises the issue of representation at country level. In Ghana, four different bodies undertake separate activities in agricultural cooperation, so the question of who would speak for Brazil at the donor-government coordination meetings does arise.

Further, technical discussions taking place in the context of the CAADP investment plan might appear politically loaded to non-OECD DAC development partners. Southern development partner's policy of non-interference in domestic policy might clash with OECD DAC donor's way of working, which often involves policy dialogue with developing country government, as is the case with the agricultural sector in Ghana.

Beyond qualitative differences between South-South and TD's cooperation, clear geopolitical dynamics are at play, going beyond the CAADP investment plan. Non-OECD DAC development partners might be skeptical of getting involved with traditional OECD DAC development partners in the country's aid architecture for strategic diplomatic reasons. Aid and development cooperation, apart from their poverty reduction aims, are also foreign policy tools, for traditional and non-traditional development partners alike.

Importantly, at a broader level there is increasing international pressure for emerging economies (and perhaps in particular China) to engage further in development dialogues and frameworks, which might perhaps affect their strategic priorities and directions. Two relevant examples relate to the provision to African stakeholders of lessons learnt from the recent agricultural transformation in emerging economies, through regular meetings funded by some traditional donors: the 'China-DAC Study Group'[21] and the 'Africa-Brazil Agricultural Innovation Marketplace'[22]. That said, the chance that emerging partners, especially China, will cooperate within the CAADP in the foreseeable future remains fairly unlikely. Although emerging countries were amongst the signatories of high-level declaration of the L'Aquila Food Security initiative, there would appear to be few practical implications of this, and hence this might be seen as a rhetorical move rather than a genuine will to commit and align with the CAADP framework. One Indian official said that the signature of L'Aquila in itself didn't mean that much, but that it is more to be understood as part of a general realisation amongst partners that improved cooperation will be necessary in the future.

One African official pointed out the desirability of bringing emerging countries within the CAADP framework, but in light of the fact that they have tended to adopt their own modalities at the national level, this could only be done at a continental level. It was suggested that high-level meetings,

[21] China-DAC Study Group, 2011.
[22] Agricultural Innovation MKTPlace, retrieved 17/06/2013

such as the China-Africa (FOCAC) or India-Africa fora, could provide the right platforms for this to happen. The statement from the 5th Ministerial meeting of the Forum for China-Africa Cooperation supports this as point 4.1.3. reads "*The two sides commended African countries' progress in implementing a growth-oriented agricultural agenda under the framework of the Comprehensive Africa Agricultural Development Program (CAADP), and pledged to work together in support of CAADP."*[23] What this will mean in practice is still unclear as supporting and aligning bears different meaning and have very different implications. Nevertheless it remains to be seen how any pressure from Africa in such continental fora would translate down to the national level, without similar pressure from governments there. Ultimately it seems that there would need to be a genuine desire on the part of both individual African governments and emerging economies for the latter to participate in coordination mechanisms such as CAADP.

Cooperation on Private Investment in the Agricultural Sector

With regard to private investment in the agricultural sector it must be recognised that even though the CAADP above all serves to promote a holistic and coordinated approach to agricultural development, there is a strong potential dichotomy in the treatment of aid and investment both by government and external partner countries.

- In terms of rationale and motivation, there are **fundamentally different moral imperatives to aid and private investment**, as well as different objectives – even if the line between the two is becoming more and more blurred.
- There are **different actors involved**: one obvious distinction is that while aid is conducted through official government-to-government relationships, in a globalised world it is nowadays difficult to talk of companies or investors being from one country or another. This may make it more difficult to find ways to encourage large private investors to be part of CAADP processes which have thus far been based around discussions between development partners and government agencies.
- On an operational level and as already outlined above, **there are completely different policies and procedures for the two**: aid programmes tend to be managed through rigorous donor-government coordination procedures to ensure alignment to national policy processes and processes for monitoring and evaluation. While investment is by no means unregulated – there are in fact regulations and performance criteria, including those stipulated within investor incentive packages – it is by contrast a much more open and smoothly facilitated process and is subject to a much more *laissez-faire* approach where all investment tends to be welcomed without deep scrutiny. The imbalance in the level of effort going to aid coordination and alignment, versus the very open orientation to encouraging investment, is somewhat striking.

