



TONY BLAIR  
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CHANGE

# Effective Government for Africa's Agricultural Transformation

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GOVERNANCE

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## EXECUTIVE SUMMARY

This report provides a synthesis of the Africa Agriculture Status Report 2018 of the Alliance for a Green Revolution in Africa (AGRA) by presenting the research that the Tony Blair Institute for Global Change conducted for that report.<sup>1</sup> It focuses on how countries can secure a strong vision and a well-prioritised strategy to drive agricultural transformation.

**To be successful, a vision for agricultural transformation must be a central part of a country's national development agenda. Those who provide support must be driven by the local context, and the emergence of an ecosystem of strategic and flexible support to political champions and leadership is essential.**

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How can governments ensure country ownership? How can local champions emerge by getting the economics and the politics right simultaneously? How can sufficient coordination and alignment take hold? And how can governments better interact with value-chain actors, including the private sector?

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<sup>1</sup> The research in this report was first published in the Africa Agriculture Status Report 2018 of the Alliance for a Green Revolution in Africa (AGRA). The present report may be cited provided reference is also made to “Africa Agriculture Status Report 2018: Catalyzing Government Capacity to Drive Agricultural Transformation”, Alliance for a Green Revolution in Africa, 2018, <https://agra.org/wp-content/uploads/2018/10/AASR-2018.pdf>.

To address these questions, this report aims to shed light on six elements of success for governments to drive an agricultural transformation agenda:

1. how to set a clear vision;
2. how providers of support can be context led;
3. how to secure government championing and leadership;
4. how to set a strong dynamic strategy that is well prioritised and sequenced;
5. how to target interventions and remain focused; and
6. how to use analysis and data.

The report concludes by presenting four case studies—Ethiopia, Liberia, Morocco and Rwanda—to illustrate the importance of government leadership owning the transformation agenda, having a prioritised and targeted strategy, and maintaining a consistent focus on implementation and coordination.

## KEY FINDINGS

- **To be successful, a vision for agricultural transformation must be a central part of a country's national development agenda.** The head of state must own this vision, because it requires the coordination of multiple sectors. Vision and strategy are not merely documents: they are what is in the minds of a country's leadership.
- **Those who provide support must be driven by the local context.** Agricultural transformation needs to be led by politicians, so understanding the political context and political economy in which they operate is fundamental.
- **The emergence of an ecosystem of strategic and flexible support to political champions and leadership is essential.** Proponents of agricultural transformation need to build a network of support to leaders of local systems, to enable champions and potential champions to translate their passion for transformation into real leadership.
- **To succeed, a transformation strategy must be well prioritised and sequenced.** The key to a robust prioritised strategy and successful flagship projects lies in focusing on the development

of value chains that have the greatest transformation potential relative to the political, managerial, institutional and financial resources available in the government and in value-chain actors. And the key to a successful implementation and delivery mechanism lies in the development of locally owned delivery initiatives. Anything imposed from outside leads to a lack of commitment, a lack of prioritisation and poorly sequenced strategies.

- **The availability of data and analysis to local leaders is critical.** But data and analysis are ultimately valuable to champions and leaders of agricultural transformation only if based on their needs, if available in a timely fashion and if presented in a way that can be absorbed.

## INTRODUCTION

Agriculture is key to Africa's future. The continent has most of the world's exploited arable land, over half of the population is employed in the sector, and agriculture is the largest contributor to Africa's total gross domestic product (GDP).<sup>2</sup> Throughout history, agriculture has been the foundation for economic transformation. Revolutions in agriculture have kick-started those in industry and driven development in Europe, North America, South America and Asia.

Different factors have spurred each of these revolutions, including technological progress, increased technical skills, changes to regulation and shifting consumption patterns. Yet in each instance, one factor has always been evident: strong government leadership. Such leadership, combined with an openness to international support, is crucial not only for Africa's agricultural transformation but also for broader economic reforms to allow the continent's citizens to reap the rewards of globalisation.

Africa today is not short of visionary leaders, many of whom are putting in place the reforms necessary to unlock agriculture's potential. Africa's leadership is heading in the right direction. In recent years, governments, and elites more broadly, have shown a clear intention to step up and focus their countries on investing in industries that add value to raw ingredients, so they can compete globally.

