European Centre for Development Policy Management

ecdpm

Discussion Paper

No. 160

March 2014

The CAADP and the Emerging Economies

The case of Ethiopia

Dan Lui

www.ecdpm.org/dp160

foodsecurity

ECDPM – LINKING POLICY AND PRACTICE IN INTERNATIONAL COOPERATION

ECDPM – ENTRE POLITIQUES ET PRATIQUE DANS LA COOPÉRATION INTERNATIONALE

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Key messages

<table>
<tr>
<td>Ethiopia's agricultural growth is supported by policies and assistance aligned to CAADP and increased foreign investment, but traditional and emerging economy partners have engaged in different ways in the sector.</td>
<td>Policies and practices regarding aid, private investment and related areas such as land are treated separately from each other. This has weakened the intended linkages between CAADP-related assistance, reforms and the drive for greater investment.</td>
<td>Promoting the CAADP vision of a more holistic and 'development friendly' approach to agriculture will require African governments in particular to seek more active involvement from emerging economies alongside traditional partners.</td>
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Acknowledgements

ECDPM gratefully acknowledges the financial contribution of the Netherlands Ministry of Foreign Affairs, which has made this study possible. This study builds upon work carried out by ECDPM in in the area of food security (www.ecdpm.org/foodsecurity) and the findings from this case study and two others on Tanzania (by Anna Rosengren) and Ghana (by Quentin de Roquefeuil) contributed to a main synthesis study titled 'Emerging Economies and the Changing Dynamics in African Agriculture: what role for CAADP?' which is available separately as ECDPM Discussion Paper 145 (www.ecdpm.org/dp145).
The author would like to thank all persons involved in the production of the Ethiopia case study. In particular the field research for this case study was assisted by Worku Kassaye from Oromia Coffee Farmers Cooperative Union (OCFCU). The author also wishes to thank Tadesse Meskela, Managing Director of OCFCU, as well as all the interviewees in Ethiopia who took time to meet with the research team. Particular thanks go to Anna Rosengren who helped considerably in improving on earlier drafts. The views expressed herein are those of the author only and should not be attributed to any other person or institution. For comments and information, please contact Dan Lui (dlu@ecdpm.org) or Anna Rosengren (ar@ecdpm.org).

Acronyms

AGP	Agricultural Growth Program
AISD	Agricultural Investment Support Directorate
ATA	Agricultural Transformation Authority
CAADP	Comprehensive African Agricultural Development Programme
EIA	Ethiopia Investment Agency
ECDPM	European Centre for Development Policy Management
EU	European Union
FAO	UN Food and Agriculture Organisation
FDRE	Federal Democratic Republic of Ethiopia
GTP	Growth and Transformation Plan
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
MoARD	Ministry of Agriculture and Rural Development
OCFCU	Oromia Coffee Farmers' Cooperative Union

Executive Summary

Over the last two decades Ethiopia has experienced strong and increasing growth in its agricultural sector, which has played a major role in reducing poverty and improving food security. The Ethiopian agricultural sector is currently undergoing even more significant changes as it moves from mainly subsistence farming towards greater commercial production, partly through the introduction of large-scale agriculture.

The drive for agricultural **change in Ethiopia appears to be supported by strong policy foundations**, with the government committed to supporting the sector as the basis for broader economic transformation within the country. Notably, Ethiopia's approach is closely aligned to the one adopted in the Comprehensive African Agricultural Development Programme (CAADP). The main **Policy Investment Framework** for the sector identifies priority investments, providing **a framework for strong coordination between traditional donor resources and government policy**. There are also some innovative features of the institutional set-up, with the Agricultural Transformation Authority as a government-mandated technical agency to support the Ministry of Agriculture and Rural Development (MoARD).

While increased aid, public investment and reform debates that have been the hallmark of the CAADP approach have played their role in recent agricultural growth, the key emphasis going forward is on private sector growth and investment. Foreign investment in agriculture has been encouraged by government and has increased in recent years. Notably, it is not only investors from the main traditional donor supporters of agriculture that have been investing in Ethiopia, but also firms from new emerging economy players such as India and Saudi Arabia.

Against this backdrop, this paper examines the complex relationships between 'traditional' developed country partners (such as the EU and US), newer emerging economies (including Brazil, China and India) and government policies and institutions in Ethiopia. These relationships are examined in terms of cooperation to reach the development goals espoused in the CAADP, notably through provision of **increased levels of** assistance **to support agriculture with accompanying public investment and reform on the part of African governments**. They are also examined in terms of private investment, and how well policies in this area are integrated into the **holistic approach to agricultural development** that is promoted under the CAADP.

In terms of development support, the main finding is that despite the adoption of CAADP as the main cooperation framework, and the high importance placed on agriculture by the government, assistance remains dominated by traditional development partners. By contrast there is little engagement thus far from emerging economies, beyond small-scale technical exchanges. With the exception of Brazil, **emerging economies have not participated in donor-government dialogues** in the agricultural sector. With regard to private investments in the agricultural sector, the situation is more complicated. While investors from the traditional partners are still very much present in high value floricultural and horticultural production in the lowlands around Addis Ababa, emerging economy investors have been primarily involved in the shift towards large-scale investments in outer regions in non-traditional cash crops such as soybean and rice.

Key to agricultural development and private investments throughout the African continent are issues related to land. The Ethiopia case study shows that any analysis of the national dynamics of agricultural sector development also needs to understand **factors such as the process for land acquisition, the availability and price of land, levels of existing versus potential productivity, and**

crop suitability. Aside from technical and environmental factors, internal social and political dynamics can also play an important role, for example in situations where some regions are better endowed with productive land or where there is uneven development across regions.

The situation in Ethiopia with respect to land raises some interesting issues that impact the development of the sector and highlights the challenges facing African governments. The Ethiopian government points out that the country has large amounts of productive land that are not currently being used to its full potential. It has put in place a land management system that clearly seeks to **balance the need for land for large-scale agricultural investment** that is essential for the transformation of the Ethiopian economy, versus **the need to protect and compensate leaseholders as well as recognising environmental concerns**.

While the land management system has worked well in some cases, there are also instances where MoARD has suspected cases of unlawful land speculation, and there has been some controversy around sensitive issues such as the resettlement of leaseholders. One interesting observation is that investors from traditional partner countries appear more sensitive and risk averse in the face of these issues for fear of bad press and thus *de facto* face a different operating environment than firms from emerging economies. Aside from these concerns, one obvious need for capacity-building for authorities, particularly at regional level, is in the area of investment appraisal, both before and after projects have been approved.