Against this backdrop however, the CAADP principles and processes take a relatively firm view that aid and investment in agriculture are inextricably linked, and that actions can and should be taken to ensure for example that aid is catalytic in facilitating and creating investment, while both investment and aid are ultimately geared towards supporting broader development objectives such as the food security, rural development and the reduction of poverty. In terms of the linkages established between CAADP-related programmes and private investment, the most notable and visible initiatives so far have been the New Alliance and the Grow Africa initiative, as well as a number of closely-linked agricultural corridor development initiatives (such as the SAGCOT).

In broad terms, interviewees recognised the potential for a transformative approach under these initiatives, which focus both on the enabling environment for agricultural investment (particularly

[23] FOCAC, 2012.

the New Alliance) and an integrated approach to infrastructure for agriculture, as well as placing emphasis on finding ways to strengthen the linkages between large enterprises and smallholder growers. At this stage, consultations with stakeholders from across the case studies would point to a number of common concerns about these new public-private approaches, including:

- A number of stakeholders expressed surprise about the process itself with one expert noting that it also **'came out the blue' and a top-down approach and without much buy-in**. There was some concern from a number of stakeholders that the New Alliance was clearly a very G8- and traditional donor-centric process: it seems to be pushed quite heavily by some countries (the US and certain EU member states including the UK). Hence while it is a big focus for USAID and some others, some traditional donors are a bit more sceptical and are adopting the strategy of sitting back to see if it really materializes.
- As with the CAADP, the mainstreaming of Grow Africa and New Alliance appears to have varied from country to country. In some countries where there is a strong interest in the initiative on the part of donors and government, the New Alliance tends to be taken seriously as a set of international commitments coming from the G8 process that the government has agreed to (and as such perhaps more like a 'treaty' arrangement). In some cases these commitments appear to go beyond even what is necessary to spur investment (as an example, the commitment by Ethiopia in the New Alliance to extend the length of land leases, beyond the current 25 to 40 year timeframe, is in fact not a major concern to most investors). Hence while development partners see the New Alliance in part as a chance for them to have greater leverage in discussions with governments on reform, it is debateable whether high-level support from developing countries for a G8 Declaration truly guarantees ownership at the national level, or means that commitments will be fulfilled in practice.
- In any case, thus far the level of actual progress under the New Alliance is slow: while some letters of intent have been signed projects have in fact been slow to get off the ground. One promising example, championed by the World Food Programme through a joint venture between foreign and Ethiopian companies, centred on a soya-based food supplement. This would have been produced in Ethiopia to deal with drought-related malnutrition crises, and would thus have been a positive indicative example of how the two objectives of foreign investment and food security go hand in hand. The deal however has apparently now fallen through. In Ghana the New Alliance was on hold during recent elections but is expected to pick up speed.

In terms of the involvement of the emerging economies in initiatives to link private investments with public development-focused approaches, for the most part these have so far been marginal. Arguably the most interesting point about this finding is the implication that in the future as investments from emerging economy countries grow, there may be potential for a situation in which developed countries are putting up large sums to support food security and agricultural development, while emerging economy investors are either reaping the benefits (from an overall improved agriculture sector and investment environment), or even potentially undermining such objectives (through creating negative impacts such as the marginalization of smallholders by excluding them from production chains). When, however, it was suggested to stakeholders that investing countries should do more to assist the agricultural sector through aid, it was pointed out that aid should not be linked to investment and that emerging economies may be contributing in other areas where there is comparative advantage such as construction. As such, while there may be an attempt to link aid, reform, investment and productivity within the 'intervention logic' of donors, this entire logic may not apply (or may not be accepted) when it comes to emerging countries.

One of the key questions going forward is to what degree the New Alliance is open to emerging economies and other countries outside the G8. Some of the developed countries seem to be more open to this than others. One perspective on this (either a cynical or realist one) is that in fact initiatives such as the New Alliance or Grow Africa could be seen as a response by developed countries to forge or maintain exclusive relationships and privileged positions with the national government. According to this reasoning, this would be a way to counter the 'threat' of emerging countries, while also still remaining within the rhetoric and principles of a 'development-first' approach (in order to satisfy constituents at home that are not part of a new 'scramble for Africa'). Interestingly, however, one Brazilian official pointed out that his country continued to follow the New Alliance since there are still elements that are 'legitimate and constructive' in the approach. This suggests both a pragmatic approach and some optimism that the current crop of initiatives will translate into tangible pro-development benefits.

