

**Beyond the Farm Input Subsidy Programme (FISP)? The Political  
Economy of Comprehensive African Agriculture Development  
Programme (CAADP) Processes in Malawi**

*Blessings Chinsinga*

*Department of Political and Administrative Studies*

*Chancellor College, University of Malawi*

*P.O Box 280, Zomba, MALAWI*

*E-mail: [kchinsinga@yahoo.co.uk](mailto:kchinsinga@yahoo.co.uk)*

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## **Acronyms**

AGRA	Alliance for Green Revolution for Africa
AIDS	Acquired Immuno Deficiency Syndrome
AMP	Aid Management Platform
ASWAp	Agriculture Sector Wide Approach
AUC	Africa Union Commission
CAADP	Comprehensive Africa Agriculture Development Programme
CISANET	Civil Society Network on Agriculture
COMESA	Common Market for Eastern and Southern Africa
CSO	Civil Society Organization
DCAFS	Donor Committee of Agriculture and Food Security
DFID	Department for International Development
DPP	Democratic Progressive Party
EU	European Union
FICA	Flanders International Cooperation Agency
FISP	Farm Input Subsidy Programme
FUM	Farmers Union of Malawi
GBI	Green Belt Initiative
GDP	Gross Domestic Product
GoM	Government of Malawi
HIV	Human Immuno Virus
HSG	Heads of State and Government
JICA	Japanese International Cooperation Agency
M&E	Monitoring and Evaluation
MCCCI	Malawi Confederation of Chambers of Commerce and Industry
MDGs	Millennium Development Goals
MGDS	Malawi Growth and Development Strategy
MoEP&D	Ministry of Economic Planning and Development
MoF	Ministry of Finance

NASFM	National Association of Smallholder Farmers in Malawi
NEPAD	New Economic Partnership Agreement for Development
NGO	Non Governmental Organization
ODA	Overseas Development Assistance
SADC	Southern Africa Development Community
SAKSS	Strategic Analysis and Knowledge Support Systems
SWG	Sector Working Group
SWG	Sector Working Group
TWG	Technical Working Group
UDF	United Democratic Front
USAID	United States Agency for International Development

## 1. Introduction

This paper examines the political economy of the Comprehensive African Agriculture Development Programme (CAADP) process to which Malawi signed up as a way of fundamentally transforming the agricultural sector to eliminate hunger and reduce poverty (Zimmerman, et al., 2009 and Benin, et al., 2010). According to NEPAD (2011), the overarching goal of CAADP is to reconfigure the way agricultural development issues are formulated, policies are generated and debated, investment decisions are implemented and interventions are scrutinized. The CAADP framework was endorsed by the African Heads of State and Government (HSG) through the 2003 Maputo Declaration. This declaration committed African governments to increasing public investment in agriculture to a minimum of 10 percent of national budgets and raising agricultural productivity growth to at least 6 percent per annum which is required to achieve agricultural led socio-economic growth (Ogutu, et al., 2010 and Anderson, 2011).

The mounting empirical evidence suggests that political incentives matter a great deal in shaping the nature of agricultural policy processes outcomes (Scoones, 2005; Chinsinga, 2007; Poulton, 2012). In particular, political economy analyses draw attention to the fact that context matters in shaping the nature of various outputs and outcomes policy processes might seek to achieve. As such, Araujo, et al., (2004) argue that policy processes cannot be judged abstractly on their theoretical or technical attributes without considering the institutional, political and cultural context in which they are applied. The assumption at the heart of this paper therefore is that CAADP policy processes are likely to gain traction in countries where there are strong political incentives for progressive agricultural policy and stagnate where these are absent.

The Malawi case is particularly interesting because it embraced the CAADP process at a time when it was widely lauded as the star performer of African agriculture on the global stage. Against the fierce resistance of donors and some domestic fiscal conservatives, Malawi through the FISP reintroduced agricultural subsidies to boost agricultural productivity among smallholder farmers (Chinsinga, 2007 and Dorward, et al., 2007). The FISP was an instantaneous success since, for the very first time in two consecutive decades, Malawi was able to feed itself without taking recourse to either food donations or commercial food imports. The country was able to export as well as donate to maize deficit countries in the Southern Africa Development Community (SADC) region such as Lesotho and Swaziland (Dorward, et al., 2007 and Denning, et al., 2009).

These remarkable achievements earned Malawi a tag of a rising star of African agriculture, and featured regularly in policy discourses at different levels as a possible model for other African countries to emulate in their concerted efforts to revive the fledgling agricultural sectors. It was thus christened as the pacesetter for the attainment of a uniquely African green revolution as expressed in the following sentiments: "...a model of success showing the rest of the African governments the way towards a sustainable version of the African Green Revolution" (AGRA, 2009) and "...Africa's green revolution may be several steps nearer after a pioneering experiment in seed and fertilizer subsidies to smallholders in Malawi" (Perkin, 2009). Actually, by the time Malawi formally signed up to the CAADP process, it was already achieving the CAADP targets. It was allocating more than 10 percent of its national budget to the agricultural sector and experiencing an average annual growth rate of 7 percent in the sector (GoM, 2010 and Chinsinga, 2012).

The main concern of this paper from a political economy perspective was to examine the nature of stakeholders' engagement with the CAADP process, given the already impressive growth performance of the agricultural sector in Malawi. The underlying goal was to understand their interests in engaging with the process, the nature of incentives driving them, the strategies employed to advance, promote and defend their interests and the implications thereof on the attainment of the ideals of the CAADP process. This, in turn, went long way to shed light on whether or not there is any value addition to the country's agricultural policy processes as a result of engaging in the CAADP process. Taken together, these

exercises helped to identify and understand the political, economic and social processes that promote or block pro-poor change as well as the role of institutions, power and the underlying context for policy processes. This is credited to the power of political economy analysis which provides a clear understanding of the political and economic processes at work in a given context, and how they influence institutional capacity and policy choices (Synder, 2005 and Scoones, 2005).

The CAADP process is quite ideal to be subjected to the political economy enquiry because of its double faced nature. It is perceived as being simultaneously homegrown and externally driven. It is homegrown because it was endorsed by the Heads of State and Government (HSG) and affirms the leadership role of national governments in driving the CAADP implementation process. It is externally driven because donors have seized it as a benchmark against which to hold African governments accountable for their publicly articulated commitments to the agriculture sector, and regional economic bodies have been empowered to facilitate, and technically backstop the CAADP process in their respective member states (Zimmerman, et al., 2009 and Benin, et al., 2010).

This paper is divided into six main sections. Following this introduction, the next section briefly sketches the CAADP process with particular focus on its underlying philosophy and expectations for the agricultural sector in Africa. The third section summaries the CAADP process experiences in Malawi highlighting the progress made by early 2012. The fourth section briefly outlines the political and economic context in which the CAADP process proceeded since it would provide useful insights about how it unfolded the way it did. The justification for examining the political and economic context is that it might help illuminate the underlying incentives that either promoted or blocked positive action in as far as the CAADP process is concerned. The fifth section is divided into two major parts. The first part focuses on stakeholders' experiences in engaging with the CAADP process. The primary goal is to assess the extent to which the specificities of the Malawi context have influenced the shape, form and nature of the CAADP process. The second part assesses the value addition, if any, of the CAADP process to the agricultural policy making in the country. The question is: has the CAADP process brought about any significant differences in policy and practice in the agricultural sector? This question is critical because the CAADP process does not simply seek to enhance Africa's agricultural productivity but also spearhead reform of attitudes, institutions and policy making (NEPAD, 2011). The sixth and final section offers some concluding remarks.

## **2. The CAADP Process: Its Philosophy and Expectations for African Agriculture**

The decline of African agriculture in the last 20 years is well documented and actually beyond dispute (Kibara, et al., 2008; Zimmerman, et al., 2009; Ogutu, et al., 2010). The apparent collapse of African agriculture is widely attributed to the devastating impact of structural adjustment programmes (SAPs) that Africa implemented at the instigation of the Bretton Woods institutions as a remedy to revive its economic fortunes. According to the World Bank (1981), African economies could not prosper because the state had overextended itself. It had taken up so many responsibilities that essentially rendered it bankrupt. Through SAPs, the IMF and the World Bank recommended that the African state shed off some of its responsibilities to set the stage for sustainable economic recovery (Chikulo, 1998 and Mkandawire, 1998).

The implications of SAPs on African agriculture were manifested in the decline and extended stagnation of Overseas Development Assistance (ODA) to the agricultural sector in Africa for most part since the 1980s (Benin, et al., 2010 and Rukuni, 2011). African agriculture experienced a great deal of disinvestment and sheer neglect which translated in persistent sluggish growth rates. According to Zimmerman, et al., (2009), real agricultural growth in sub-Saharan Africa has accelerated from 2.3 percent in the 1980s to 3.3 percent in the 1990s, and to 3.8 percent per year between 2000 and 2005. This is mirrored in the annual trends for sub-Saharan Africa's agricultural GDP. It averaged around 2.9 percent

in 1990s; slumped to 1.7 percent in the early 1990s; and picked to between 4 and 6 percent between 1994 and 2004 which has been sustained to the present.

Africa's agricultural sector remains underdeveloped. It is estimated that only 7 percent of its arable land is irrigated compared to 14 percent in Latin America and the Caribbean, 38 percent in East and Southeast Asia, and 42 percent in South Asia. Fertilizer usage remains far below the socially optimal levels in Africa. It currently amounts to about 9kg/ha of arable land per year compared to 120kg/ha in South Asia. Furthermore, Africa only utilizes 1.6 percent of its water resources, compared to 14 percent in Asia (Rukuni, 2011).

The implications of sluggish growth of African Agriculture on the continents' food security have been quite significant. The familiar storyline is that Africa is unable to feed its people. According to Rukuni (2011), Africa is mostly hungry and is the most food insecure continent. It is estimated that it forks out around US\$ 20 billion each year on food imports (Ogotu, et al., 2010). Yet this grim picture stands in marked contrast to the situation that obtained at around the period of independence. Africa was food secure, self-sufficient and generally a net food exporter (Rukuni, 2011).

It is this rather gloomy picture of African agriculture that inspired the conception of CAADP. The underlying objective of CAADP is to help African countries reach a higher path of economic growth through agriculturally led development which eliminates hunger, reduces poverty and food insecurity, and enables expansion of exports (Kibara, et al., 2008). It thus seeks to intensify the search for workable solutions to increasing the productivity and competitiveness of African agriculture after years of stagnation and neglect. It is therefore designed to reverse stagnation and decline in financial support that characterized most countries, and to spearhead processes of policy reforms at country, regional and continental levels to address issues of food security, access to land and water, markets and knowledge (Ogotu, et al., 2010; NEPAD, 2011; Rukuni, 2011).