In terms of improving the relationship between traditional development partners and emerging economies on agricultural issues in Ethiopia, the main conclusion is that there is clearly room for emerging countries to be more involved in the CAADP agenda. This may be difficult however, unless the emerging economies have an incentive and a stake in this agenda, which is unlikely to happen unless they **face stronger demands from African governments to engage more fully**.

Similarly in terms of private investment, there is arguably much more to do in order to make initiatives such as the New Alliance for Food Security and Nutrition and Grow Africa more open to investors from emerging economies. While on paper these CAADP-related initiatives are intended to foster a pro-development approach to private investment in African agriculture, there is a need to overcome some scepticism that they primarily exist to promote the interests of traditional partner investors.

Ultimately the study highlights the difficulties in applying a 'holistic approach' to agricultural development as espoused by CAADP, especially in areas that reach beyond the traditional sphere of agricultural policy such as land and extension services. African governments can take the lead in promoting the CAADP vision, by encouraging stakeholders to follow improved standards and criteria for 'development-friendly' investment as well as by fostering a more inclusive approach to reform dialogues, so as to maximise the benefits on offer from development partners and emerging economies alike.

1. Introduction: Agriculture in Ethiopia

More than any other African country, Ethiopia was synonymous with famine and food insecurity during the 1970s and 1980s. But since then the country has made significant progress in reducing poverty and raising agricultural productivity. According to recent figures compiled by Doresh and Rashid (2013) agricultural productivity grew annually by nearly 3 per cent on average during the 1990s, before increasing to 6.2 per cent in the following decade. This contributed to accelerating economic growth from 4.3 per cent to 8.2 per cent. Over the same period poverty rates have fallen from 61 per cent to 38 per cent, with per capita incomes rising in some areas by more than 50 per cent.

The management of food crises has also improved. The period from 2000 to 2005 saw undernourishment (the proportion of people consuming too few calories) fall from 66 per cent to 46 per cent of the population. After 2005, the Productive Safety Net Programme (PSNP) began delivering cash or food transfers to 7-8 million rural Ethiopians for six months every year, either through public work programmes or for free as direct support. The PSNP is currently the largest social protection programme in sub-Saharan Africa outside of South Africa, which naturally also reflects the challenge Ethiopia still faces in reaching its goals in achieving food security.

At this point, Ethiopia appears to be in the midst of an arguably even greater change in agricultural production, as the country is moving further away from mainly subsistence farming towards commercial production, including the introduction of large scale production techniques. As it moves to the next stage in the development of the agricultural sector, the current policy challenges revolve around the questions of how to increase and target development resources for a more strategic approach to development, and how to open up the sector to increased foreign investment. Such changes will inevitably be accompanied by the need to balance the different interests of (overlapping) groups such as leaseholders, smallholder farmers, capital investors and the rural poor.

Against this backdrop, this paper examines the performance and potential of the overall policy framework in Ethiopia and the role of the Comprehensive African Agricultural Development Programme (CAADP), particularly in relation to the activities of 'traditional partners' and 'emerging economies'. The CAADP and related programmes are summarised in detail in Lui et al. (2013). However, in brief the CAADP was established under an African Union framework in 2003, with the goal of eliminating hunger and reducing poverty through agriculture. To do this, African governments agreed to increase public investment in agriculture to a minimum share of 10 per cent of their national budgets and raise agricultural productivity by at least 6 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.

Purpose, Approach Methodology and Structure of the Study

This country case study forms part of a wider study conducted by the European Centre for Development Management (ECDPM), which looks at the increased presence of emerging economies in the African agricultural sector and how their activities relate to the CAADP. Interviews were undertaken in three countries – Ethiopia, Ghana and Tanzania – with the aim of understanding how stakeholders perceive the emerging public and private partners and their agricultural activities.[1] The study

[1] Full resources and information relating to ECDPM's work on CAADP can be found at www.ecdpm.org/foodsecurity . The two other case studies on the *Emerging Economies and the CAADP* on Tanzania and Ghana can be found at

further investigates how these different agricultural development cooperation programmes and investment patterns influence issues of land management. Ultimately, the study aims to 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, and to identify potential complementarities and cooperation prospects in the context of CAADP.

The Ethiopia case study is a joint research project between ECDPM and the Oromia Coffee Farmers' Cooperative Union (OCFCU). In late 2012, over 30 interviews were conducted with representatives from the Government of Ethiopia (FDRE), policy research institutions, private firms as well as with representatives from traditional and emerging partners' development cooperation agencies and embassies. As with the other studies in the series, it should be noted that this paper focuses on actors' perceptions and does not pretend to provide either a neutral or comprehensive picture of these issues; rather it is hoped that it will provide a basis for further reflection and dialogue.

The rest of the study is structured as follows: Section 2 outlines the policy context for agricultural development in Ethiopia – both in terms of public and private investments – and the linkages to the CAADP. Section 3 examines current patterns of cooperation and investment by both traditional and emerging country actors, and focuses on some key cross-cutting issues such as those around land management. Section 4 discusses the potential for greater coordination between the government, traditional partners and the emerging economies through the CAADP. Section 5 provides a conclusion

2. The Policy Context for Agriculture in Ethiopia and Alignment to the CAADP

Although in statistical terms the rapidly-growing service sector has now overtaken agriculture as Ethiopia's largest contributor to overall GDP, the country remains dominated by an overwhelmingly rural population and agriculture still provides more than 80 per cent of Ethiopians with a source of income. The main crops are teff, wheat, maize, sorghum and barley, while livestock accounts for a quarter of all agricultural production. The main cash crop for export has traditionally been coffee, but this has been supplemented in recent years by *qat*, beef and cattle (which also supports leather as a downstream product), as well as a successful floriculture sector. Existing floriculture producers appear to be increasingly moving into horticulture (fruits and vegetables), while the shift towards encouraging more large-scale investment means that a range of non-traditional crops are being considered, including soybean, sugar cane, cotton and rice.