Finally, when asked about the need or potential for a more coordinated approach to private agricultural investment and overall development frameworks like CAADP, one expert mentioned two things that sit in contrast to the grand schemes of the G8:

- **The first was that at the national level the way to ensure development-friendly investment was to develop strong laws and guidelines that apply to all investments, and the capacity to implement them uniformly.** This needs to be driven first and foremost by the governments concerned, although donors can support this through developing codes of conduct or encouraging policy reform.
- **Secondly, a more integrated and inclusive approach to private investment might be achieved by simply improving government-business dialogues.** Currently it is quite rare for private businesses from both traditional and emerging partners alike to sit down together in such fora, opposite the government, to discuss polices and private sector concerns. The 'normalisation' of government-business relations would see for example Chinese investors cooperate and sit alongside Dutch investors to discuss with the African government about a level playing field with clear and predictable rules for all companies regardless of their origin. At the moment, such kinds of dialogue are blurred by aid and development issues, which investors from donor countries are more likely to engage in policy discussions (either on their own or through their embassy) than emerging country investors. In Ethiopia, the government is reportedly trying to make the distinction between donors and private investors clearer, encouraging fora in which the latter are brought together as one group regardless of origin.

3. Overall lessons for Policymakers and the role of the CAADP process

Through interviews with a range of stakeholders working on agricultural policy, aid, and investment, this study has examined the changing context for agriculture in Africa. The study aims to gain an initial understanding of the different perceptions of the roles of 'traditional' and 'new' actors involved, and how they are contributing to national agricultural development programmes such as CAADP. In our concluding section, we cluster our findings around different perceptions about the agricultural policy context as well as the increasingly inter-linked areas of aid, investment and land, before drawing together some practical conclusions on the potential for greater exchange and involvement by different partners within CAADP processes.

The Changed Context for African Agriculture

Following decades of low growth and a generalised lack of interest, the context and outlook for agricultural development in Africa has improved significantly in recent years. This has been due to a number of dynamic and interlinked factors. Policies have been adopted to raise the profile of the agricultural sector, ensure key investments by government, and incorporate agricultural knowledge and innovation to increase productivity. Development partners, who committed large amounts of aid to support agricultural reform and development, have supported these initiatives in order to meet global goals on improving food security. There has been renewed interest and openness in most African countries for private investment in the sector. All of this has translated into a heightened demand for a transformative approach to African agriculture. At the same time, the actors involved in agricultural investment have also changed. African governments naturally remain central to the story, and investment and aid are both still dominated by developed countries. But they are gradually being joined by Brazil, India and China and other emerging economies.

In this new context, questions arise over whether an overarching framework such as the CAADP is the appropriate tool to engage these new actors from emerging economies and the private sector. Tensions are likely to emerge between the fundamentally different logics that underlie traditional development assistance, newer forms of South-South cooperation, and private investment. External partners and African governments alike will need to assess whether the potential for increased private agricultural investment will require a shift in thinking about the extent to which aid remains a key driver of change. If private investment is in fact becoming more important, how can governments maintain a focus on public policy goals in the face of the changing context, thus ensuring coherence between public and private action in agriculture? Will traditional donors need to modify and adapt their behaviour? Should more effort be made to bring emerging economies into existing initiatives to develop the agricultural sector in Africa such as CAADP? Should the CAADP be adapted somehow for emerging economies to see it as useful tool to engage? And how could any such process be facilitated or encouraged?

The Policy Setting for Agriculture and CAADP

Despite current efforts in promoting a coherent approach to agricultural development under the CAADP, awareness about these initiatives remains in general fairly weak except in certain countries, and implementation remains variable. This does not imply that agricultural policy has not improved in recent years – but it perhaps suggests that CAADP has not solved the problem of “transposition” of continental and regional initiatives to the national level. Ethiopia would appear to be an exception, in that policy and even the instructional structures of the MoARD are shaped in line with CAADP principles, and could serve as a model for other countries. **CAADP processes are not created in a ‘vacuum’ at the national level**; they build on earlier initiatives, patterns of behaviours and are shaped by various government, donor and stakeholder interest, institutions and ideological views.

Extrapolating from this observation, bringing emerging donors in the CAADP would probably bring a different set of views, priorities and operational culture to the table, the implications of which need to be explored in terms of possibilities to effectively coordinate all actors involved and expeditiously implement agreed actions under the CAADP umbrella.