The CAADP process is projected as an inclusive process that engages actors and sectors from high level government officials to the grassroots in an attempt to bring about sustainable solutions to Africa's enduring agricultural crisis. The goal is to ensure that stakeholders from both within and outside the state take part in developing, implementing and monitoring of agricultural policy (NEPAD, 2011). There is at least an implicit recognition that rather than being simply a technology and productivity problem, agricultural performance has strong political, institutional and governance dimensions. According to World Bank (2007), the government is responsible for creating an enabling environment for a viable agricultural agenda since it is only the state that can establish fundamental conditions for the private sector to thrive. The state has to overcome rampant market failures in agriculture while avoiding government failures.

The CAADP processes are therefore expected to achieve at least the following (see Zimmerman, et al., 2010):

- Increased opportunities and support for stakeholders to organize themselves, to effectively voice their concerns, and to advocate on behalf of the sector.
- Strengthened capability in the sector to develop and implement strategies with non-governmental organizations.
- Strengthened statistical, research, monitoring and evaluation capabilities in a country to support evidence based policy making and better channeling of evidence into policy.
- Increased opportunities to participate in regional issues and neighbouring country processes to facilitate mutual learning and advancements on regional issues.
- Identification of additional windows to kick-start necessary policy reform processes to the agricultural sector.

The CAADP framework's central message is that agriculture is pivotal to the alleviation of poverty and hunger in Africa. This is, to a very great extent, inspired by the primacy of the agricultural sector in growth and economic development in a historical context (Ogutu, et al., 2010 and Rukuni, 2011). According to Timer (1998), general economic growth has to be preceded or at least accompanied by solid agricultural growth. This is the case because agriculture has strong economy wide linkage effects in the non-agricultural sector. According to Zimmerman, et al., (2009), growth in agriculture can contribute significantly to general economic growth, providing new engines of growth in the countryside, as well as an opportunity to substitute imports and generate exports. This is reinforced by the IMF's (2006) assertion that agricultural growth has powerful leverage effects on the rest of the economy, especially in the early stages of economic transformation, and it can generate intensive patterns of development favourable to the poor.

The huge paradox, however, is that the agricultural sector was not given appropriate prominence in the policy processes until the advent of CAADP almost a decade ago. It is intriguing because agriculture is the largest economic sector in the African context, catering for about 75 percent of the people who reside in rural areas (Zimmerman, et al., 2009 and Rukuni, 2011). Agriculture accounts for about 30 percent of sub-Saharan Africa's GDP; at least 40 percent of export value; and approximately 70-80 percent of employment. These statistics are strikingly a mirror image of the agricultural sector in Malawi. It is estimated that up to 84 percent of Malawians eke their livelihoods directly out of agriculture which contributes over 90 percent to the country's export earnings, about 39 percent of the country's GDP and accounts for about 85 percent of total employment (Chinsinga, 2008 and Chirwa, 2008).

It is therefore not surprising that CAADP's specific goal is to help African countries reach a higher path of economic growth through agricultural development by tackling policy, institutional and capacity issues across the entire agricultural sector. The ultimate idea is to create an environment favourable for improved competitiveness of the agricultural and rural sector (Rukuni, 2011). The CAADP process would thus eventually lead to better policies and policy environments characterized by state capacity to offer effective planning, regulation and service provision and superior public and private sector investments. According to NEPAD (2011), CAADP is committed to addressing the following challenges in the agricultural sector such as: 1) insufficient effective domestic policy ownership; 2) engagement with non-state actors particularly farmers and the commercial private sector; 3) developing stronger regional cooperation; 4) encouraging greater use of Africa expertise; and 5) improving the effectiveness of aid management.

There is a clear set of roles delimited for various stakeholders for the CAADP process to realize its aspirations as embodied in the Maputo Declaration, cascading from the continental through the regional to the national levels. These roles are reflected in the systematic step by step processes that facilitate the operationalization of the CAADP process. The steps are as follows: 1) official launch of CAADP; 2) stocktaking and diagnostic process; 3) roundtable and compact signing; 4) investment plan formulation; 5) independent technical review of the investment plan; 6) high level business meeting; and 7) implementation (Benin, et al., 2010 and NEPAD, 2011). The details of the CAADP process steps are summarized in Table 1 below.



**Table 1: The CAADP Process Steps**

<b>Step</b>	<b>Features</b>
Official launch	<ul style="list-style-type: none"> <li>• Endorsement of the CAADP process by government.</li> </ul>
Stocktaking and diagnostic process	<ul style="list-style-type: none"> <li>• Assessment of the status quo of the agricultural sector and future opportunities.</li> <li>• Stakeholder negotiation of concerns and priorities in the agricultural sector.</li> </ul>
Roundtable and compact signing	<ul style="list-style-type: none"> <li>• Outlines a country's agenda for agricultural growth, poverty reduction and nutrition.</li> <li>• Specifies responsibilities for various parties signing it.</li> <li>• Sets out at least in broad terms implementation mechanisms including oversight.</li> </ul>
Investment plan formulation and design	<ul style="list-style-type: none"> <li>• Puts the compact's general strategy and commitments into operation.</li> <li>• Confirms priorities and their costs, calculate financing gap, define how the plan is to be implemented and defines roles and responsibilities of public and private sector in implementation.</li> </ul>
Independent technical review of investment plan	<ul style="list-style-type: none"> <li>• Evaluates the consistency of investment plans with CAADP principles and objectives.</li> <li>• Assesses congruity with the commitments in the compact.</li> <li>• Outlines implementation processes and assesses operational feasibility of investment programmes.</li> </ul>
High level business meeting	<ul style="list-style-type: none"> <li>• Validates and endorses the investment plan</li> <li>• Confirms funding commitments in the investment plan</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>• Taking action to act on the commitments in the investment plan.</li> <li>• Putting in place a monitoring mechanism and evaluation framework to track progress and take necessary corrective action.</li> </ul>

*Source: Prepared from NEPAD, 2011: 12*

### **3. The CAADP Progress in Malawi: Progress by Early 2012**

The launch of the CAADP process in Malawi was facilitated by the African Union Commission (AUC)/New Economic Partnership for African Development (NEPAD) in 2009. This led to the identification of a CAADP focal point in the Ministry of Agriculture and Food Security (MoAFS) who facilitated the processes leading to the roundtable and compact signing in April 2010.

The CAADP compact was inspired by the Agricultural Sector Wide Approach (ASWAp) which is described as “Malawi’s national agricultural development and food security strategy” (GoM, 2010: 2). The development of ASWAp was motivated by the country’s overarching development and planning framework, the Malawi Growth and Development Strategy (MGDS). The MGDS singles out agriculture as the driver of economic growth by recognizing that food security is a prerequisite for economic growth and poverty reduction.

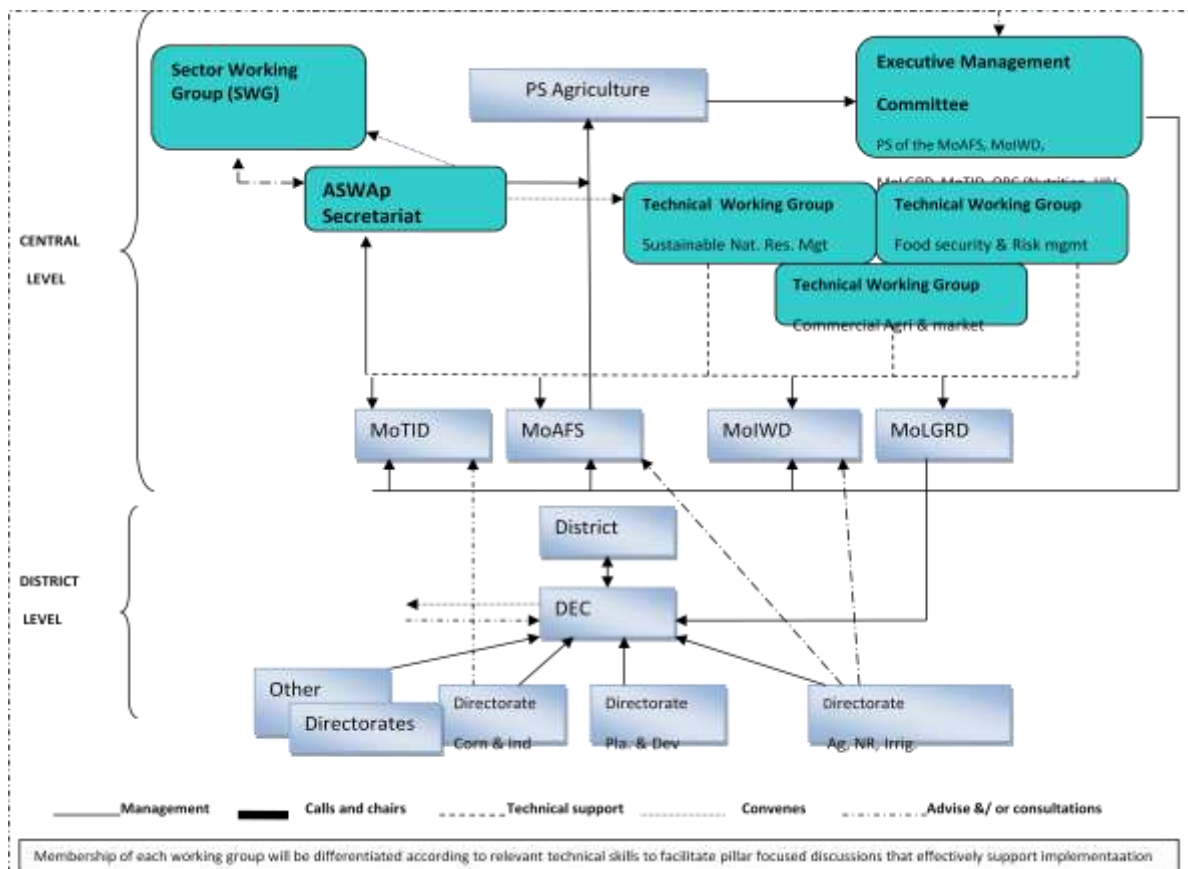
To serve as the basis for the compact, the ASWAp was finalized with the technical help of the International Food Policy and Research Institute (IFPRI) and two local consultants. They focused particularly on modeling the options for potential growth trajectories in the agricultural sector. The compact describes ASWAp as “a living document [that] will continue to evolve in the spirit of continued

collaboration and dialogue with government, development partners and other stakeholders” (GoM, 2010: 4).

The post compact independent review, led by a team of independent consultants facilitated by AUC and COMESA, was held in September 2010. The remit of the post compact independent technical review was to assess the adherence of the investment plan to the following: 1) consistency with growth and poverty reduction options; 2) operational realism; 3) adoption of best practices; and 4) alignment with CAADP’s vision, principles and core strategies (NEPAD/COMESA, 2010). The results of the independent technical review of the investment plan were disseminated to stakeholders on July 4, 2011 followed by the high level business meeting on 28 and 29 September 2011.