In terms of its overall agricultural policies, the challenges that Ethiopia still faces in the area of food security means that the government places a high priority on continuing its recent trend of agricultural growth. The current government's five-year **Growth and Transformation Plan (GTP)** maintains a focus on agriculture, with the sector continuing to be the 'major driver' and 'main source' of growth of the Ethiopian economy over the 2011-15 period. The commitment to the agricultural sector at the level of the overall government policy is arguably greater than in many other sub-Saharan countries, where similar pro-agriculture rhetoric has not necessarily been met with sustained focus on the sector (see for example Rosengren, 2013).

www.ecdpm.org/dp146 and www.ecdpm.org/dp147 respectively. The main synthesis study for the project is available at wwww.ecdpm.org/dp145

Echoing structural models of economic development put forward since the 1950s, the GTP particular emphasises the linkages between agricultural growth and broader economic transformation. Here, growth in the agricultural sector serves as ‘a springboard for structural transformation in the long run through providing inputs necessary for industrial growth’, as well as creating employment and curbing inflationary pressures. There is a particular focus on linking smallholders with Micro and Small Enterprises (MSEs), the government has committed to provide support to strengthen ‘vertical and horizontal linkages’ between agriculture and industry’. Yet, the importance of large-scale domestic and foreign investment for agricultural growth is also acknowledged in the GTP.

The main guiding document for agricultural policy at the sector level is the Policy Investment Framework (PIF). The PIF is built on four key strategic objectives: (i) achieve a sustainable increase in agricultural productivity and production; (ii) accelerate agricultural commercialization and agro-industrial development; (iii) reduce degradation and improving productivity of natural resources; and (iv) achieve universal food security and protect vulnerable households from natural disasters. Priority investments have been identified under each of the Strategic Objectives, to be jointly financed by the government and its development partners. This includes a set of integrated and flagship programs to deliver on the GTP, namely the Agricultural Growth Program (AGP); the Sustainable Land Management Program (SLMP), and Food Security Program, which includes the Productive Safety Net Program (PSNP), the Household Asset Building Program, Resettlement and Complimentary Community Investment and several other activities.

2.1. Alignment with CAADP Agenda and Principles

One particularly striking feature of the policy setting for agriculture in Ethiopia is a strong alignment to the continental and international efforts represented in the CAADP. Discussions with officials from the Ministry of Agriculture and Rural Development (MoARD) revealed an **impressive knowledge of the continental CAADP process and deliberate efforts to** align the national policy to CAADP. Officials pointed out that agricultural policy frameworks were already in place prior to the CAADP, but that the most recent PIF (which in turn was reflected in the government’s overall 5-year GTP) was based explicitly on the CAADP approach. Indeed, the central focus on a ‘policy investment framework’ fits well within the CAADP structures, in which one of the main goals is to link agricultural policy with a boost in investment.

Along with this coherence in policy goals between the PIF and CAADP, one lesson for other African countries lies in how the impressive level of alignment extends further in Ethiopia to also encompass the institutional level. The MoARD is itself structured in line with the CAADP 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 are being studied to strengthen the Ministry’s work around the fourth CAADP pillar of Research, although it should be noted that the infrastructure for this already exists, with a number of national, regional and international research institutions (IFAD, IFPRI, etc.) already present.

As such, the most recent CAADP Technical Review for Ethiopia in 2010 confirmed that the PIF is well align to the CAADP principles and the broader CAADP framework which ‘presents a social transformation agenda with a wide-reaching influence on development aid architecture and development planning.’ More specifically:

> 'The targets established in the PIF exceed CAADP growth and public investment targets. Further, there are well developed targets for each of the Strategic Objective areas and each of the major programs. The PIF presents a comprehensive framework within its four strategic objectives and are consistent with the CAADP Pillars.'[2]

This is perhaps not so surprising given that Ethiopia played an important role in the process of developing the CAADP, for example through late President Meles who assumed a *de facto* role of spokesman for Africa in G8 and G20 processes. Nevertheless, in terms of perceptions of the value-added and impact of the CAADP upon the agricultural sector, one key MoARD stakeholder noted that while national policy was already strong in Ethiopia, the main difference brought by CAADP was in terms of a large increase in the priority given to agriculture by donors and the accompanying increased levels of funding. At the same time the CAADP also 'changed the conversation' on ownership of agricultural policies and programmes in favour of African governments.

2.2. Policy Context for Private Investment in Agriculture and links with CAADP

One of the central ideas of the CAADP approach is that growth in the agricultural sector – while supported by large increases in public investment in the sector – is primarily a private-sector driven phenomenon. As such, CAADP embodies an approach that in theory extends well beyond narrowly defined agricultural policies, to include a range of related policies including: those that promote and regulate domestic and foreign investment; the often-sensitive area of land policy; reforms to agricultural market structures and improve market linkages through domestic trade policy; measures to improve trade facilitation; and efforts to expand market access and take advantage of export opportunities through international trade policy; as well as policies affecting the broader business environment. In many ways the challenge faced by the CAADP process is how to coordinate different interventions – public investments, market reforms and private investments – in order to transform agriculture across Africa.

In terms of the policy context for foreign investment in agriculture in Ethiopia, stakeholders from across government were keen to point out that foreign investment is broadly welcomed and encouraged in the country. At the same time, the picture on the specifics of approval and regulation of agricultural investments appeared to be more complicated, with a number of institutions involved and some potential overlap in the activities of MoARD and other agencies. In theory, investment applications are handled by the Ethiopia Investment Agency (EIA) under the Ministry of Trade. However, in this area MoARD has a dedicated Agricultural Investment Support Directorate (AISD), which helps to coordinate foreign agricultural investment. At the time of writing mandates seemed to be under re-examination, with the possibility of EIA being replaced by AISD as it potentially becomes more of a 'one-stop shop'. Furthermore, it should also be noted that in practice the federal government only has limited powers *vis-à-vis* the regional governments, especially in areas such as land approvals. One stakeholder however pointed out that the federal government does appear to have more power in the outer regions (perhaps due to there being less local capacity) where most large-scale investments are taking place.