The continent's leaders have set targets through the Comprehensive Africa Agriculture Development Programme (CAADP) and the Malabo Declaration, which require the agricultural transformation of their countries.<sup>3</sup> This means raising

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2 "FAO Statistics", United Nations Food and Agriculture Organisation (FAO), accessed June 2018, <http://www.fao.org/faostat/en/#data>.

3 The CAADP and Malabo Declaration set targets for each African country to allocate 10 per cent of public expenditure to agriculture, end hunger by 2025 and halve poverty by 2025 through, in part, average annual growth in agricultural productivity of 6 per cent. "Comprehensive Africa Agriculture Development Programme (CAADP)", Office of the United Nations Special Adviser on Africa, <http://www.un.org/en/africa/osaa/peace/caadp.shtml>. "Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods", African Union, 17 June 2015, <https://au.int/en/documents/20150617-2>.

long-term agricultural growth to such a level that it improves the well-being of most people, pulls them out of poverty, delivers nationwide food and nutrition security, creates jobs and sets countries on a clear path to broader economic development and industrialisation.

Yet there is still a long way to go to secure continent-wide transformation. Progress made so far needs to change into a revolution. Africa is still producing too little food and value-added products. Productivity has grown too slowly since the 1970s: the average yield for cereals in Africa is still only 1.5 tonnes per hectare, while in Asia it is 4 tonnes per hectare. Iowa in the United States (US) records 11 tonnes per hectare.<sup>4</sup> And too few end products such as processed food, cosmetics, soaps, medicines, rubber gloves, chocolate bars and industrial products are being made in Africa.

Take cocoa. Ghana and Côte d'Ivoire are the world's two largest producers of cocoa.<sup>5</sup> It is their main export, but it can be at the mercy of events outside the countries' control: poor rains in 2018 hit harvests, while the commodity shock has severely affected prices in recent years. In contrast, Germany produces no cocoa, yet chocolate factories clustered around the country's largest port in Hamburg add millions of dollars in GDP. Importing beans from Ghana and Côte d'Ivoire, these firms grind the product, ready to sell on to makers who sell the bars to consumers.

Hence too many Africans still struggle to put food on the table, and many more do not receive the nutrients they need, leading to wide-scale stunting. This challenge risks rising as the continent's population heads towards 4 billion in 80 years' time, up from 1.2 billion today.<sup>6</sup> Africa will not meet this challenge and its vast potential without a paradigm shift. As such, those who want to see continent-wide agricultural transformation in Africa are now turning their hopes to governments not only to be visionary leaders but also to turn this vision into reality. The continent's backers are looking to governments to set a cohesive national strategy to fix

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4 "FAO Statistics", FAO.

5 Ibid.

6 "World Population Prospects 2017", United Nations Department of Economic and Social Affairs Population Division, 2017, accessed June 2018, <https://population.un.org/wpp/>.

the obstacles and problems that hold markets back from meeting their value-addition potential.

Countries such as Botswana, Côte d'Ivoire, Ethiopia, Ghana, Kenya, Morocco, Rwanda and Senegal are increasingly leading the way. Their governments are putting in place the reforms necessary to unlock agriculture's potential. These include access to land, new technologies, extension services, access to markets, access to finance and private-sector investment facilitation.

But to deliver these policies rapidly, at scale and in most countries in Africa, there is a need to significantly invest in building the right type of state capacity: implementation. As with most development, the question is not what needs to be done, but how. Still the development community pays too little attention to helping most governments build capacity to implement reforms and transformative programmes. Government leaders need the right kind of support: it must be government led and be much more than a well-written strategy put down on paper. It needs to focus on the hard work of turning the vision into tangible results. Development assistance will always fall short unless it also strengthens a nation's capacity to govern.

The Tony Blair Institute for Global Change helps countries focus on how to achieve results, because all leaders in Africa tell us that they understand the concept of inclusive growth, but that the difficulty is in delivering it. This is why the Institute partnered with the Alliance for a Green Revolution in Africa (AGRA) to conduct research that was published in the Africa Agriculture Status Report 2018.<sup>7</sup> That report was published at the Africa Green Revolution Forum in Kigali, Rwanda, in September 2018, and aimed to make a significant contribution to the literature on how countries can build state capacity to drive an agricultural transformation agenda. It serves as a handbook for governments and their supporting partners to help them transform agriculture, and the economy more broadly, in Africa.