The high level business meeting recommended the development of an implementation roadmap of the CAADP process. The main purpose of the post high level business meeting implementation roadmap was to fully operationalize CAADP’s implementation and management structure depicted in Figure 1 below. The development of an implementation roadmap was an integral part of continental wide lesson learning about the practical challenges for rolling out the CAADP process. According to Zimmerman, et al., (2009), the CAADP process stalled in the first batch of countries because there was lack of a clear roadmap to guide implementation. The original CAADP document did not offer any plans on how to operationalize the processes. It merely outlined the four pillars around which investments and programmes could be developed (Kolavalli, et al., 2010).

**Figure 1: ASWAp Management and Implementation Structure**



Source: ASWAp, 2010

The post high level business meeting CAADP process implementation roadmap recommended the expansion of the number of Technical Working Groups (TWGs). They were increased from three to seven, and also empowered to facilitate the implementation of the CAADP process. A task force, comprising membership from government, development partners, civil society organizations, private sector and farmer representatives, was constituted to oversee the development and rolling out of the implementation roadmap. The roadmap prioritizes four key areas to the implementation of the CAADP process as follows: 1) policy; 2) institutional framework; 3) revision and finalization of ASWAp; and 4) implementation of the CAADP process including the identification of lead institutions (GoM, 2011).

The main actors in the CAADP process have included the following: 1) donors notably the Department for International Development (DFID), World Bank, Irish Aid, Norway, European Union (EU) and Flanders International Cooperation Agency (FICA); 2) government agencies mainly Ministry of Agriculture and Food Security (MoAFS), Ministry of Economic Planning and Development (Mo EP&D) and Ministry of Finance (MoF); 3) private sector through the Malawi Confederation of Chambers of Commerce and Industry (MCCCI); civil society organizations represented by the Civil Society Agriculture Network (CISANET) and the National Association of Smallholder Farmers of Malawi; 5) farmers through the Farmers Union of Malawi (FUM); and academia mainly from Bunda College of Agriculture, Lilongwe University of Science and Technology and the Malawi Polytechnic, University of Malawi.

#### **4. The Political and Economic Context for the CAADP Process**

Malawi embraced the CAADP process the very same year President Mutharika and his Democratic Progressive Party (DPP) were re-elected for a second term of office in a landslide victory unprecedented since the return to the multiparty political dispensation in May 1994 (Chinsinga, 2009 and Kanyongolo, 2009). This followed a turbulent political period between February 2005 and May 2009 when Mutharika headed a minority government following dramatic fallout with former President Muluzi. Mutharika proceeded to ditch the United Democratic Front (UDF), founded by Muluzi and that had sponsored his candidature in the May 2004 elections, to form DPP. As a de facto governing party, DPP had only six legislators of its own who made it to Parliament through the December 2005 by-elections. Mutharika endured a tough period since he had to put up with an opposition dominated legislature that was determined to frustrate his legislative agenda for their own political gains (Chinsinga, 2009 and Magolowondo&Svasvand, 2009).

Despite the ill-intentioned opposition dominated legislature, Mutharika's reign between 2004 and 2009 is generally projected to have been a success. Poverty fell; social indicators improved; economic growth was strong; and macro-economic environment was stable (House of Commons International Development Committee, 2012). According to Vandermoortele and Bird (undated), annual growth averaged around 7 percent during this period, well above the sub-Saharan average; Malawi ranked among the top 20 performers on several Millennium Development Goals (MDGs) indicators; Gross Domestic Product increased over 40 percent from US\$ 1.8 billion to US\$ 2.5 billion; GDP per capita rose almost a third, from US\$ 130 to US\$ 166; gini co-efficient fell from 0.62 to 0.39; and poverty rates fell from 52 percent to 39 percent. Nevertheless, the credibility of these statistics is questionable especially in the light of the results of the latest Integrated Household Survey (IHS) published in 2012. It shows that poverty in Malawi is deep, widespread and severe. According to the 2012 HIS there has been a negligible decline in the incidence of headcount poverty from 52.2 to 39.6 percent between 2005 and 2011. During this period, the proportion of the ultra poor rose from 22.2 to 25 percent. These are Malawians who cannot afford the minimum standard for daily recommended nutritional requirements.

The historical landslide victories for the DPP in the May 2009 elections were to a very great extent interpreted as a reward for Mutharika's excellent stewardship of the economy. He actually inherited an

economy teetering on the brink of collapse from former President Muluzi's administration. According to Booth, et al., (2006), Malawi was in a deep fiscal crisis, development was stagnant, GDP fell below population growth rates and inflation rose to a record high. The results of both the Presidential and Parliamentary elections defied the regional, ethnic and tribal patterns of voting that seemed so entrenched in the previous three general elections. These results were projected as a potential turning point for Malawi's quest for fundamental and sustainable democratic transformation.

This was never to be. From 2009 until his death in office on April 5 2012, President Mutharika presided over an unprecedented political and economic crisis. His excellent stewardship of the economy for which voters rewarded him and his DPP with strong mandates did not last (Chinsinga, 2011). It is difficult to pinpoint exactly what triggered the turnaround in Mutharika's presidency which until May 2009 was a tremendous success. However, given that he secured politically with a straight parliamentary working majority and built a patronage network that guaranteed him the support of traditional leaders as critical power brokers, the imperative to sustain widespread support was now weaker (Chinsinga, 2012). Related to this was the question of Mutharika's succession for the May 2014 polls. He wanted his brother and not his deputy, Joyce Banda, to succeed him. As the battle for succession intensified, Mutharika proceeded to expel Joyce Banda from the DPP but could not dethrone her as Vice President because she was constitutionally protected.

The paradox is that instead of using his majority control in Parliament to usher Malawi onto a path for sustainable democratic development, the second Mutharika administration became increasingly authoritarian and autocratic. The administration enacted several pieces of legislation which were out of sync with the quest for fundamental and sustainable democratic transformation. These included measures granting the Minister of Information power to ban any publication of his choosing in the name of public interest; giving the police the right to search properties without the need to obtain a warrant; empowering the President to decide on the date for Local Government Elections (LGEs); reinstating traditional courts renowned for their miscarriage of justice; and barring individuals from seeking ex parte injunctions on government decisions among many others.

Broadly speaking Mutharika's second terms was marked by executive arrogance, concerted assault on the deliberative public sphere; violent crackdown on alternative critical voices; and sheer intolerance. The climax of Mutharika's intolerance was the expulsion of the British High Commissioner, Fergus Cochran Dyet, for describing Mutharika as being increasingly authoritarian and autocratic in a leaked diplomatic cable to Foreign Office in the UK.

By the time the British High Commissioner was expelled Malawi was experiencing serious economic problems. The fiscal prudence and high order discipline that characterized Mutharika's first term of office was essentially abandoned. There was rampant abuse of public resources. Mutharika bought himself a private jet using DFID's money, built a luxurious villa for himself, and stepped up ethnicisation of social relations and opportunities in public life (World Bank, 2012). In addition to these economic vices, Mutharika decided to peg the Malawi Kwacha to the US dollar which led to the currency to become dramatically overvalued. This was further exacerbated by the apparent decline of the tobacco which is the country's main forex earner. The average price for tobacco slumped from US\$ 2.45 kg in the 2002/08 growing season to US\$ 1.85 in the 2008/09 growing season and did not recover until President Mutharika's death in April 2012.

While the decline of the tobacco industry could partly be attributed to the global financial crisis, the main reason is that Mutharika antagonized the key buyers of Malawi's tobacco in his drive to firmly consolidate his grip on power. He did not only dictate the minimum prices for tobacco but consistently accused buyers as allies of opposition political parties who were bent on sabotaging his government by offering low prices for tobacco, the country's main export earner in an election year. He further repeatedly labeled the buyers as colonialists incarnates, threatening them with deportation at every given

opportunity in his campaign trail. He, indeed, expelled some of them who included Kelvin Stainton, Limbe Leaf Chief Executive Officer and his leaf buying manager; Bertie van de Merve, Collins Armstrong of Alliance One; and Alex Marley of Premium Tama Company. Mutharika's argument was that the tobacco buying companies were hiding under the cloak of the global financial crisis to offer farmers low prices, when in fact, it was a deliberate scheme in collaboration with opposition political parties to sabotage Malawi's economic development success story for their own selfish motives (Chinsinga, et al., 2009).

This had quite devastating effects for the country as a whole. Fuel shortages became chronic. Businesses were either engaged in massive downsizing or closing shop altogether. The foreign exchange squeeze made it extremely difficult for most companies to stay afloat. Basic essential commodities were fast disappearing from the shelves. Queues were extending beyond the gas stations to sugar and cooking oil was subjected to rationing. Thus the excessive foreign exchange shortages made it near impossible to meet the country's import needs.

Most donors reacted by withholding their development assistance to Malawi. DFID, World Bank, African Development Bank, Government of Norway and Government of Germany suspended the general budget support to Malawi at the beginning of July 2011. Some of the donors, notably DFID, continued with sector budget support which is the provision of funds directly to a specific Ministry in the recipient country (House of Commons International Development Committee, 2012). This was a devastating blow to country's fiscal standing because development partners fund about 40 percent of the total budget. The lack of clear donor commitments led to the government to introduce the zero deficit budget as a strategy for weaning itself from excessive donor dependence. The budget introduced a wide range of taxes that depressed economic activities among citizens and entrepreneurs with disastrous consequences as already outlined above.

Meanwhile donors ratcheted their efforts pushing for a clear strategic direction about the future of the FISP. In particular, donors wanted the government to develop concrete plans about an exit strategy (ies) from FISP on the account that it would not be sustainable in the long-term. The proposal by donors was that the government should develop a medium term plan for FISP that could form the basis for systematically thinking through the exit strategy (ies).

This debate can be traced back as far as the 2007/06 growing season. Through the development of an Agricultural Development Programme (ADP) led by the World Bank and the Government of Norway, donors argued that the medium term plan would promote rather than hinder the efficiency of the FISP. It would, inter alia, ensure predictable rather than ad hoc planning that had characterized the programme thus far. The medium term plan would further clearly spell out the goals and objectives of the programme, lay out procedures for critical elements such as procurement and indicators of success or failure (Dorward and Chirwa, 2011). Besides, the donors felt that the ADP could provide an opportunity to push for balanced planning and investment processes in the agricultural sector that would equally pay attention to such activities as research, extension, commercialization and trade among many others. It is actually estimated that the FISP takes as much as 75 percent of the total annual budget for the MoAFS. The donors were thus concerned by the fact the dominance of FISP in MoAFS's expenditure portfolio meant that critical expenditures on public goods investment such as extension, research and development, and rural infrastructure were heavily marginalized yet they are very vital to facilitating potential fundamental and sustainable agrarian transformation (Dorward and Chirwa, 2011).