One other interesting development in Ethiopia is the creation of the Agricultural Transformation Agency (ATA). The ATA has a slightly unique institutional role and setting: it was set up by the late President Meles who recognised and prioritised the need for 'agricultural transformation' but who,

[2] FDRE (2010b)
[3] Letter from Government of China to Government of Ethiopia, provided to the author.
[4] There is arguably less information about such domestic investments with respect to their size, sub-sectors and lease

according to some stakeholders, also was frustrated with the pace of reform. This history, as well as the broad acceptance of the agricultural transformation agenda, means that ATA at present is accepted largely as a positive and legitimate force by stakeholders including MoARD. Yet, some are more critical and claim that ATA is influenced by the external donors that fund the agency. At the same time, ATA is aware of the political sensitivities around its role and keen to stress that it acts as a technical support agency. It should be noted that ATA is around two years old in effective terms, and thus these institutional arrangements have yet to fully work themselves out.

Against this 'crowded' domestic policy backdrop, the influence of CAADP in the area of private investment policies is currently less clear than it is for more general agricultural policy, where as noted above there is a high level of mainstreaming. The main CAADP-related initiatives on investment have been the New Alliance for Food Security and Nutrition (New Alliance) and the Grow Africa processes, which respectively **aim to catalyse agricultural growth through facilitating investments and large public-private partnership (PPP) projects**. These programmes in theory encourage large scale but 'development friendly' investment, through for example improving linkages between large commercial farmers and smallholders. Such ideas are grand in scale, but the linkage between national agricultural policy and the CAADP-related Grow Africa and New Alliance initiatives is complex: both of these initiatives intend to encourage greater innovation in policy but also involve a reform agenda. On the Ethiopian side, the Agricultural Transformation Agency (rather than MoARD) is associated most closely with the process – for example in terms of promoting and exploring ways to link commercial investors with smallholders through its PPP unit.

One perception from some of the traditional donors is that, coming from a G8 process involving discussions amongst leaders, the Grow Africa and New Alliance embody a set of high-level commitments that the government has agreed to internationally, almost similar to a 'treaty' arrangement. Nevertheless this also means that unlike the CAADP these processes are seen as more associated with G8 and traditional donor country agendas, and therefore arguably suffer from a lack of buy-in and ownership at the national level. Hence in contrast to the CAADP, in overall terms **the New Alliance and Grow Africa are clearly not as integrated into national policies and institutions** as the more general CAADP principles and goals.

At such, the level of actual progress under the New Alliance so far has been limited: while some 'letters of intent' have been signed, projects have been slow to get off the ground. One highly promising example championed by the World Food Programme – which would have worked both in encouraging foreign investment and improving food security – would have seen the adoption of an Ethiopian-produced soya-based food supplement to deal with drought-related malnutrition crises. However, unfortunately the deal has reportedly fallen through after the major US corporate investor backed out.

In terms of the influence that CAADP has in changing the broader environment for agriculture sector in African countries, the main insight from Ethiopia is that there does not necessarily appear to be **any 'top-down' efforts** to coordinate different ministries behind a focus on agricultural development *per se*. However, in Ethiopia this does not appear to be a major problem since the overarching goals outlined in the GTP – implemented as separate processes in the different ministries – all 'pull mostly in the same direction' to the goal of developing the agricultural sector.

Ultimately, the overarching context for the debate on agricultural policy and reform in Ethiopia is that there is already a high degree of consensus about the crucial need for agricultural development and priorities for achieving it. As such, the CAADP approach and vision already aligned closely with the government's existing thinking. Ethiopia also has the advantage of having a clear set of policy options ahead for developing agriculture, partly due to the fact that the sector is coming from such a 'low base' starting point. Arguably, the question for other African countries is how to achieve the level of policy consensus around agricultural development that is currently enjoyed in Ethiopia.

3. Current Patterns of Cooperation and Engagement by Traditional and Emerging Economy Partners in the Ethiopian Agricultural Sector

3.1. Overall Development Assistance Patterns

Given the scale of the challenge Ethiopia faces in achieving food security for its predominantly rural population, there is naturally a significant level of development cooperation in the area of food security and agricultural development. Amongst traditional development partners, the biggest contributors are the European Union (EU) and EU member states including the UK, Germany, the United States and multilateral organisations such as the UN Food and Agriculture Organisation (FAO). One stakeholder suggested that at least '80 per cent' of development assistance coordinated by the MoARD's donor coordination committee was from these partners. Assistance provided by these 'traditional' development partners tends to have a strong emphasis on emergency humanitarian assistance and the Productive Safety Net Programme.

In terms of modalities, there is an elaborate process through which traditional development partners coordinate assistance and align to government priorities at national level. The Ethiopian government appears to be very keen on donor coordination and agriculture seems to be a sector where government-donor relations work best, with the Rural Economic Development and Food Security (RED&FS) group as one of the better-functioning committees. The RED&FS Committee includes 22 partners on the donors' 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 the government – for example by ensuring that donors do not outnumber government officials in meetings. Even though the RED&FS is seen as a success, some officials have complained that a number of large donors still use modalities that circumvent the process, for example by providing resources through contracted technical support agencies in the private or CSO sector. One complaint was that when it comes to implementation there is 'no transparency' in spending done by such agencies, since financing and operational decisions tend to by-pass normal government processes.

In contrast to the 'traditional' donors, newer emerging economies currently provide only limited support to the agricultural sector in Ethiopia, which tends to be limited to technical exchanges or small projects. Precise modalities for the delivery of aid may differ from one emerging economy to another, but the key contrast with traditional donors is that cooperation tends to be *ad hoc*, often in the form of a Memorandum of Understanding. One letter received by MoARD in April 2012 for Chinese assistance serves as a good example of the scale and scope of such cooperation:

> '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.'[3]

One cooperation modality that has received some interest, in terms of engaging newer development partners within traditional cooperation frameworks, has been that of trilateral cooperation. This describes a situation in which an emerging economy partners with a donor (either a traditional bilateral donor or a multilateral institution) to undertake a development project in a third country. This approach has the potential to combine skills, knowledge and financing from emerging and traditional donors, for example the practical and technical knowledge of emerging economy experts with the aid project management skills of multilateral donors. There is evidence that this type of arrangement is being used in Ethiopia, MoARD indicated that there is some trilateral cooperation between emerging economies and multilateral agencies, including cooperation between China and UNDP, and India and FAO. The partnership in Ethiopia between China and UNDP appears to build upon a global agreement signed by China on trilateral development cooperation on a trial basis with UNDP in 2010.