Ultimately, the CAADP remains an important opportunity for a fully African-owned framework for engaging all stakeholders (local and foreign whether from emerging countries or traditional donors, as well as both the public and private sectors) to support agricultural transformation across the continent. One of the objectives of CAADP is to create predictability both for public and private investment in agriculture, where investors can operate safely regardless of their origin while also helping governments pursue their public policy objectives. Including emerging economies within CAADP could therefore benefit both African actors (for example avoiding duplications in support and investment by working with companies from traditional donors and emerging economies in line with their respective comparative advantages) as well as emerging economies' ones, for example by giving them more certainty for long term investments. In this sense, engagement by emerging economies in CAADP could be comparable to that seen in the area of CSR processes that were born in Western circles (like international support for CAADP) but are now also being explored by Chinese stakeholders, to combat any perception that Chinese companies are 'bad' for Africa.[24] A recent example is the 'Fourth Conference of Chinese and African Entrepreneurs' (Beijing, July 2012) where Chinese and African businesses not only launched joint projects in different sectors (including agriculture), but also signed a "CSR Declaration" aimed at ensuring that investments truly benefit the local populations involved.[25]

Aid and Investment

Private investment in agriculture appears to be broadly encouraged across the African continent and is supported within the CAADP for its potential to increase growth and productivity, and to support smallholders. Aid and investment are naturally however treated quite separately from one another: they are subject to a different set of government and third-country relations, as well as different policies, procedures and accountability frameworks. Aid tends to be mutually agreed, scrutinised for its alignment to national goals, and closely monitored and evaluated. Investments are handled by dedicated investment agencies and judged on different criteria such as employment potential, and it tends to be taken for granted that investment will provide an automatic contribution to agricultural policy goals. There is little evidence of any discrimination amongst investors by their country of origin, whether from traditional or emerging partners.

The differences between aid and investment mean that it is not easy to coordinate them and make them complementary as CAADP aims to do. While a baseline *laissez-faire* assumption that 'all private investment in agriculture is good' is not necessarily wrong, it contrasts with the principles espoused in CAADP which for example put a priority on making concrete interventions to ensure knowledge transfer, or encouraging improved linkages between smallholders and large-scale producers. While some countries administer policies to monitor whether investments are delivering their promised results, many governments have a limited capacity to make such assessments, and few channels of recourse to ensure that investors comply for example with the terms of their leases, even when such assessments are made.

Ultimately it should be recognised that there are fundamentally different underlying moral imperatives to aid and investment, as well as the different set of actors. Even if one advocates that there should be a more development-friendly approach to private investments, such as those advocated in the CAADP-related Grow Africa and new Alliance initiatives, there is no guarantee that such ideas will be universally accepted and filter through into practice. **This defines the challenge of coordinating and creating synergies between the aid activities of donors and those of investors**, including the roles of traditional and new partners in African agriculture.

[24] China is not only working internally, and with Africans, on CSR issues (see for example Shuaihua Cheng, 2011), but also in cooperation for example with Sweden (See CNC World)

[25] See CNC World, retrieved 20/07/2012

Land Issues

The issue of land acquisition by foreign investors for agricultural use is a topical and naturally a sensitive issue. The issue has been raised by a number of research organisations - using both anecdotal evidence and analysis of contracts etc. - to express concern with so-called 'land grabbing'. While this study did not undertake in-depth research necessary to draw firm conclusions on the legitimacy or otherwise of land transactions, our interviews suggest that **where large-scale land acquisitions have been made they cannot be attributed exclusively to investors from traditional partners or emerging economies**.

There may be issues over weak land management systems in many countries, for example a lack of knowledge by landowners over their rights or their ability to make realistic valuations about investment proposals likely to affect them. At the same time, there is undoubtedly sometimes a strong need in many cases for investment to develop and improve land (for example through irrigation), realised only with a minimum level of capital and knowledge which private investors can provide. **Most interviewees seem to believe a sustainable approach to land management that balances the needs of all stakeholders is possible.** However the challenges of achieving that balance should not be overestimated: it requires not only a significant strengthening of capacity (for example of land administrators), but it also needs to occur within **incentive and governance structures** that ensure that governments protect the rights of landowners as well as encouraging necessary pro-developmental forms of agricultural investment.