The donors further justified the medium term plan as a planning tool to enhance the efficiency of the FISP. They argued that in the absence of the medium term plan, it would be difficult for them to justify to their respective headquarters the basis for funding FISP its success notwithstanding. While donors recognized that the FISP is a homegrown programme, they insisted that the medium term plan would greatly enhance the quality of financial support and technical advice that they offer to the programme

(Chinsinga, 2012). Some donors particularly the European Union (EU) seized this debate as an opportunity to advocate for a core functional analysis of the MoAFS. The argument is that the MoAFS is currently overstretched and a core functional analysis properly done will go a long way to enhance the efficiency and effectiveness of the MoAFS in delivering on its primary functions. This would be the case because the core functional analysis would have defined the roles of the state and non-state actors in the planning and delivery of the MoAF's remit (Reme and Mingu, 2011).

These questions became more persistent and strident in post May 2009 era when Mutharika, having won landslide victories, became increasingly intolerant and exhibited undemocratic tendencies as earlier noted. Donors reiterated very forcefully the call for exit strategy (ies) from FISP emphasizing that the government could not afford such a bloated subsidy. It is, however, important to note that having reached its expenditure peak in the 2008/09 growing season, the volume of the subsidy was dramatically reduced in subsequent years. Prior to the May 2009 polls the government promised to extend the subsidy to coffee and tea grower during the 2009/10 growing season.

This did not, however, happen once the government had secured landslide victories in the May 2009 polls and furthermore the government withdrew the subsidy from tobacco and cotton farmers which greatly contributed to the reduction in the total expenditure outlay on the subsidy. It could therefore be argued that the repeated calls for exit strategies incensed Mutharika who saw the FISP as the magic wand to the seemingly intractable problem of food security. By not extending the FISP to coffee and tea growers and by withdrawing the subsidy from tobacco and cotton, there was a strong feeling in government circles that they had done enough to contain FISP's fiscal escalation about which donors were heavily concerned. The persistence of the donors on the question of exit strategy (ies) from FISP and other wider governance concerns contributed to the great deal of mistrust that prevailed between donors and government. This greatly contributed to the worsening of the economic and political situation.

This sums up the political and economic context in which the CAADP process was embraced and operationalized. The authoritarian and autocratic tendencies of Mutharika's administration coupled with the faltering fiscal prudence and discipline led to the withdrawal of development assistance particularly general budget support by most donors. The adverse effects of the Mutharika's political and economic choices continue to manifest themselves today. According to the World Bank (2012), Malawi's economic growth has been slowing down from a peak of 9.2 percent in 2008 to a projection of less 1.5 percent, way below the Africa's average projected growth of 4.8 percent. Headline inflation has been rising from about 10.3 percent in January 2012 to 35 percent in March 2013. The uninterrupted growth that Malawi enjoyed five consecutive years averaging around 7 percent, backed up by sound economic policies and a supportive donor environment began to collapse in 2010 resulting in acute economic problems.

## **5. Empirical Realities and Experiences of CAADP Processes in Malawi**

### **5.1 The CAADP Processes in Perspective**

#### **5.1.1 Getting Started and CAADP Targets**

It was not easy to get started with the CAADP process in Malawi. Both bureaucratic and political cadres were hesitant to embrace CAADP because they could not appreciate its distinctiveness from the domestic policy reforms that were going on in the agricultural sector at that time. This is not unique to Malawi. The CAADP process has been widely questioned as "a duplication of processes that were already taking place in [these] countries" (Zimmerman, et al., 2009: 4). The argument is that rather than strengthening processes that are ongoing in a country and building on them, CAADP implementation seems to seek exclusive attention.

In the Malawi context, the CAADP process was perceived as duplication because at that time the government with financial and technical assistance from World Bank and Norway was developing an Agricultural Development Programme (ADP) (GoM, 2008). As noted earlier, these donors were engaging the government to develop the ADP because they were concerned with the dominance of the FISP in the MoAF's expenditure portfolio which then marginalizes expenditure on critical public goods such as research, extension, rural infrastructure such as roads and technology development which hold huge promise to the possibility of achieving sustainable agrarian transformation (Chinsinga, 2010 and Dorward&Chirwa, 2011). The ADP was described as a prioritized results orientated framework for implementing the agricultural components of the Malawi Growth and Development Strategy (MGDS) aimed at achieving harmonized and gradually aligned investments by government and donors. The main priorities of the ADP were: 1) improved food security at household and national levels; 2) commercial agriculture, agro-processing and market development; 4) climate change issues; and 5) key support services, namely: institutional development and capacity building and agricultural research and extension services (GoM, 2008).

The government officials were somewhat hesitant to embrace the CAADP process because they felt it would not make any difference. Since the launch of the FISP in the 2005/06 growing season Malawi has been consistently beating the CAADP targets. Its annual agricultural growth has averaged around 9 percent and budgetary allocation to the agricultural sector has been consistently high, taking almost a quarter of the total national budget (Dorward and Chirwa, 2011). The skepticism about the benefits of the CAADP process were captured in the interviews held with key stakeholders. The following sentiments are quite illustrative: "Why should we sign? What does it mean? Who has signed? What has changed for them?"<sup>1</sup> Actually, it was argued "the CAADP process could not get approval of Cabinet until the benefits of doing so were clarified"<sup>2</sup>.

The debate about the potential benefits of the CAADP process reflects a significant challenge about the conceptualization of CAADP itself. The Malawi experience calls into question the underlying logic as well as the appropriateness of CAADP's uniform indicators of 10 percent budgetary allocation and 6 percent annual growth target given the diversity of Africa's agricultural experiences (Ogutu, et al., 2010). Even if there were a credible scientific basis for these targets, a further concern is that the CAADP framework does not address the qualitative dimension of the target expenditure in the agricultural sector. Malawi is meeting the 10 percent threshold budgetary expenditure to the agricultural sector but as much as 75 percent of the budget is taken up by the FISP. The main challenge for CAADP therefore is "...[the failure] to find common denominators for agricultural policies which are general enough to be acceptable provide but concrete enough to provide real guidance (Zimmerman, et al., 2009: 16).

Malawi reportedly signed up to CAADP due to pressure from development partners. Some donors, particularly USAID, tied their funding to the agricultural sector to countries embracing CAADP. It is thus taken as a legitimate benchmark for holding African governments accountable since CAADP is an African owned and driven initiative. Ironically, this conditionality has greatly contributed to the misunderstanding of CAADP's underlying philosophy. This was inevitable because it invariably meant that CAADP was largely presented as "an investment fund that could be applied to accelerate the development of agriculture, something of a 'vertical fund' in parallel with normal processes of securing grants and loans from donors" (Ogutu, et al., 2010: 6). CAADP was thus communicated or sold to countries as a programme and not as a framework to guide agricultural initiatives in analytical work, planning and programme formulation, implementation and impact assessment. The apparent fiscal crisis triggered by Mutharika's second term politics might have actually induced the government to embrace

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<sup>1</sup>Interview with a MoAFS official, 27<sup>th</sup> April 2012, Lilongwe.

<sup>2</sup>Interview with a CISANET official, 11<sup>th</sup> April 2012, Lilongwe.

CAADP hoping it would access additional resources that could help it address its deepening fiscal challenges.

Benin, et al., (2010) also note the perception of CAADP as a tool for raising resources to the agricultural sector or a pot of funds to be exploited. They, for instance, argued that the renewed momentum observed in the CAADP process in the second half of 2010 could be attributed to inaugural GAFSP call for proposals. From the interviews, it was very clear that Malawi signed up to CAADP not out of conviction about the value addition of the CAADP process to the agricultural sector but rather to strategically position itself for potential streams of funding opportunities. The anticipation of extra-funding to the agricultural sector was palpable even at the highest possible level. The Cabinet insisted that “it would only endorse CAADP on condition that the Green Belt Initiative (GBI), a presidential initiative, was part of it so that it could benefit from the resources”<sup>3</sup>. Most stakeholders close to the CAADP process further observed that politicians were “obsessed with looking at how much would be mobilized at the expense of alignment and harmonization of investment in the agricultural sector as a major goal”<sup>4</sup>.

The perception of CAADP as a pot of funding to be exploited was further exemplified by the funding gap in the investment plan, the largest recorded yet. The investment plan was simply framed up as a shopping list. It proposed an initial investment portfolio of US\$ 1.7 billion for the period between July 2010 and June 2014 with a financing gap of 35.1 percent (NEPAD/COMESA, 2010). The financing gap was high as US\$ 600 million but has been reduced to about US\$1.2 million. This illustrates that “CAADP was not bought as a tool for reorganizing the agricultural sector but as a tool for mobilizing resources”<sup>5</sup>. The misconception of CAADP as a funding pot undermines its potential to contribute to the transformation of African agriculture for it to become the vehicle for enhancing agriculture led growth, eliminating hunger, reducing poverty, food and nutrition insecurity, and enabling expansion of exports. This could happen only when “CAADP is viewed as a strategic way of organizing the agricultural sector intended at building functioning systems and changing the way they do business and not as a programme or project”<sup>6</sup>.

The fact that Malawi is meeting the CAADP targets is not surprising at all. It is because of the centrality of the question of food security in the country’s political economy. As the country’s main staple, maize plays a critical role in shaping up the social contract between the state and the citizens. As a result, the legitimacy of the Malawi state is closely linked to its ability to make maize available either through subsidized production or affordable prices in the market (Harrigan, 2005 and Sahely, et al., 2005). The centrality of maize in the country’s political economy is further heightened by the fact that maize is the national crop due to the relative homogeneity of the country’s agro-ecological conditions. Support to the agricultural sector, particularly to the production of maize, whose availability is synonymous with food security in the Malawi context, is the primary electoral battleground (Harrigan, 2005 and Chinsinga, 2007).

### **5.1.2 CAADP and Domestic Policy Processes**

There is a great deal of alignment between CAADP and domestic policy processes within the agricultural sector. The CAADP process has built on rather displaced the relevant domestic policy processes that were already underway since the development of the CAADP compact was informed by the initial efforts at the development of the Agricultural Development Programme (ADP). According to GoM (2010), the ASWAp, which embodies CAADP principles, values and vision, was informed by the MGDS as an overarching national development planning framework. The development of the ASWAp was to a very great extent informed by the ADP, which was the government’s initial attempt to reorganize the

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<sup>3</sup>Interview with a MoAFS official, 13<sup>th</sup> March 2012, Lilongwe.

<sup>4</sup>Interview with a FUM official, 2<sup>nd</sup> March 2012, Lilongwe.

<sup>5</sup>Interview with a DFID official, 20<sup>th</sup> April 2012, Lilongwe.

<sup>6</sup>Interview with a World Bank official, 7<sup>th</sup> April 2012, Lilongwe.



agricultural sector at the urge of donors concerned with the dominance of FISP in the MoAFS's expenditure portfolio. The alignment between CAADP and domestic policy processes was underscored in the interviews as informants observed that "ASWAp is an expanded version of the ADP responding to the CAADP agenda"<sup>7</sup> and "ASWAp is a mirror image of the CAADP agenda"<sup>8</sup>. The extent of alignment of the ASWAp to the CAADP agenda is further illustrated in Table 2 below. It shows that ASWAp fully covers the four CAADP pillars as well as its values and activities.