However, one striking feature of Ethiopia's partnerships thus far is that while a large amount of effort is put into coordinating the activities of the traditional donors through the RED&FS (and presumably other such committees in other sectors), **emerging economies have been largely absent from these processes**. It is unclear whether this is due to the small scope of activities on the part of the latter, or if it is based on an overall aversion to the processes and idea of aid coordination. Nevertheless, the result is a dual system where one set of rules applies to the traditional donors and another set applies to emerging economies. This can cause inefficiency in overall aid management and increase the risk of *ad hoc* interventions being less rigorously aligned to government priorities.

One exception is that Brazil – which currently does very little by way of development cooperation in Ethiopia – has expressed an interest in engaging more in agriculture at national level in Ethiopia and seems to be keen to do so through established donor-government channels such as the RED&FS. One Brazilian stakeholder made a distinction between Brazil and other emerging economy partners, by pointing out that Brazil's cooperation in Africa is 'based less on commercial interest and more on solidarity'. According to this argument Brazil's assistance is provided more for humanitarian motives than commercial ones, due to factors ranging from the socio-anthropological make-up of Brazil (the fact that it has a large population of historically African descent), its higher GDP than other emerging economies and more Western outlook on development issues, and the historical legacy of food insecurity problems in Brazil itself. However De Roquefeuil (2013) notes that in Ghana linkages between Brazil's engagements and commerce are more explicit.

At the moment however, it is not known whether Brazil's ambitions to provide development assistance to Africa will grow in the near future. One official pointed out that the country has only limited funds available and that it is difficult to justify overseas aid in Congress given the economic slowdown in Brazil and the social problems that still need to be overcome at home. The budget of the Brazil Cooperation Agency was reportedly halved in 2012 and Ethiopia, Mozambique and Guinea-Bissau

[3] Letter from Government of China to Government of Ethiopia, provided to the author.

were the only countries to receive missions the second half of the year to identify projects. Overall, Brazilian cooperation is still mostly limited to technical cooperation and knowledge transfer, although it is interesting to note that Brazil is increasingly also pursuing trilateral cooperation whereby a partner agency provides co-funding or aid management expertise, while Brazil provides the technical knowledge and transfer.

In terms of Ethiopian stakeholders' perceptions of development assistance from different partners, it is worth noting that a number of Ethiopian stakeholders highlighted the need to look beyond support for the agricultural sector, and look at overall levels of assistance. Hence the small scale of emerging economies' aid to agriculture does not imply that they do not support the Ethiopia government in its objectives. For example, the Chinese government is investing billions of dollars in improving network road infrastructure in Ethiopia, which might be more in accordance with their comparative advantage as a partner.

3.2. Overall Foreign Investment Patterns

While aid inflows to the agricultural sector in Ethiopia are still dominated by a handful of traditional donor countries, private resource flows are increasing with investors originating from a wide range of different developed and emerging economies. In terms of investment in the agricultural sector, currently the biggest investors by total amount are from India and mineral-rich Arab countries (notably Saudi Arabia). Interestingly, **China and Brazil are not investing much in the Ethiopian agriculture sector**, although the former is investing heavily in a range of other areas including textiles and manufacturing (and as mentioned above, has a large portfolio of construction projects). Looking beyond just the agriculture sector, Turkey is the biggest overall single country investor in Ethiopia, again with a heavy emphasis on textiles.

Private investors from a range of traditional partners provide significant agricultural investments in Ethiopia, particularly in higher value production around Addis Ababa. Most of the many floriculture producers (which are also increasingly moving into horticulture) are joint ventures between European or US 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. Ethiopian officials were keen to stress that **the authorities in no way discriminate between investors by their country of origin**: investment decisions are based on objective criteria according to which there is no *a priori* reason why investors from one country would have priority over those from another.

One key point about Ethiopia's agricultural sector is that there are very different patterns of investment depending on the type of crop being planted. Differences amongst crops in terms of scale needed, land availability and openness to foreign investors, leads to a three-way sector segmentation. Firstly, 'traditional crops' grown by Ethiopians naturally include coffee and teff and are implicitly 'off-limits' to foreign investment. Secondly, it is clear that certain non-traditional cash crops, such as soybeans, sugar and rice, need to be cultivated in very large scale (e.g. 10000ha) in order to be profitable. Most of the large areas for land made available for such investments are in outer, more remote regions such as Gambella in Western Ethiopia. Finally, many floriculture, horticulture or dairy farms are around 20ha to 40ha and the key demand for these producers is proximity to Bole International airport and infrastructure for distribution and export. As a result, land in outer areas is relatively undeveloped, cheap and abundant while land around Addis Ababa is relatively more expensive and scarce. These differences naturally result in different implications for land policy in different areas of the country, which are explored more fully in section 3.3 below.

When asked about the potential determinants of patterns of investment in the agricultural sector, one interesting perception from an emerging economy official was that 'demand-push factors' for land play a large role, especially the relative scarcity of land and agricultural opportunities in the home countries of the investors. Contrasting the different situations of India, China and Brazil, the official pointed out that home-country dynamics are different in these countries. In India for example, land is difficult to obtain due to a number of factors including limited availability and physical supply, poor infrastructure and cumbersome land regulations, which pushes Indian producers overseas. This does not hold true for Brazil – which has both plenty of land and accompanying investment opportunities at home – which diminishes the demand-push factors for Brazilian investors. Population size was also mentioned in this context as a similar factor. While China and India have populations of 1.2bn or more and therefore large middle-classes to feed, Brazil at 200m has less demand pressure. Another stakeholder also pointed out that global demand factors, highlighted during the global food crisis in 2007/08 were a major driver of the G8's current initiatives on agriculture, which focused attention on the CAADP and gave birth to New Alliance process. Finally at a country level language and historical ties obviously play an important role: one Brazilian stakeholder pointed out that it is generally much easier for Brazilians to invest at home or in Portuguese-speaking countries such as Mozambique or Angola than in English or French-speaking African countries.

3.3. Cross-cutting Issues in Investment and Land

For the most part, land in Ethiopia is owned by the government and leased. In terms of supply factors, official stakeholders emphasised that there was actually an abundance of undeveloped and unoccupied low-lying land suitable for large-scale agriculture. Over the last few years a great effort has gone into surveying available land (using computerised geographical mapping systems to help create 'landbanks'): 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 being provided by government while the latter is where large-scale investors are most needed.