The Role of Traditional Partners and Emerging Economies in CAADP-related processes

One clear distinction highlighted by this report is that, at present, traditional partners engage heavily with the government on a policy and reform dialogue through aid, while emerging economies currently tend not to. This may be due to the fact that while traditional partners may argue for a stronger ‘intervention logic’ to link aid, reform, investment and productivity, this logic may not necessarily be accepted by emerging countries that define their support activities differently from traditional aid and pursue a policy of non-interference.

At the same time, the core logic of CAADP is about creating an African government-led, level playing-field in agriculture where all external partners, public and private, internal and external can operate smoothly and in line with national policies. CAADP is equally about improving the methodology and quality of interventions in the agricultural sector for example in encouraging coordinated, transparent and accountable action. As such it supports a **multi-stakeholder approach**, which suggests that there is much to be gained from including emerging economy actors, both by African governments and by the emerging economy actors themselves.

Similarly the New Alliance and Grow Africa initiatives are also promoted as useful tools to build partnerships between donors, investors and governments. While this may certainly be quite valid in terms of a development approach, there is also some scepticism. Arguably the creation of a link between agricultural reform and investment opportunities is also an attempt by some traditional partners either to carve out or maintain a privileged position for themselves and their investors (e.g. through “letters of intent” defining the investments planned by specific companies as part of national CAADP), or to formulate a new drive for investment by their firms within the accepted rhetoric of development. At the same time, “letters of intent” have also been signed by few companies from emerging economies which suggests that these private-sector focused initiatives could yet become **an important tool for cooperation between African governments, traditional country investors and emerging economy companies**.

At this point, there should be greater reflection regarding whether the emerging principles and norms guiding South-South Cooperation, and public-private-partnerships, are effectively transposable to the CAADP agenda, especially its operationalization at country level. The participation of external partners in CAADP country roundtables, for example, while seen as promoting more evidence based, participatory and accountable policies in CAADP by traditional donors, might be interpreted as internal meddling by emerging donors. In addition, something that could be clarified further is how a private investment logic relates to the government-to-government frameworks that guide traditional donor-country relations.

One has to be realistic when suggesting options about exploring the opportunities to engage emerging economies into CAADP: reconciling the different interests at work would be difficult, since both sets of actors are likely to push for outcomes that are advantageous for their own investors. Arguably, given that traditional partners are coming from the position of needing to uphold values (i.e. promoting development as an overriding objective) their best strategy may be to use leverage to encourage all governments to adopt strong standards and criteria for development-friendly investment as well as a more inclusive approach to business-government dialogues. This may however require restraint (i.e. there is a 'fine line' since too aggressive an approach to encouraging one's own investments may undermine one's 'good will' approach), and it would also involve strategic outreach to emerging economies, of which there is limited evidence thus far in terms of dialogues about private sector for development.

In the end however, **it will be up to African governments to maximise the benefits on offer from traditional partners and emerging economies alike. A crucial first step would be for Africans themselves to ask newer emerging economy partners to join the CAADP table**. In fact, early CAADP documents, capturing the widespread recognition that Africa should learn from the recent agriculture transformation in emerging economies themselves, included South-South Cooperation as one of the CAADP objectives, stating clearly: "*CAADP is a key entry point for Southern partners seeking to respond directly to agricultural development priorities in Africa [...] CAADP wants to establish inter-regional cooperation [...] to stimulate the exchange of information, experiences and best practices. Triangular cooperation between the private sector, academic and research institutions and NGOs also has lots of potential for productive partnerships. As a linking and harmonising body, CAADP nurtures South-South partnerships by helping partners get together in the right places at the right times*".[26]

This vision has yet to be translated into practice: this study had found that even when African governments officially have very clear ideas about agriculture – with our three case study countries chosen specifically because they are most advanced in the CAADP and New Alliance processes – **very few specific efforts have been made thus far to involve emerging economies in those processes.** Support from emerging economies has mostly taken place under different modalities altogether, such as crop-specific research cooperation and agronomist training, or in sectors different than agriculture, such as infrastructure or social security. Although African governments may see some advantages of differentiating their sources of support in this way (for example in terms of reducing risk of failures or increasing the range of sectors receiving assistance), encouraging all cooperating partners to work through CAADP would arguably achieve more through promoting a coordinated, multi-stakeholder and transparent process, with opportunities for every relevant stakeholder to participate in steering all types of external support to agriculture (while often the assistance outside CAADP remains, in practice, strictly a government-to-government business).