**Table 2: ASWAp and CAADP**

CAADP Pillars	ASWAp Focus Areas
Pillar 1: Extending the area under sustainable land management	Sustainable agricultural land and water management
Pillar 2: Improving rural infrastructure and trade related capacities for market access	Commercial agriculture, agro-processing and market development
Pillar 3: Increasing food supply and reducing hunger	Food security and risk management
Pillar 4: Agricultural research, technological dissemination and adaptation	Technology generation and development
Institutions (cross cutting)	<ul style="list-style-type: none"> <li>• Institutional strengthening and capacity building</li> <li>• HIV prevention and AIDS impact mitigation</li> <li>• Gender equity and empowerment</li> </ul>

*Source: GoM, 2010*

The ASWAp received glowing endorsement in the technical review conducted by two external consultants contracted by the CAADP Secretariat. It observed that "ASWAp fully covers the four pillars of the CAADP framework as well as its principles and values" (NEPAD/COMESA, 2010: 2). The technical review further notes that ASWAp is consistent with the CAADP principle of a country-led and owned process, involving wide key stakeholder participation and consensus on the formulation of policy, planning, decision making and implementation of the national agriculture and food security investment programmes.

While the ASWAp processes have conformed to the principles and values of CAADP, there is hardly any evidence to suggest that they have altered the substantive orientation of policy and practice in the agricultural sector. The major issue of concern is that the very same issues that have been raised at different stages in the CAADP process "were still outstanding at the time of the high level business meeting which underlies non-commitment on the part of the government to adhere to the spirit and letter of the CAADP principles and values"<sup>9</sup>. The ASWAp is still heavily biased in favour of two programmes, the FISP and the GBI that take up as much as 70 percent of the total budget. There is little attention devoted to private sector, capacity building, agricultural diversification efforts, value chain development and financing to accelerate commercialization of agriculture (NEPAD/COMESA, 2010). This, in a way, reinforces the perception that the decision to embrace the CAADP process was a strategy to raise resources to deal with the country's fiscal challenges and not out of conviction as a strategy to address enduring structural challenges in the agricultural sector.

<sup>7</sup>Interview with a NORAD official, 14<sup>th</sup> March 2012, Lilongwe.

<sup>8</sup>Interview with the Coordinator of the Donor Committee on Agriculture and Food Security (DCAFS), 12<sup>th</sup> April 2012, Lilongwe.

<sup>9</sup>Interview with a MoAFS official, 16<sup>th</sup> March 2012, Lilongwe.

The critical analysis of the investment plan is quite revealing. ASWAp devotes as much as 85 percent of its budget to food security and risk management and sustainable water management. Maize takes up as much as 37 percent of proposed expenditure targeting the improvement of crops. However, if the remaining expenditures are distributed across all commodities, maize could account for nearly 70 percent of the total agricultural expenditures. The budgetary allocation to technology development and dissemination accounts for 6.2 percent of the total ASWAp budget while only 4 percent is allocated to strengthening public management systems and capacity building of the private and public sectors.

These observations were made right at the time of signing the compact but they remained unresolved even after the high level business meeting. The major drawback about the ASWAp's budgetary priorities is that the bulk of expenditure is dedicated to items that have very little long-term productivity enhancing impact compared to spending on activities such as research and development, extension and rural infrastructure. There is ample empirical evidence which suggests that prospects for sustainable agricultural transformation are higher when decent investments are directed toward public goods such as research and development, rural infrastructure and extension (Crawford, et al., 2003).

The failure to resolve the skewness of ASWAp's budgetary allocations reflects the underlying logic of the country's political economy. Politicians consider that a substantial shift from funding food production to investing in public goods to catalyze the transformation of the agricultural sector in the long-term is risky. It would undermine their legitimacy among voters since supporting food production is an integral part of the social contract (Chinsinga, 2010). The conclusion of the independent technical review was therefore that "it may be useful to continually evaluate the balance between capital and recurrent budget allocations and the appropriate mix to achieve growth and poverty reduction targets" (NEPAD/COMESA, 2010: 3).

### **5.1.3 Inclusivity of the CAADP Process**

The inclusivity of the CAADP process in practice is widely debated (Benin, et al., 2010 and Randall, 2010). As one way of overturning the "business as usual" mentality of doing things so as to reverse the agricultural sector's decline, the CAADP process advocates for an inclusive process in developing, implementing and monitoring agricultural policy. The inclusivity of policy processes in the sector is desirable because it should not only lead to quality outcomes but should also enhance ownership. The potential transformation of the agricultural sector would be hugely dependent on overall quality of the policy processes and collective ownership thereof among the key stakeholders which is indispensable for effective implementation (Kolavalli, et al., 2010). The issue is that "... reforms should not be bought but owned by convinced insiders" (Zimmerman, et al., 2009: 160).

There has been huge debate about the quality of participation of civil society, private sector, politicians and farmers in the CAADP process in the Malawi context. Kolavalli, et al., (2010) propose that the quality of participation should be assessed both in terms of breadth and depth. The former implies the extent of involvement of stakeholders going all the way to primary beneficiaries while the latter entails involvement of interests across the sector. They contend that depth is critical for developing appropriate priorities while breadth enhances ownership of strategies across the sector.

There are strong feelings that the quality of both breadth and depth of participation of other stakeholders rather than government and development partners in the CAADP process is not satisfactory. This is attributed to limited understanding of the CAADP process on the part of government. The main challenge observed by most informants was that "the government sees the CAADP process as its own, and bringing other actors on board, especially the private sector, at its discretion"<sup>10</sup>. Thus while the government has opened up to the involvement of other stakeholders in the sector in tandem with the underlying spirit of

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<sup>10</sup>Interview with a CISANET official, 11<sup>th</sup> April 2012, Lilongwe.

the CAADP process “it has misinterpreted it as government owned and controlled instead of taking it as government led”<sup>11</sup>.

The question of participation of other stakeholders is a huge challenge because of lack of clarification about how it could be meaningfully facilitated in practice. The challenge of making the CAADP process as inclusive as possible was inevitable because “the CAADP process was not explicit about the participation of the non-technical people in the process [especially] before the roundtable” (Zimmerman, et al., 2009: 146). Moreover, there has not been “a clear strategy for post compact support for countries” (Ogutu, et al., 2010: 9). The situation is reportedly changing for countries which have embarked on the CAADP process in the recent past since guidelines for facilitating participation have been developed (Randall, 2011).

In the absence of these guidelines, most informants argued that the challenge has been to define exactly who would adequately represent the private sector as well as civil society. In the interviews, it was debated whether “CISANET and NASFAM adequately represent civil society, FUM adequately represents farmers and MCCCCI adequately represents the private sector”<sup>12</sup>. There were some doubts about the capacity of these organizations to meaningfully claim representing their respective hugely diversified constituents. These are legitimate concerns because most of these organizations often have a weak membership basis and their internal capacity for communication is very weak to facilitate meaningful dialogue (Zimmerman, et al., 2009 and Kolavalli, et al., 2010). Consequently, “civil society organizations, politicians and private sector are only visibly brought on board during important CAADP milestones notably compact signing and high level business meeting”<sup>13</sup>.

The platform for civil society organizations and the private sector to meaningfully engage with the CAADP process does not exist. Neither representatives of civil society organizations nor the private sector are involved in the ASWAp management structure. They are only involved in the Sector Working Group (SWG) and Technical Working Groups (TWGs). This means that they are not involved in the entire decision making process which effectively undermines prospects for a viable system of checks and balances. They are thus marginalized when it comes to making key decisions about, and pertaining to the CAADP process especially since “the SWGs and TWGs are not yet fully functional”<sup>14</sup>. They have further not been involved in the framing and drafting of key CAADP documents. They have only been invited to review the documents “with little or no guarantee that our inputs will be taken into account in the final documents”<sup>15</sup>.

Compared to the private sector, there are claims that civil society has engaged relatively better with the CAADP process. For many government officials, the marginal engagement of the private sector with the CAADP process is largely of its own making. They expressed serious concerns about the preparedness and agility of the private sector to meaningfully engage with the CAADP process. They argued that the private sector exudes a deep seated beneficiary mentality which makes it difficult for it to seize opportunities; suffers from weak capitalization; and is highly dependent on the state. This re-echos Harrigan’s (2001) sentiments that the private sector in Malawi exists but it is owned by the state.

While acknowledging some of these challenges, the private sector shifts part of the blame to government. They argue that the government is not willing to address a whole range of structural constraints that would make government-private sector engagement meaningful. The private sector challenged that it has the capacity to respond and seize opportunities “but we do not have the time to waste in winding and

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<sup>11</sup>Interview with a FUM official, 28<sup>th</sup> March 2012, Lilongwe.

<sup>12</sup>Interview with a NASFAM official, 9<sup>th</sup> March 2012, Lilongwe.

<sup>13</sup>Interview with a World Bank official, 28<sup>th</sup> April 2012, Lilongwe.

<sup>14</sup>Interview with a CISANET official, 22<sup>nd</sup> April 2012, Lilongwe.

<sup>15</sup>Interview with a FUM official 17<sup>th</sup> April 2012, Lilongwe.

fruitless engagements with government given our experiences to date”<sup>16</sup>. The private sector’s engagement with the CAADP process is further constrained by the laissez faire attitude on the part of government. It is difficult for the private sector to engage enthusiastically with activities “that are either postponed at last minute or are merely talking shops”<sup>17</sup>.

The case of Ghana offers prospects for meaningful engagement between the government and the private sector in the context of the CAADP process if properly managed (NEPAD, 2011). A Private Sector Liaison Office was created to ensure a broad based and transparent private sector involvement in policy research and debate. This has provided the private sector with the opportunity to contribute to the preparation of the agricultural budget, including demands for better targeting of priority policy issues. This has “deepened the quality of investment planning” (NEPAD, 2011). The CAADP experiences in Malawi suggest that there is an overestimation of the capacity especially of disadvantaged groups to get involved in national policy processes.

#### **5.1.4 Implementation of the CAADP Process**

The implementation of the CAADP process appears to be in a state of flux. Many stakeholders interviewed were not sure whether or not the implementation of the CAADP process had started. This appears to be a conceptual problem, triggered to a very large extent, by how the concept of CAADP was relayed to the stakeholders. CAADP was communicated not as a framework for reorganizing the agricultural sector to revive its competitiveness but rather as a programme to be implemented. Moreover, the linearity implied by the systematic step by step CAADP process suggests that there is a specific stage at which implementation starts.

Granted there is a distinct implementation phase in the CAADP process, there are two major concerns consistently raised by informants. Is the structure for implementing the CAADP process adequate? Is the government ready and willing to drive and own the process? It was argued that the CAADP National Focal Point is ill-equipped to spearhead the process of implementation which is further undermined by frequent turnover of staff. Since the CAADP process was formally launched in April 2009, “there have been four different CAADP National Focal Points”<sup>18</sup>. The underlying argument is that “CAADP processes cannot be successfully driven by a single person who has other responsibilities, treating CAADP as an add-on responsibility yet it is an enormous task”<sup>19</sup>. These observations are not unique to Malawi. Typically, the CAADP National Focal Points are severely stretched to fulfill their routine activities which include hosting and providing counterparts for several missions each year, data gathering, formulating national strategies and policies as well as preparing, defending and revising annual budget submissions (Ogutu, et al., 2010). In some cases, the CAADP National Focal Points are relatively junior and hardly networked to drive and sustain the momentum for the CAADP process to realize its ideals and aspirations.