In terms of land use policy, at the overall federal level Ethiopia appears in theory to have a clear land use policy framework that is designed ostensibly to balance competing interests. Notably this balance involves the need for land for large-scale foreign and local agricultural investment that is essential for the transformation of the Ethiopian economy, versus the need to protect and compensate lessees as well as recognising environmental concerns. Several Ethiopian officials emphasised the criteria for agricultural investment land allocation, namely that it is:

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

At the same time, a number of officials were keen to highlight the availability of cheap land as a key selling factor for investing in Ethiopia. It should not be forgotten that many of those investing in Ethiopia's agricultural sector are local, although they are largely subject to the same requirements as international investors. In addition to entrepreneurial local investors developing their own land, one apparently common trend has been for wealthier individuals from the highlands to acquire plots in the more productive lowland regions, which brings its own set of potential benefits and problems.[4]

In practice, issues around land management are complex in Ethiopia. There are different actors at different levels of government with different powers over investor approval, identification of suitable land, contractual dealings over leases, environmental assessment and other regulatory requirements in different parts of the country. As noted above, mandates are also currently in flux. Typically an agricultural investor would contact AISD in the first instance, which would then help the process to get a licence at the EIA. Thereafter the investor would need to work with regional and local authorities to acquire a lease for suitable land. Some commentators however 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).

In practical terms, some commentators did point to some emerging problems in the area of land. Some land pressures were starting to emerge, particularly for lowland areas within 200km of Addis Ababa. As highlighted above this is prime land given that horticulture producers need proximity and good infrastructure linkages to Bole International Airport and to some extent Djibouti port. Private sector stakeholders pointed out that it was currently very difficult to acquire land in this area, while also highlighting that there were recent labour shortages in certain areas south of Addis Abeba, which is somewhat surprising in a country which has the second largest population in Africa, a large proportion of which is formally unemployed.

Interestingly, the lack of available land around Addis Abeba appears to have triggered a price response, with investors pointing out that increasing lease values in the region where acting as a constraint on business expansion. An anecdotal example was provided by a flower firm that had just acquired an extra plot of land by paying a premium. The leaseholders of the land were ostensibly in a weak position and wanted to relocate, since the plot was prone to flooding and could only be developed with machinery that could be provided by a large capital investment. However regional and local authorities reportedly negotiated hard on behalf of the vacating leaseholders, highlighting how the system appears to have worked well in protecting and upholding the rights of leaseholders. But stakeholders pointed out that such results arguably require a certain level of good governance in land dealings that perhaps makes Ethiopia currently unusual in Africa.

On a broader level, the fact that land prices are rising in some parts of the country gives the government a large incentive to increase access to more areas. One plan is to make the Bahir Dar region more accessible by upgrading the airport to handle international cargo, thus enabling firms to establish themselves in the central-north Ethiopia.

In terms of weaknesses of the system, one area highlighted by several stakeholders was in current systems for investment appraisal and the ability of the authorities to judge in advance whether projects are likely to succeed, and to assess projects once they are running. In practice, large scale agricultural projects appear to have varied widely in terms of their quality, with some praised for introducing new agricultural knowledge and management skills while others have been criticised for poor planning that have resulted in project failures.[5] While the risk of project failure is ultimately borne by investors,

[4] There is arguably less information about such domestic investments with respect to their size, sub-sectors and lease arrangements, as there is for foreign investment.

[5] One instructive example is provided by the Karuturi project in Gambella, which is one of the earliest and biggest large-scale agricultural projects in Ethiopia. Land leased for this project was prone to extreme flooding, which the

government also clearly has a large stake in ensuring that projects succeed and meet objectives for production and addition of economic value, knowledge transfer, and job creation.

Capacity at regional level to appraise investment applications and carry out environmental assessments is particularly weak. It is similarly unclear how rigorous post-investment performance assessments are, although here the MoARD does point to recent cases in which companies had left land idle. Consequently there have been cases where investment licenses were revoked or land leases have been renegotiated to reduce initial plot sizes.

Another question – common to many African countries – concerns what occurs once the initial incentive packages expire. Incentive packages typically include exemptions on import duty and income taxes, with a fear that their removal would affect firms' ability to continue to make profit once subjected to a level playing field. So far very few companies have lost their packages, but some interviewed private stakeholders emphasised their long-term investment perspective, and confidence that they would continue to make a profit even when faced with higher taxation. Some also pointed out that even with exemption packages in place, they have nonetheless been subjected to changes in government policy. In the last few years, agricultural production has increased but recent falling prices and some failed crop harvests (e.g. sesame) have cut overall export levels and the resulting pressure on government revenues has reportedly caused authorities to try to 'squeeze' firms, for example by raising provident fund contributions.

Finally in Ethiopia, as in other African countries, so-called 'land-grabbing' issues have been controversial. This refers to the practice of foreign governments or companies buying up African land to ease food supply pressures at home. Most stakeholders tended to downplay these concerns, pointing to the overall policy of Ethiopia to attract foreign investors and the abundance of land. However, stakeholders mentioned two controversial issues, the first one concerning instances of **land speculation**. MoARD was open to admit that they had suspected land speculation to take place 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 a 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. In response to such cases MoARD is discussing whether to **restrict the size of initial investments** (e.g. to an initial maximum of say 5000ha), as has been done in Tanzania[6].

Secondly, one of the most controversial issues regarding land-grabbing is that of resettlement. As in other Africa countries, the resettlement debate is extremely sensitive for historical reasons (e.g. previous responses to famines involved forced resettlements) and in terms of regional-ethnic tensions in the federal system. As noted above, a land policy exists and there are examples of the system working well in favour of leaseholders in some areas, but some organisations have highlighted instances of forced resettlement in Western Ethiopia for example[7]. While our study did not make any attempt to verify such claims, interviews with **government and donor community stakeholders tended to view such reports as exaggerated** and gave a different assessment. On the whole, most of these stakeholders felt that people actively chose to move from marginal lands that they cannot cultivate, in favour of towns where they are promised basic services such as health and education. One question however was whether people move too early, before such services had been established.

company was apparently unaware of when it leased the land. http://www.bloomberg.com/news/2013-11-24/ethiopian-drive-to-lure-farm-investment-founders-on-flood-plain.html

6 Rosengren, 2013

7 For example the US-based Oakland Institute have been vocal on this issue, http://www.oaklandinstitute.org/

Nevertheless, some stakeholders pointed out that high-profile criticism in the media in developed countries around foreign investment and land acquisition in Africa create a complicated context both for aid and investment. Land is clearly a sensitive subject and some traditional donors in Ethiopia argued that there is potential for conflict and misunderstanding between their support for CAADP initiatives and the government-led process of agricultural development, in particular with regards to issues such as resettlement procedures. The situation in Ethiopia is especially sensitive given that donors have generally taken a critical stance on alleged human rights failings in other areas, such as freedom of expression and democratic observance. To some extent the same is also true for potential investors from Western countries, with some pointing out that the ultimate result is that there are *de facto* **differences in the operating environment for investors from developed and emerging countries** because the former group (and by extension donor 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'. According to this argument, emerging economy investors do not have to worry as much about such concerns (whether valid or not) and as such have an advantage in terms of investing in Africa.