[26] Mkandawire, 2005.

There are however some examples of how CAADP can benefit from emerging economies' expertise in certain areas of agricultural development. The aforementioned MoU between China and NEPAD on CAADP support is a promising example of cooperation. In the case of Ghana for example, Brazil already does contribute to CAADP efforts to a large extent, and there are clear trends towards pragmatism from both traditional donors and the Brazilian side. Embrapa is clearly open to trilateral cooperation: Cabral (2010) estimates that one out of five Embrapa projects is undertaken in cooperation with another northern donor. While traditional development partners clearly recognize that the Brazilian expertise, and Brazilian technology are valuable assets for Ghana, and for their own activities. **This example would appear to be a model for cooperation between traditional partners and other emerging economies going forward.**

Ultimately, efforts to increase engagement by emerging economies in CAADP will have to be African-led and pragmatic. Going forward it will be necessary to pursue engagement that:

- **takes a country-by-country and project-by-project approach based on gradually building trust**, rather than on broad policy discussions and continental-level commitments that are favoured by traditional donors, but are not generally part of an emerging economy partner's way of operating. This could also entail building in particular technical inputs by emerging economy experts or companies within national CAADP Investment Plans, including for example investment in particular crops, trilateral cooperation between traditional and emerging economy experts, and increased information-sharing within Agricultural Sector Working Groups.
- **engages in a reflection on how CAADP can be made more attractive for emerging economies.** In the example of Brazil in Ghana, in spite of the fact that Brazil does contribute to the investment plan, and is open to trilateral cooperation and lesson sharing, it sees little use in engaging with CAADP structures. **Is there a risk for CAADP to be seen as a platform that is skewed towards the way OECD-DAC development partners "do" development?** If an emerging economy largely provides government-to-government technical assistance following high-level visits, and, as a matter of principle, does not engage in policy discussion with the partner government, does the CAADP methodology, as currently conceived (and importantly, as operationalized at country level), answer an operational demand? These are the type of questions around which the study suggests more reflections should take place.
- **recognises the differences in the approaches** of traditional donors and emerging economies where they exist, but also the similarities and the areas of shared interest **where stakeholders from the different groups might feasibly work together or synergise efforts** – such as in CSR activities that are becoming an imperative for all. It is also important to recognise and minimise pressures that create competition and limit possibilities for cooperation, for example where economic diplomacy inevitably forces countries to favour their own companies, while geopolitical considerations in aid-allocations apply both to emerging economies and to traditional donors.
- **incorporates a more nuanced understanding of the differences amongst emerging economies,** for example in terms of the factors driving investment. Population size and land pressure are more serious for India and China for example than Brazil, while the latter seems to be more willing to engage along the lines of the traditional donors and more interested in following the New Alliance processes. Extrapolating further, it should also always be taken into account that (just like in traditional partners) there are **many different actors within the same emerging economy**, such that technical agencies or Ministries of Agriculture may be more interested in trilateral cooperation programmes than for example Ministries of Foreign Affairs or Commerce working under a different set of institutional incentives.

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ECDPM was established in 1986 as an independent foundation to improve European cooperation with the group of African, Caribbean and Pacific countries (ACP). Its main goal today is to broker effective partnerships between the European Union and the developing world, especially Africa. ECDPM promotes inclusive forms of development and cooperates with public and private sector organisations to better manage international relations. It also supports the reform of policies and institutions in both Europe and the developing world. One of ECDPM's key strengths is its extensive network of relations in developing countries, including emerging economies. Among its partners are multilateral institutions, international centres of excellence and a broad range of state and non-state organisations.

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ECDPM organises its work around four themes:

- Reconciling values and interests in the external action of the EU and other international players
- Promoting economic governance and trade for inclusive and sustainable growth
- Supporting societal dynamics of change related to democracy and governance in developing countries, particularly Africa
- Addressing food security as a global public good through information and support to regional integration, markets and agriculture

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ECDPM is a "think and do tank". It links policies and practice using a mix of roles and methods. ECDPM organises and facilitates policy dialogues, provides tailor-made analysis and advice, participates in South-North networks and does policy-oriented research with partners from the South.

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