The work of the CAADP National Focal Point is even more challenging in the Malawi context because the institutional structures meant to facilitate the implementation of CAADP processes are not yet fully functional. By the time of the fieldwork, the SWG had only met twice in three years when it is supposed to meet once every six months and TWGs had neither been constituted nor their terms of reference (ToRs) developed. This means that the implementation of the CAADP process continues to rely almost exclusively on the efforts of the CAADP National Focal Point who is not fully working on CAADP issues.

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<sup>16</sup>Interview with a MCCI official, 15<sup>th</sup> March 2012, Blantyre.

<sup>17</sup> Ibid.

<sup>18</sup>Interview with a MoAFS official, 15<sup>th</sup> March 2012, Lilongwe.

<sup>19</sup>Interview with a NORAD official, 14<sup>th</sup> April 2012, Lilongwe.

There were questions raised about the appropriateness of the Ministry of Agriculture and Food Security (MoAFS) to coordinate the implementation of the CAADP process. Many informants wondered whether the MoAFS has the stature to effectively convene and steer the CAADP process in view of the broad definition of the agricultural sector articulated in the ASWAp. It spans across a whole range of ministries. The argument was that the MoAFS does not have the political clout to drive the process in a way that would guarantee the achievement of the objectives and goals of CAADP. It was, for instance, observed that most inter-ministerial decisions to sustain the CAADP implementation momentum have stalled because “often other ministries send junior representation to meetings at which crucial decisions must be taken”<sup>20</sup>. In the broader African context, “key actors for implementing CAADP do not seem to have either the conviction or strength to gather other stakeholders around CAADP without strong assistance from one of the real power sites of a country such as the Presidency, Ministry of Finance and sometimes Planning” (Zimmerman, et al., 2009: 146).

Actually, previous experience in Malawi shows that inter-ministerial initiatives thrive when the Office of the President and Cabinet (OPC) is involved. According to one of the informants, “the institutional design for spearheading the CAADP process demonstrates lack of understanding of the politics of power and resource allocation at the national level”<sup>21</sup>. The involvement of the OPC in some form or another ensures that inter-ministerial meetings are patronized by senior staff, making it possible to make critical decisions timely to move implementation processes forward. According to Zimmerman, et al., (2009), it is surprising that the presidencies and ministries of finance do not have an institutionalized role in implementing CAADP although the commitment to CAADP emanates from HSG and the major tangible commitment is the 10 percent budgetary allocation to the agriculture sector.

The implementation process has further been constrained by the delays in completing a core function analysis for MoAFS. The core functional analysis should have identified functions which the public sector should retain, which could be sub-contracted and which should be privatized. The exercise would not only have facilitated the division of labour among stakeholders in the sector but also served as a basis for forging meaningful partnership. The role of the MoAFS would predominantly be restricted to making policy, training and capacity building, supervision and monitoring and evaluating performance. The private sector and CSOs would dominate direct service provision at all levels.

The core function analysis has been on the MoAFS’s agenda since 2008. By the time of the fieldwork, there was hardly any worthwhile progress. It has been effectively resisted, and conveniently downgraded to ‘targeted core function analysis’ to facilitate the implementation of the CAADP process. Even this customized core function analysis is yet to be done. This has effectively paralyzed the implementation of the CAADP process which privileges partnership as the fundamental basis for reorienting policy and practice in the agricultural sector. The half-hearted commitment to core function analysis is reflected in the very modest budgetary allocation to this exercise in the ASWAp. As noted earlier, the task of strengthening public management systems and capacity building of the public and private sectors is only allocated 4 percent of the total budget.

This demonstrates that the challenges affecting the implementation of the CAADP processes are predominantly institutional, organizational, managerial and governance in nature. This requires largely reorganizing how the public sector operates. Kolavalli, et al., (2010) were spot on. They argue that the CAADP process emphasizes more technical rather than institutional, organizational, managerial and governance issues. As illustrated in the Malawi case, prioritizing institutional analysis would be tremendously useful in breaking down the barriers to setting in motion the kind of transformation in the agricultural sector envisaged by CAADP.

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<sup>20</sup>Interview with a MoAFS official, 18<sup>th</sup> April 2012, Lilongwe.

<sup>21</sup>Interview with a CISANET official, 18<sup>th</sup> April 2012, Lilongwe.

This was even apparent when one of the informants observed that “ASWAp is clear in terms of its objectives and results but the problem is how to attain them; it is not clear since it is very weak in strategizing about how to operationalize the CAADP process”<sup>22</sup>. Thus while the ASWAp is a beautiful CAADP inspired document, the main challenge is to translate it into practice. There are serious institutional challenges that have to be dealt with in order to strategically position the MoAFS to effectively lead the process. It is therefore not surprising that “it is always on the back foot responding to issues raised by different stakeholders particularly donors”<sup>23</sup>. The cobweb of institutional, organizational and managerial challenges affecting the MoAFS makes it extremely difficult for the MoAFS to exercise meaningful leadership in the CAADP process.

## **5.2 Value Addition of the CAADP Process**

### **5.2.1 Profile of the Agricultural Sector and Sector Priorities**

It would be difficult to claim that the CAADP process has contributed in any significant way to raising the profile of the agricultural sector in Malawi. The agricultural sector has always been prominent in the country’s socio-economic profile since the turn of the century (Devereux, 2002 and Chinsinga, 2004). The prominence of the sector can be credited to the devastating hunger crises that hit the country during the 2001/02 and 2004/05 growing seasons that affected 3.2 and 4 million people respectively. Since there is no meaningful alternative to agriculture as a source of livelihood, the incidence of the two devastating hunger episodes in a space of five years led to the intensification of efforts to revive the agricultural sector.

These experiences turned food security into a highly charged political issue. Food security has thus since the 2001/02 hunger crisis “appeared in the platforms of politicians, on the agenda of policy makers, in the programmes of public bureaucracies, among the duties of village chiefs, and on the pages of national newspapers....and is thoroughly researched and debated (Sahely, et al., 2005: 17). This was further reinforced by the dynamics of the 2004 electoral campaign. It distinctively reflected a strong national consensus for fertilizer subsidy as all leading candidates promised some kind of support to the smallholder agricultural sector. The differences among political parties in the subsidy proposals simply reflected the variations in the agro-ecological nature of regions considered as their strongholds.

The overwhelming national consensus on fertilizer subsidy as a solution to the country’s agricultural crisis translated into the FISP. Not only did its success raise the profile of the agricultural sector but also of the country as a whole as a potential model for a uniquely African version of the African Green Revolution (AGRA, 2009 and Chinsinga, 2011). The importance of the sector was further underpinned by the concerted efforts to develop a sector strategy prior to the adoption of CAADP. The centrality of agriculture in the people’s livelihoods has greatly contributed to raising the profile of the sector reinforced by the underlying logic of the country’s political economy. Food security lies at the heart of the social contract between the state and the citizens.

There is, however, evidence to suggest that the CAADP process has contributed to a reflective discourse about priorities in the agricultural sector. The CAADP process has contributed to opening up discussions about the sector’s priorities particularly in relation to policies and investment. Some informants observed that “CAADP has emerged as a voice of reason that reminds stakeholders in the sector that there are some other important areas, if not more important than the FISP”<sup>24</sup>. This means that the CAADP process has helped to extend the discourse of priorities in the sector beyond FISP. In particular, the adoption of the CAADP process has instigated debates about long-term investments “that have been overshadowed by the excitement with FISP yet they are extremely critical for potential fundamental and sustainable agricultural

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<sup>22</sup>Interview with a FICA official, 12<sup>th</sup> March 2012, Lilongwe.

<sup>23</sup> Interview with a World Bank official, 7<sup>th</sup> April 2012, Lilongwe

<sup>24</sup>Interview with a NORAD official, 18<sup>th</sup> March 2012, Lilongwe.

transformation”<sup>25</sup>. Although these have not yet translated into concrete action, it gives the donors hope that these developments could eventually open up space for could result in the desired structural changes in the agricultural sector. The main concern is that FISP overshadows almost everything when it kicks in at the expense of other critical aspects of agricultural investment although it is merely a quick fix (NEPAD/COMESA, 2011 and Chinsinga, 2010). The value of CAADP in this respect is that “it has at least helped to infuse long-term perspectives in thinking about agriculture development and transformation in Malawi”<sup>26</sup>.

The practical effect of the apparent change in the discourse about priorities in the agricultural sector is hardly visible empirically. As demonstrated by several recent reviews including the independent technical review of the ASWAp, the budgetary allocations are still heavily biased in favour of the FISP and related activities. These take up as much as 75 percent the annual budgetary allocations to the sector (Dorward and Chirwa, 2011). Expenditure in the sector remains biased in favour of private goods such as fertilizer and seed rather than investments in public good such as research, rural infrastructure and extension. These concerns have been consistently raised at each key stage in the CAADP process. However, as noted earlier, these concerns are outstanding even after the high level business meeting. The failure to address these concerns once and for all demonstrates that context matters in policy processes. Prospects for radical transformation in the expenditure portfolio for the sector are a tough ask since food security lies at the heart of the country’s social contract. There is thus for politicians no credible justification to reorient the expenditure portfolio of the sector as long as the FISP provides a quick fix to the vote spinner, food security (Holden & Tostensen, 2011 and Chinsinga, 2012). The CAADP process was therefore adopted as a possible means to raise resources to deal with the fiscal crisis that had plagued the country at that time.

### **5.2.2 Ownership of Agricultural Policy Making**

The CAADP process seeks to promote ownership of agricultural policy making as a key strategy to engineer fundamental and sustainable transformation of African agriculture (NEPAD, 2011). The CAADP process has to be owned because the reforms suggested have the potential to upset deep seated existing vested interests. Unless the CAADP process is owned, its potential purchase on the reorientation of the structure, policy and practice in the sector cannot be realized. According to Kolavalli, et al., (2010), countries display ownership through leadership in developing and implementing their national development strategies through a broad consultative process. It thus requires greater stakeholder participation to develop the ownership needed for effective participation. Stakeholders have to demonstrate understanding that the programmes, policies and strategies being promoted are achievable and are in the country’s own interest.

The extent to which the CAADP process is owned is a subject of intense debate in emerging literature (Kibara, et al., 2008 and Ogotu, et al., 2010). The argument is that the ownership at the highest political levels through HSG has not been successfully translated into strong commitment on the part of technical staff in the sector at country level. The overall verdict is that “ownership in the countries by different stakeholders is weak including agricultural ministries but even so among other agricultural sector ministries or non-state actors” (Zimmerman, et al., 2009: 157). This is further reinforced by Ogotu, et al., (2010) who argue that most planners are unconvinced of the purpose of the CAADP process which appears to attempt to run parallel to existing strategies and programmes.