4. Potential for Increased Coherence and Collaboration from Different Actors through CAADP Structures in Ethiopia

One of the main advantages of the CAADP is that is provides the framework to link-up all the different policy areas associated with the agricultural sector at the national level, including agricultural policy, agricultural aid programmes, government investment plans, regulation and promotion of private investment, and trade policy. However one of the main findings of this case study on Ethiopia is that in practice, these different policy areas are often not linked, primarily due to the complexity of involving **multiple actors with different mandates and motivations**.

One notable challenge for any holistic approach to agriculture is that development assistance (from mostly Western partners) and investment (both from Western and emerging economies) are often treated in very different ways by African governments. In general aid programmes are conducted through rigorous donor-government coordination procedures to ensure alignment to national policy processes and are subject to strong accountability and transparency mechanisms. In Ethiopia, coordination of traditional donors' agricultural support programmes is particularly strong, and perceived as a good model for cooperation between donors and government in other sectors such as health and education. By contrast the policies around investment and land naturally fall outside the mandate of the MoARD and investments are governed by a very different set of relations. The overriding concern in Africa is naturally to attract and facilitate foreign investment: as a market-driven activity it is often much less subject to detailed dialogue, coordination within an overall strategy, and monitoring, evaluation and public scrutiny, than aid. Rather than being programmed or aligned to specific 'plans', there is a much more hands-off approach where all investment which meets some basic regulations and performance criteria is deemed positive. In the current climate, there is relatively little questioning of the general assumption that individual investments will fit within the broad growth and transformation agenda of the government.

To be clear, stakeholders see little or no tension between the objectives of increased foreign investment in the commercial farming sector and pursuing development goals such as food security. As such, the attempt through CAADP to foster a continental push for reforms to improve the efficiency of agricultural markets and food security, supported by large sums of assistance from traditional development partners is welcome. Nevertheless it is interesting that the benefits of these efforts are primarily captured by large private sector interests, including those from emerging countries that have not explicitly engaged in the initiative. Following from this, a concern arises over whether such an outcome could, in the longer run, undermine the original pro-development objectives of the CAADP.

In this context, one question for policymakers and others is how CAADP can further improve cooperation between the different actors influencing agricultural development in Africa for the benefit of all stakeholders? Stakeholders consulted for this study generally concluded that a first step would be to encourage greater participation from a wider range of agricultural sector participants, coupled with common approaches and standards in the areas related to agricultural policy, aid, investment and land. To some extent this is already happening, although the Ethiopian example demonstrates that even in a country whose agricultural policy closely follows the CAADP approach**, there has been little effort to ensure multi-stakeholder participation in CAADP** beyond dialogue between government and traditional donors.

Most stakeholders thought it unlikely that the emerging economies would be encouraged to commit more resources to the CAADP priorities in Ethiopia through the same channels as the traditional donors. When it was suggested to stakeholders that countries with investments in Africa should do more to assist the agricultural sector through aid, there was some criticism to the idea that aid should somehow be linked or 'tied' to investment, and thus no reason why emerging economy governments should be required to provide aid resources to Ethiopia, just because their companies are investing. From a traditional donor perspective, there is a clear 'intervention logic' to linking aid, policy reform, investment and agricultural productivity, as part of a long term agenda for development and poverty reduction. However this logic may not be recognised by emerging economy governments (or their firms), which may prefer to take the policy environment as a given, and an area in which they would not wish to invest their own financial or diplomatic capital to seek change. Emerging economy partners may choose instead to contribute in other areas where there is less political sensitivity and where they have a comparative advantage: as noted above China is providing large amounts in aid and loans to infrastructure projects rather than agricultural sector reform.

Nevertheless, the underlying logic of the CAADP remains that African countries have put a high priority on agricultural development, and seek additional resources to fulfil that goal. As such, one Ethiopian official felt that bringing China and India within the CAADP framework would be beneficial but could only be achieved at a continental level where overall cooperation policies are discussed and where African governments have more negotiating leverage. Examples include working through the African Union or in the context of high-level China-Africa or India-Africa fora. Yet it remains to be seen whether such an acceptance at the continental level by emerging economies would then translate down to the national level, especially if there is an absence of any specific incentive for non-traditional donors to support agriculture through development assistance or engagement in policy dialogues at this level. It seems that there would need to be a combination of this pressure on the part of African governments (at continental and national level), investment of significant sums (and thus a strong stake of emerging economy governments in agricultural sector reform), and a genuine desire to participate (or at least observe) in aid coordination mechanisms for such involvement to actually work.

Given that multilateral agencies play a brokering role in some countries' agricultural sector, they may also have a function in encouraging greater emerging economy participation in agricultural development programmes. In Ethiopia, the World Bank is active in supporting efforts to coordinate donors through the RED&FS and have expressed interest to reach out to other potential donors. Ultimately however, it will be **national governments** that must play the main role in developing a consensus from the international community (and not just traditional donors) around the need to support agricultural development.

In terms of the potential for investment-focused initiatives such as the New Alliance or Grow Africa to encourage greater cooperation amongst African governments, traditional donors, and emerging economies, the picture is arguably even less clear. Echoing the point made above, some private sector stakeholders are sceptical that the CAADP process has much role in the area of investment given that the CAADP has focused more on agricultural policy and public investment. In short, most stakeholders struggled to see what incentive large private investors from emerging economies would have to be involved in such discussions, which tend to take place mainly between donors and government.