By taking on many of the report's recommendations, countries in Africa—supported by their development partners—can build on the reforms already being undertaken, create jobs, improve livelihoods,

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7 "Africa Agriculture Status Report 2018", AGRA.



ensure food security and modernise agriculture. In short, they can deliver Africa's overdue agricultural revolution.

## REDEFINING VISION AND STRATEGY

It is widely recognised that for African countries to achieve agricultural transformation, governments need a strong vision and a prioritised strategy with clear and successful flagship programmes. Examples include Ethiopia’s Agricultural Development-Led Industrialisation in the 2000s and Morocco’s Green Morocco Plan since 2008.<sup>8</sup> However, many countries in Africa have so far struggled to secure such a vision and prioritised strategy, and there remains insufficient understanding of how to do it across the continent.

To make headway in addressing this, it is first important to be clear about what government vision and strategy are, and what they are not. They are not 20- or 30-year documents like a Vision 2030; they are not five-year development plans like a National Development Strategy 2018–2023; and they are not national agriculture investment plans.

Rather, vision refers to the mindset of a country’s elites. In terms of agricultural transformation, a positive mindset is one that enables the elites to:

- fully appreciate the potential of a country’s agriculture sector;
- recognise that they have the capability and responsibility to guide the country towards that potential;
- focus on a long-term outlook necessary to achieve that potential despite efforts at self-preservation and political success; and
- set this outlook as their personal agenda, and stick to it.

In the context of a country’s political economy and institutional capacity, strategy is then about setting an appropriate path—a prioritised, feasible, adaptive and ever-evolving plan—to help local leaders navigate the biggest obstacles and problems they face to allow their country to achieve its agricultural potential.

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<sup>8</sup> Admasu Shiferaw, “Productive Capacity and Economic Growth in Ethiopia”, United Nations Department of Economic and Social Affairs, CDP background paper 34, 2017. Najib Akkesbi, “A new strategy for Moroccan agriculture: The Green Morocco Plan”, *New Medit* 11, no. 2 (2012): 12–23.

## FOUR CENTRAL ELEMENTS

This understanding of vision can be broken down into four central elements: mindsets, elites, context and adaptation.

First, the focus is on mindsets, not documents, and the definition includes setting and sticking to a personal agenda. What ultimately matters for agricultural transformation is the behaviour of elites as a whole. The mindset of the elites consists of the way they think, the trade-offs they face (particularly given a tendency to focus on self-preservation) and the way they choose to act. This, within the day-to-day context in which the elites operate, determines the following decisions:

- what the elites set as their personal agenda;
- how they behave during their time in office;
- what they choose to champion, and what not to champion;
- whether they have a strategy for agricultural transformation, and if so, what it is; and
- what programmes and reforms they pursue and see through.

Second, this understanding of vision uses the word “elites”, not “government”. The leadership of the government is a big part of the elites—and among the most important. But the elites also include groups of people who, either now or in a close future, can influence policymakers and the agriculture sector. Among them are technocrats and bureaucrats in the civil service, members of parliament, businesspeople with vested interests, academia and civil-society organisations.

The interaction of these players determines the actions, programmes, projects and reforms pushed by governments and elites in relation to the agriculture sector. A government’s vision and its behaviour towards agriculture is shaped primarily by the pressures, demands, challenges and support from such elites. After all, leadership is about leading, not about heading off in the right direction while leaving the people behind. Factors like a government’s capacity to deliver and overall market conditions (which determine farmer and private-sector behaviour in the

agriculture sector) also matter, but transforming the sector as whole ultimately depends on elite pressures, actions and wishes.

Third, this framework refers to the context of the political economy and of the prevailing institutional capacity in which a vision and strategy need to take hold. This is because vision and strategy must be based on a country's execution capacity. Beyond the degree of development of agriculture value chains, the task of agricultural transformation depends on two crucial factors. One is the political economy, with its entrenched patronage networks and the demands and incentives it places on politicians. The other is the institutional capacity of governments and other elite organisations, which often have a low level of skills, systems and structures—the three elements needed for coordination and policy implementation.

These two factors determine how big a government's capacity is to implement the required actions. This capacity, in turn, determines how realistic the vision is and what the right strategy should be to deliver agricultural transformation. Crucially, capacity determines how leaders in government and the wider elites evolve their vision, rethink and adapt their strategy on a daily, weekly, monthly and yearly basis—or give up on it, as has unfortunately been seen in many countries in Africa.