The prognosis is not any different in the Malawi context. Most informants argued that the sense of ownership of the CAADP process exists to the extent that “CAADP processes are described as country led and build on existing policy processes”<sup>27</sup>. The practice is entirely different. It is difficult to sustain the

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<sup>25</sup>Interview with a DFID official, 20<sup>th</sup> April 2012, Lilongwe.

<sup>26</sup>Interview with a MoAFS official, 12<sup>th</sup> April 2012, Lilongwe.

<sup>27</sup>Interview with an Action Aid official, 7<sup>th</sup> March 2012, Lilongwe.

discourse of ownership because “while the compact speaks of the CAADP process as being country led and owned the practice is different because of serious capacity problems on the part of the government”<sup>28</sup>. This was in particular reference to the stocktaking as well as modeling of the growth options. The argument is that it is difficult to talk of ownership when these critical exercises are not localized. According to Zimmerman, et al., (2009), these exercises are often conducted without the involvement of local researchers or much interaction with the national stakeholders.

There is a strong perception that the CAADP process in Malawi is largely a donor driven exercise. This is attributed to two main factors. First, as noted earlier, Malawi hesitantly signed up to the CAADP process as a result of some key donors tying their support to the sector to countries embracing CAADP. The failure to alter the broad operative expenditure portfolio of the sector despite this particular issue featuring at key stages in the CAADP casts doubt about the government’s sincere commitment to the CAADP process. It would therefore be fair to say that “Malawi signed up to CAADP not out of conviction about its value addition but rather primarily in anticipation of accessing extra funding”<sup>29</sup>.

Second, the resistance to fast track core function analysis in order to create a favourable environment for the CAADP process further raises some doubt on the question of ownership. This is the case because the CAADP process is largely treated as an add-on and not as a core exercise that would help to reorganize the agricultural sector. Consequently most informants concluded that it is difficult to project full government ownership of the CAADP process since “we should not have gotten to the stage we have had it not been for donors, and lack of ownership is clearly reflected in the weak desire by government to drive the process”<sup>30</sup>.

### **5.2.3 Sector Coordination, Alignment and Harmonization**

The assumption is that sector coordination would be boosted if there is alignment between, and harmonization of development partners and national level policies and strategies. More specifically, alignment and harmonization entails donors’ respecting country priorities, making greater use of countries’ systems to deliver and, increasing predictability of aid (Kolavalli, et al., 2010 and NEPAD, 2011).

In the context of CAADP, alignment and harmonization can be conceived at two levels. First, it is at the level of national policies aligning to, and harmonizing with the CAADP pillars. Second, it is alignment and harmonization in the classical sense of donor policies with the national strategies. A recent NEPAD (2011) review suggests that the CAADP process is contributing to the emergence or consolidation of sector-wide approaches (SWAs) which are providing a better basis for enhancing alignment and harmonization leading to enhanced sector coordination. Thus SWAs are serving as “a means for improved planning and financial management under government leadership” (NEPAD, 2011: 27). An alternative viewpoint suggests that enhanced sector coordination remains a huge challenge the CAADP process notwithstanding. This is the case because “the embedding of CAADP into national agricultural policy processes is conceptually unclear, as it is difficult to determine who is aligning to what, and what alignment really means” (Zimmerman, et al., 2009: 157).

The assessment reveals that the implementation of the CAADP process in Malawi has greatly contributed to enhanced donor coordination in the sector and prospects of alignment between national and donor priorities as well as harmonization of policies and strategies. The main caveat was that although the prognosis for sector coordination is encouraging there are still challenges to be resolved particularly in relation to funding modalities for the sector. Donor coordination has been enhanced and strengthened through the institutionalization of the Donor Committee on Agriculture and Food Security (DCAFS). It

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<sup>28</sup>Interview with a MoAFS official, 18<sup>th</sup> March 2012, Lilongwe.

<sup>29</sup>Interview with a World Bank official, 20<sup>th</sup> April 2012, Lilongwe.

<sup>30</sup>Interview with a CISANET official, 23<sup>rd</sup> April 2012, Lilongwe.



meets on a monthly basis and provides donors with a common framework for engaging with government on strategic issues in the sector.

Many development partners observed that the DCAFS is very critical for donor coordination and information sharing. This has promoted very good working relationships among donors, “churning out a common goal for the sector but yet very difficult to agree on the best ways to achieve it”<sup>31</sup>. While the DCAFS provides ready access to a wealth pool of information through sharing, “it is never meaningfully used to promote the attainment of common goals in a coordinated fashion in the sector”<sup>32</sup>. Nevertheless, the DCAFS is very critical to the cause of enhanced coordination because “it at least gives development partners a sense of what is happening in the sector which was not the case prior to the adoption of the CAADP process”<sup>33</sup>. Although there are still disagreements among donors, the enhanced coordination and information sharing through DCAFS has “led to key donor programmes aligning to the sector’s priorities as stipulated in the ASWAp”<sup>34</sup>.

The CAADP process has thus provided a platform for stakeholders to understand what is happening in the sector and its key priorities as well as the activities of different stakeholders. It has so to speak provided a wide array of stakeholders with a framework for continuous dialogue and engagement in the sector. As a result “donors do not come up with their own interests but are responding to the investment priorities outlined in the ASWAp”<sup>35</sup>. Furthermore, it was argued that ASWAp has promoted the division of labour among development partners through their regular interaction under the auspices of DCAFS which has minimized the unnecessary overlaps. While a fully coordinated sector is still very much work in progress, the CAADP process has given it a fresh impetus especially since “it is difficult to see how government would have managed to bring them together had it not signed up to CAADP”<sup>36</sup>.

#### **5.2.4 Funding for Agricultural Policy Making and Investment**

The CAADP process has raised prospects for funding for agricultural policy making and investment although much of it is yet to come on stream. At the time of the fieldwork, donors were engaged in long winding discussions about how to fund the sector. A new stream of funding that could be verified at that time was directed toward food security and risk management and capacity building. A consortium of World Bank, Norway and FICA had committed to funding food security and risk management and capacity building to the tune of US\$53 million and US\$ 30 million respectively. Such funding would be welcome given that the country was experiencing unprecedented fiscal crisis at that time.

The debates about funding modalities to the sector among donors have somewhat contributed to dampening prospects for alignment and harmonization for enhanced coordination for the sector which is at the heart of the CAADP process. The debate revolves around pooled versus direct funding to the sector. The debate has arisen because “most donors do not trust the integrity of national systems to guarantee transparency and accountability in the utilization of the funds”<sup>37</sup>. Some donors, for example, USAID and JICA are simply ideologically opposed to the idea of pool funding. They justify direct funding to the sector “as long as the targeted interventions are aligned to ASWAp, and in a sense the concept of alignment is susceptible to manipulation to serve specific interests”<sup>38</sup>.

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<sup>31</sup>Interview with NORAD official, 18<sup>th</sup> March 2012, Lilongwe.

<sup>32</sup>Interview with a FICA official, 9<sup>th</sup> March 2012, Lilongwe.

<sup>33</sup>Interview with a World Bank official, 19<sup>th</sup> April 2012, Lilongwe.

<sup>34</sup>Ibid.

<sup>35</sup>Ibid.

<sup>36</sup>Interview with a CISANET official, 15<sup>th</sup> March 2012, Lilongwe.

<sup>37</sup>Interview with an Irish Aid official, 9<sup>th</sup> March 2012, Lilongwe.

<sup>38</sup>Interview with a FUM official, 13<sup>th</sup> March 2012, Lilongwe.

As a compromise position, most donors have agreed to the establishment of a multi-donor trust fund as a financing modality to the sector. The fund will be managed by the World Bank and it will operate using one financial agreement which will help “harmonize the procedures and systems of disbursing, management and accounting for funds by the sector to donors”<sup>39</sup>. Although these donors have agreed to the principles of the fund, there are still outstanding challenges to be sorted out. There are some donors, for example, the EU who are pushing for earmarks within the framework of the fund instead of according the government the liberty to use the resources the way it sees fit as long as they are spent on agreed upon priorities in the sector and are properly accounted for. The EU is particularly keen to ring fence its contribution to the fund to target the development of rural roads. This is partly a reflection about the differing areas of focus among donors “mandated from their respective headquarters but also the underlying desire to point to tangible outcomes of their contributions”<sup>40</sup>.

The large versus small donor politics has also contributed to the impasse in finalizing the donor multi-trust fund as a financing modality to the sector. Unlike large donors, the small ones do not “insist on conditions but rather favour dialogue with the government”<sup>41</sup>. This endears small donors to the government because through dialogue with government, it becomes easier to “exercise flexibility in the implementation of agreed upon work programmes in response to changing circumstances and priorities”<sup>42</sup>. The small donors are therefore very keen to ensure that “the multi-donor trust fund will not be driven and dictated by conditionalities of a single donor”<sup>43</sup>.

Thus while there is consensus about alignment to, and harmonization with national priorities and strategies, the question of funding to the sector remains unresolved. The Malawi experience demonstrates the difficulty of developing a common approach to funding the sector. This is compounded by “the different nature of bilateral and multilateral donors including the fact that there are too many stakeholders involved in the agricultural sector”<sup>44</sup>. The reluctance of donors to use government systems invariably holds back the quest for transformational development of the sector. Granted that there are deficiencies, “the option to use alternative systems deprives government the opportunity to develop capacity especially since such capacity cannot be developed in a vacuum”<sup>45</sup>.

### **5.2.5 Transparency and Accountability in the Sector**

Benin, et al., (2010) observe that issues of transparency and accountability are critical in the CAADP process because they provide the basis for discussions and debate on stakeholder performance in areas of mutual commitments. The existence of a sector framework has at least in principle promoted the ethos of transparency and accountability, and created room for dialogue. The development of the ASWAp has “provided a platform for broader stakeholder participation and inclusiveness in the policy processes, making activities in the sector fairly transparent and accountable”<sup>46</sup>.

The concern is that the prospects of transparency and accountability inherent in the sector framework are not borne out in practice. It was argued that many decisions, particularly with regard to resource allocation, implementation, and M&E are still at the discretion of the MoAFS. Most of the discussions are just a mere window dressing exercise “with little room for accountability as evidenced by the continued skewed allocation of resources to the FISP despite endless discussions on the same”<sup>47</sup>. As noted earlier,

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<sup>39</sup>Interview with the DCAFS Coordinator, 9<sup>th</sup> March 2012, Lilongwe.

<sup>40</sup>Interview with a FICA official, 9<sup>th</sup> March 2012, Lilongwe.

<sup>41</sup>Interview with an Irish Aid official, 13<sup>th</sup> March 2012, Lilongwe.

<sup>42</sup>Interview with a FICA official, 9<sup>th</sup> March 2012, Lilongwe.