To date, CAADP-related efforts to encourage investment have proved to produce as much debate as consensus around the role of the private sector in African agriculture. With regard to the New Alliance and Grow Africa initiatives, it is interesting that even amongst traditional partner stakeholders there is **some scepticism of the attempt to link reforms directly with an investment agenda**. One expert noted that the New Alliance 'came out of the blue', and was very much a top-down process without much buy-in. In some cases, stakeholders felt that reform commitments taken on by countries went beyond what was actually necessary for them to encourage additional investment. For example, the commitment by Ethiopia in the New Alliance to extend land leases was not in fact a major concern of current investors. As noted above, even though the New Alliance has resulted in the signing of some letters of intent, follow through has been slow, perhaps indicating limited buy-in at later stages of the process.

One extreme view on such initiatives was that they could be seen as a response by traditional partners in the G8 to the 'threat' of emerging countries, while still remaining within the rhetoric of a 'development-first' approach in order to satisfy constituents at home. One emerging economy stakeholder pointed out that there are **questions about whether the New Alliance is in fact open to emerging economies** and countries outside the traditional donors, and that amongst the traditional donors, some seem to be more open to this than others. Ultimately however the stakeholder thought that the New Alliance still has elements that are 'legitimate and constructive' from a development point of view, and that emerging economies should try to engage.

Finally, when asked about the need or potential for a more coordinated approach to investment, one expert on agricultural policy noted two particular ways to improve this:

- **At the national level the way to ensure development-friendly investment is to develop strong laws and guidelines that apply to all investments**, accompanied by measures that build the capacity to implement them uniformly. This needs to be driven first and foremost by the Ethiopian government, although donors can support this through developing codes of conduct or encouraging policy reform.

- **A more integrated, coordinated, and inclusive approach to investment and private sector could be achieved through the 'normalisation' of relations between the government and business**. At the moment, there is a perception that discussions between investors and government are blurred by aid and development issues and take place on a 'political' level through official representative governments, rather than directly between government and private sector interests. By contrast there is not much to bring together investors from different countries – so that for example Indian investors would sit alongside European investors opposite the Ethiopian government. Changing this situation might involve investment in improving institutions such as fully representative private sector organisations and strengthening or upgrading discussion fora. In the long run it makes sense for such fora to drive discussions on private sector issues, rather than through embassies that are one step removed from the process.

One general conclusion is that in order to be successful in 'bridging the gap' between current discussions over aid, public investment and policy to a more private sector-driven approach, the CAADP programme and its related processes will need to develop and encourage new modalities at national level that help governments engage with the private sector. While the New Alliance and Grow Africa process may help, there is arguable a need for processes that are both more nationally-owned (rather than top-down) and more inclusive (bringing together all types of investors in agriculture rather than large western companies) in a dialogue with governments that will eventually have more weight in discussions over policy than the current focus on aid and public sector investment to agriculture.

5. Conclusions

Based on perceptions offered from different stakeholders involved in agricultural policy and practice in Ethiopia, the discussion in this paper highlights a number of points about the CAADP and the roles of traditional partner countries and emerging economies. Briefly these include:

- **Following years of stagnation, Ethiopia has just experienced two decades of high agricultural growth** with significant knock-on effects on malnutrition and poverty rates. At this point, the country is moving further away from subsistence farming towards more commercial, private sector-driven forms of production.

- **Donors are supporting these efforts and aid coordination appears to be strong in the agricultural sector in Ethiopia**. The CAADP process has helped this, but government policy was strong even before CAADP. Other African countries could potentially learn from Ethiopia in terms of how to align agricultural policies to the CAADP principles.

- **Foreign investment in agriculture is encouraged and has increased steadily partly as a result of this public strategy.** Yet, the reasons why investors from different countries seek agricultural investment opportunities in Africa need to be explored and understood better.

- **Policies governing aid, investment and other areas such as land are naturally treated quite separately from one another.** They are subject to a different set of government and third-country relations as well as a completely different set of procedures, and vastly different accountability frameworks. While both aid and investment contribute to economic development, there are clearly very different underlying moral imperatives behind the two. Whilst the ultimate goal of aid is to reduce poverty, investment is conducted in order to generating profits for investors. One key challenge of a holistic approach to agricultural development is therefore how to encourage alignment of these different interests behind a sustainable long-term vision of agricultural development that meets broader national development goals.

- **The linkages are not particularly strong between large-scale investment in agriculture on the one hand and CAADP and other national agricultural policy objectives on the other hand.** The New Alliance and Grow Africa initiatives are promoted as useful tools to promote partnership approaches between donors, investors and governments. While this may certainly be quite valid in terms of a development approach, there is also some scepticism of the need to create explicit links between discussions over agricultural reform and investment opportunities.

- **At present, traditional development partners engage heavily with the government on a policy and reform dialogue through aid, while emerging economies tend not to.** While the former may see a clear ‘intervention logic’ in linking aid, reform, investment and productivity, emerging countries may generally see separate roles for aid, policy and private investment. However since most stakeholders at the official level believe that involving China, India, Brazil and others in the CAADP process could be beneficial, efforts should be made by African countries and current CAADP donors to involve emerging economies in the policy and reform dialogue and through contributing resources (including expertise) to support agricultural development. This will require strategic outreach to emerging economies, including dialogues on their role in private sector development.

- **Reconciling the different interests at work could however be difficult.** One temptation could be for partner countries to push for outcomes that are advantageous for their own investors. Arguably, given that traditional development 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 try to encourage governments to adopt stronger standards and criteria for ‘development-friendly’ investment as well as a more inclusive approach to business-government dialogues. Yet, as traditional development partner increasingly link their aid and trade agendas, this may require a delicate approach to avoid the perception that traditional partners are seeking a level playing field simply in order to encourage their own investments, which may undermine their arguments and create scepticism of an ‘agenda’.

- **Ultimately this highlights the role that African governments will have to play in order to maximise the benefits on offer from traditional development partners and emerging economies alike.** The CAADP provides a useful framework for them to do so, but more must be done to reach out to emerging countries and ensure their participation. More can also be done to improve tools currently being developed to promote large-scale investment in agriculture such as the New Alliance and Grow Africa, to make them more open to investors of any origin, and at the same time ensure greater national ownership and development impact.

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This publication benefits from the generous support of ECDPM's core, institutional and programme funders: The Netherlands, Belgium, Finland, Ireland, Luxemburg, Portugal, Sweden, Switzerland and Austria.

ISSN 1571-7577

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