Fourth, strategy is defined as the path needed to navigate the biggest obstacles to agricultural transformation as they arise. With problems appearing continuously, the strategy—and its underlying tactics—needs to evolve, be adapted and change regularly. As new information emerges about what is going well and what is not, as more is learned about the nature of the problems that need to be fixed, as economic conditions change, and as political imperatives and pressures evolve, the strategy must also evolve.

The elites' ability to do this will determine the robustness of a country's agricultural transformation strategy. It will also determine whether the priorities set are the best ones. Strategies need to be robust to have both economic and political impact. Getting these two elements right simultaneously is central to delivering agricultural transformation.

Once vision and strategy are defined in this way, with these four essential elements, one can understand how to help governments

and wider elites to take the lead in driving a clear vision for agricultural transformation, backed by an implementation strategy that turns vision into reality.

Former Prime Minister Meles Zenawi did this in Ethiopia, starting in 1993, when the country embarked on a long-term mission to transform its agriculture sector.<sup>9</sup> The approach was called Agricultural Development-Led Industrialisation.<sup>10</sup> Meles and his inner circle set agricultural transformation as a top priority—in their mindset, not merely in strategy documents—starting with investment in sesame and cut flowers for export. The Ethiopian elites and the government started collaborating closely with the private sector to bring this investment to fruition, and largely stuck to this vision and approach.

Similarly, Morocco’s leadership shifted its focus in 2007 from merely supporting staple foods to a full-on agricultural transformation agenda. It is this focus and mindset of the leadership that vision and strategy depend on.<sup>11</sup>

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9 Martin Plaut, “The legacy of Meles Zenawi”, *Review of African Political Economy* 39, no. 134 (December 2012): 645–654, [https://www.researchgate.net/publication/262899644\\_The\\_legacy\\_of\\_Meles\\_Zenawi](https://www.researchgate.net/publication/262899644_The_legacy_of_Meles_Zenawi).

10 Shiferaw, “Productive Capacity and Economic Growth in Ethiopia”.

11 Sunil Sanghvi, Rupert Simons and Roberto Uchoa, “Four lessons for transforming African agriculture”, McKinsey, April 2011, <https://www.mckinsey.com/industries/public-sector/our-insights/four-lessons-for-transforming-african-agriculture>.

## A CLEAR VISION FOR AGRICULTURAL TRANSFORMATION

Before discussing how governments can set a clear vision for agricultural transformation, it is vital to acknowledge that this is not a sectoral issue. It is not just about agriculture and it is not just about agricultural production. CAADP has delivered a great breakthrough and a positive direction of travel for agriculture in Africa.<sup>12</sup> Yet the programme's impact has not been strong enough to deliver an agriculture revolution, and it now needs to be repositioned to target not only the agriculture sector but also economy-wide structural transformation.

Agricultural transformation is difficult. Just because countries sign up to CAADP or elites believe in the potential of agriculture does not mean that it will necessarily take place. Fifteen years after CAADP was agreed, the limited results achieved are testimony of the arduous nature of the task.

### THE NEED FOR AN INTEGRAL APPROACH

Agricultural transformation is multi-sectoral, because it requires the development of entire value chains and market systems that can provide strong livelihoods, often to most of a country's population. The 2015 Rural Development Report by the International Fund for Agricultural Development identified that agricultural and rural transformation does not happen in isolation but as part of a broader process of structural transformation shaped by the interlinkages between agriculture, the rural non-farm economy, manufacturing and services.<sup>13</sup> Building sustainable agricultural market systems and local value addition requires numerous enablers like energy, roads, water, labour, research, inputs, markets, investment, tax, regulation and finance. Without these, the actors in the value chain—whether

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<sup>12</sup> “Inaugural Biennial Review Report of the African Union Commission on the Implementation of the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared prosperity and Improved Livelihoods”, African Union Commission, 2018.

<sup>13</sup> “Portfolio Performance Report Annual Performance Review 2014 – 2015: Asia and the Pacific Region”, vol. 1 (August 2015), International Fund for Agricultural Development.

farmers, input providers, processors or marketers—cannot thrive and grow at scale.