<sup>43</sup>Interview with an Irish Aid official, 13<sup>th</sup> March 2012, Lilongwe.

<sup>44</sup>Interview with a World Bank official, 20<sup>th</sup> April 2012, Lilongwe.

<sup>45</sup>Interview with a FUM official, 13<sup>th</sup> March 2012, Lilongwe.

<sup>46</sup>Interview with a DFID official, 19<sup>th</sup> April 2012, Lilongwe.

<sup>47</sup>Interview with a NASFAM official, 26<sup>th</sup> April 2012, Lilongwe.

these biases are actually reflected in CAADP's investment plan. They have persisted, the recommendations for reorientation of the expenditure portfolio in the sector by independent technical review and the high level business meeting notwithstanding. Mechanisms for transparency and accountability of government and development partners to the citizens as ultimate beneficiaries are underdeveloped although it is now an issue that civil society organizations are taking up in their budget analysis and advocacy efforts (Remme and Mingu, 2011).

The prospects of the CAADP process enhancing transparency and accountability are further constrained by long standing weaknesses of the national systems. While the CAADP process has helped to expose a wide range of institutional weaknesses and challenges, there is no willingness to address them. The core function analysis would have helped to tackle MoAFS's institutional bottlenecks that could have possibly contributed to creating a favourable environment for transparency and accountability to thrive. This is not unique to the agricultural sector. There is, according to Booth, et al., (2006), a general decline in the institutional and policy capacity of the civil service, promoting and entrenching a culture of fraud and corruption as well as deterioration of work ethnics. It is difficult to expect the ethos of transparency and accountability to flourish because "the once coherent framework of supervision has collapsed and there exists no rewarding system that effectively discriminates between hard workers and non-hard workers"<sup>48</sup>. Moreover, the majority of the civil servants prioritize rent seeking activities as opposed to their regular responsibilities. They are preoccupied with chasing allowances and tend to dedicate themselves where there are allowances (Chinsinga, 2005).

#### **5.2.6 Monitoring and Evaluation**

M&E is an integral part of the CAADP process institutional architecture to reviving the fortunes of the agricultural sector across the continent. It is key to "improving the level, relevance, and reliability of evidence in decision making processes which is essential for the effective design and implementation of policies and programmes" (Benin, et al., 2010: 19). As part of the M&E efforts, CAADP countries are expected to establish Strategic Analysis and Knowledge Support Systems (SAKSS) nodes. These are mandated to make available high level quality data for decision making related to the design and implementation of investment plans and programmes. Each country is at liberty to explore how the SAKSS node can be constituted and the exact way in which the node renders support to the CAADP process. The purpose of the monitoring framework is to assess the stage at which countries are in the process, why countries are progressing the way that they are, constraints and opportunities, and roles of different stakeholders in the process, including their capacities to undertake their roles.

The M&E for the agricultural sector is in a state of flux because there are several monitoring frameworks that are yet to be harmonized (Reme and Mingu, 2011). There are currently three M&E frameworks. The Technical Secretariat for the Joint Food and Nutrition Task Force tracks 57 indicators related to agriculture and food security covering, at the time of the fieldwork, 193 projects, funded and implemented by over 80 different donors and implementers. The Ministry of Economic Planning and Development (MoEP&D) monitors the sector through the annual reviews of the MGDS. This is currently described as "the best attempt at sector wide M&E and accountability given that government, NGO and development partner projects are all considered, if reported voluntarily" (Reme and Mingu, 2011: 62). The final M&E effort is through the Aid and Management Platform (AMP), the primary aid data management system and effectiveness monitoring tool.

The main challenge is that the sector lacks an operational sector strategy and results framework. The existing M&E frameworks "are not comprehensive enough to capture the broadness of the conception of the agricultural sector as articulated in the ASWAp"<sup>49</sup>. In ASWAp, the agricultural sector has been

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<sup>48</sup>Interview with a FAO official, 8<sup>th</sup> March 2012, Lilongwe.

<sup>49</sup>Interview with a MEJN official, 26<sup>th</sup> April 2012, Lilongwe.

defined quite broadly. As a manifestation of the commitment to align the sector to the CAADP pillars, it has been defined to include food security, agricultural risk management, sustainable agricultural land and water management (including irrigation and agro-forestry), commercialization and market development, agricultural extension and research, institutional strengthening and agricultural related gender and HIV/AIDS issues. In addition, there are some donors that still maintain a project orientated approach which makes aggregating success or failure difficult yet they have committed themselves to a results framework using harmonized indicators for the sector.

The Malawi SAKSS node has been established but it is not yet fully operational to effectively contribute to an effective M&E system. The key priority would be to establish a credible and comprehensive monitoring system that would fully capture the scope of the agricultural sector as articulated in the ASWAp. Such an M&E system should provide a forum for policy dialogue, coordination and joint assessments of the sector by the key stakeholders. A preliminary assessment of the SAKSS is not encouraging. Many informants argued that “the broad framework of the [SAKSS] is very much an off the shelf blueprint and hardly informed by local thinking and realities”<sup>50</sup>. It is therefore not widely expected that the SAKSS node will contribute positively to the overall quality of the data for decision making processes. For most stakeholders, the limited progress in establishing a viable M&E framework is an indictment of the nature and quality of support offered to CAADP by the regional bodies. They have not been in a position to consistently provide high quality technical backstopping as envisaged in CAADP’s implementation blueprint.

It can be argued that the government has not really pushed hard for a credible M&E framework “because it was primarily interested to access resources associated with the CAADP process especially since some donors had tied the disbursement of their resources to countries signing up to CAADP”<sup>51</sup>. This seems plausible given that during this period, Malawi had started experiencing fiscal crisis for failure to honour its commitments under the IMF programme and for its leadership becoming increasingly authoritarian and autocratic.

## **6. Concluding Remarks and Reflections**

The purpose of this paper was twofold: 1) to review stakeholder engagement with the CAADP process and the implications thereof for the agricultural sector’s policy processes and politics; and 2) to assess value addition of the CAADP process to the country’s policy processes in the agricultural sector. The assessments were carried out from a political economy perspective inspired by the rapidly mounting empirical evidence which suggests that political incentives play a critical role in determining policy outcomes in the agricultural sector (Poulton, 2012 and Chinsinga, 2012).

The results of the assessments indeed show that context matters in influencing and shaping up the final outcomes of the policy processes. This means that no matter what the technical arguments for or against particular positions are, it is ultimately the configuration of political interests that determine policy outcomes on the ground. Moreover, agriculture is a hugely politically sensitive area. This is the case because most of the strategies in the sector touch on issues such as access to land and water, and decisions to allocate resources, for example, to subsidize that will yield quick and high political returns (Ogutu, et al., 2010). To reiterate, CAADP was set out to reconfigure the way agricultural development issues are formulated, policies are generated and debated, investment decisions are implemented and interventions scrutinized.

The Malawi government was reluctant to sign up to the CAADP process because there was skepticism as to whether or not it would make any difference. This was due to the fact that Malawi was already hitting

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<sup>50</sup>Interview with a MoAFS official, 19<sup>th</sup> April 2012, Lilongwe.

<sup>51</sup>Interview with a FUM official, 19<sup>th</sup> April 2012, Lilongwe.

the two major CAADP targets, namely: allocating 10 percent of the national budget to the agricultural sector, and the sector was growing at more than 6 percent per annum. It only signed up to CAADP as conditionality for accessing aid to the agricultural sector. Malawi was achieving the CAADP targets under the auspices of the Farm Input Subsidy Programme (FISP) which has more or less become a magic bullet to the intractable chronic hunger and serious food shortages that the country grappled with for almost two consecutive decades (Chirwa, 2007 and Dorward&Chirwa, 2011).

It appears the political and economic context played some role for the government to embrace the CAADP process in anticipation for some financial resources. By this time, Malawi had begun experiencing a serious fiscal crisis triggered by most development partners' decision to suspend budget support and some forms of aid due to the deteriorating economic and political governance. The fiscal prudence and discipline that characterized Mutharika's first term gave way to rampant corruption and abuse of public resources while at the same time Mutharika's administration became increasingly authoritarian and autocratic and intolerant of criticism. The fiscal crisis was inevitable because Malawi depends on development partners for almost 40 percent of its budget. The fiscal crisis was deepened by President Mutharika's insistence to maintain an overvalued kwacha against the dollar (House of Commons International Development Committee, 2012).

The CAADP process has failed to get the MoAFS to alter the fundamental structure of investment portfolio for the sector that powered the food security success through FISP. As much as 75 percent of the budgetary allocation of the MoAFS is spent on the FISP. This means that critical expenditures on public goods investment such as extension, research and development, and rural infrastructure development have been heavily marginalized yet they are very critical to facilitating potential fundamental and sustainable agrarian transformation. These concerns have been raised in various FISP evaluations and consistently featured in the key stages of the CAADP processes. They, however, still remain outstanding.

This is particularly the case because of the centrality of food security in the country's electoral politics. For politicians, the FISP is a solution to the problem of food insecurity, and guarantees the legitimacy of the state. Any effort to disturb what in their view, is a winning formula, would not be entertained. Efforts to radically alter the expenditure portfolio for the sector would instantaneously undermine the social contract between the state and the citizens. The key feature of the social contract is for the state to guarantee food security for the voter either through subsidized production or affordable maize in the market. This demonstrates that context matters and implies that there may be multiple factors beyond control of CAADP decision makers and implementers influencing and shaping up the ultimate outcomes of the CAADP process.

While there are a few areas where the CAADP process has registered positive impact, overall, the progress has been less satisfactory. There has not been much progress primarily due to capacity problems on the part of the government to lead and drive the CAADP process. Although the problem is widely recognized, the efforts to address it at least holistically have not been pursued at all. There is absolutely no political will either from bureaucrats or politicians to get the capacity, institutional, managerial, organizational, and governance challenges sorted out to create a favourable environment for the implementation of the CAADP process. A core function analysis was mooted and resources for it made available but it has never been implemented. It has effectively stalled.

This reinforces the fact that the CAADP process has been embraced not as an approach but rather as a programme offering additional resources to be exploited. When seen as such, it makes it difficult for stakeholders to champion the CAADP process as an opportunity to fundamentally reorganize the agricultural sector. It should thus be taken as framework for working out ways and means of overcoming potential political barriers to engaging in debate on sensitive and fundamental issues in the agricultural sector. With business as usual structurally, it would be too much to expect the CAADP process to add significant value to the key aspects of domestic policy processes in the agricultural sector.

The Malawi experiences suggest that the question of institutional reforms should be considered as a priority in the CAADP otherwise it will simply be like putting new wine in the old bottles. There is thus need for more in depth institutional reviews to examine the capacity to plan and implement policies in the sector, the role of the private sector and of civil society, structures for participation, and accountability for service delivery in general (Kolavalli, et al., 2010). The urgent task for NEPAD is to articulate at least clearly how the principles and values of CAADP would practically lead to a changed relationship among various stakeholders in the agricultural sector especially the government and donors.

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