Yet these enablers are not merely the mandate of agriculture ministries. Rather, they are either provided by the private sector or enabled by other government ministries and agencies. If the ministry of energy and the energy utility do not collaborate with an agricultural transformation plan because their leaderships have different priorities, the transformation will not happen. The same is true for the ministries of infrastructure, finance, trade and industry, water resources and so on. The lack of coordination and coherence between these agencies is a critical reason many countries have failed to transform their agriculture sectors.

The only way such agencies can be coordinated is through visionary leadership at the centre of government—that is, the head of state, his or her inner circle, and the ministry of finance and economic planning. If governments are going to take the lead to drive agricultural transformation through a clear vision and a prioritised and robust strategy, this transformation needs to be part of the mindset and country-wide developmental vision of the centre of government.<sup>14</sup>

That vision, in turn, must be an integral part of the nationwide economic development and structural transformation plan of a country. In addition, it must extend to other influential elites, including in the private sector and the legislature. The elites and the government need to promote a vision and a multi-sectoral strategy that position agricultural transformation as the central driving mechanism for the entire economy's transformation, and they need to be seen as pivotal to a country's ability to drive its social transformation. This is what Morocco, Ethiopia and countries in Asia—such as Cambodia, China, India, Thailand and Vietnam—did. An integral approach is essential to achieving the targets of the Malabo Declaration.

This is a big statement that has significant implications for proponents of agricultural transformation. These proponents

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14 Kartik Akileswaran, Antoine Huss, Dan Hymowitz and Jonathan Said, *The Jobs Gap: How to Make Inclusive Growth Work in Africa*, Tony Blair Institute for Global Change, 2016, <https://institute.global/insight/governance/jobs-gap-making-inclusive-growth-work-africa>

include progressives working in a government, such as in the ministries of agriculture, finance or trade and industry; those working as farmers or businesses and nongovernmental organisations; and those working on a continental level, such as the CAADP and Malabo Declaration community. Such visionary stakeholders should start from a position that acknowledges four principles:

- Agricultural transformation is a political agenda, not merely a technical one. Policymakers and their supporters cannot continue to view agricultural transformation as a technical process. It is fundamentally political in nature.
- Agricultural transformation is possible only if the elites of a country, especially the head of state, genuinely view it as central to their political agenda. It needs to be among the top three priorities on which the head of state—or a strong alternative at the centre of government, like a vice-president or minister of finance—spends his or her time. This is important to determine whether the leadership will go the extra mile to overcome the political obstacles that lie in the way of solutions to agricultural transformation bottlenecks.
- A country's broader elites need to see agricultural transformation as fundamental to the wider development view they have for their country. In other words, it needs to be intrinsic in the mindset of the country's leadership and elites, and linked to other big priorities such as healthcare, education, business reforms, sectoral development of areas like tourism, extractives or manufacturing, youth empowerment, infrastructure and security. Politically and technically, leaders need a view of how to sequence these big issues for relative emphasis, including by weighing up where agricultural transformation fits among other competing priorities. These are not complete trade-offs, but given the limited time heads of state have to spend on strategic programmes, such a consideration is essential.
- Agricultural transformation needs to be factored in to the political cycle of the head of state, and it may pick up speed when there is a longer political horizon. Windows of opportunity to drive an agricultural transformation agenda open and close, allowing the process to accelerate, decelerate, start or end. An



acceleration, a start or an end may happen just after an election, or just after a new president or prime minister has taken office. A deceleration or an end may occur just before such events, or based on other political factors.

It is only by viewing agricultural transformation in this way that a country's leadership can make a strong enough commitment to the CAADP and Malabo Declaration targets, and devote sufficient time and attention to drive agricultural transformation.

## **ADJUSTING EXPECTATIONS**

If agriculture is not a priority in a given country, proponents need to accept that the timing may not be right and expectations need to be adjusted. If there is an inclusive economic transformation vision, but it is based on other sectors like tourism and manufacturing—as was the case in Mauritius in the 1970s and 1980s, when the country already had a strong agriculture base—then governments should acknowledge this.<sup>15</sup> Leaders should then adjust agricultural transformation efforts to be a supporting platform for these other inclusive economic sectors, for example by focusing on agriculture's many links to manufacturing and tourism. It is essential to reinforce and back the government's economic transformation vision, even if it is not based on agriculture—and progress towards achieving the CAADP and Malabo Declaration goals should be adjusted accordingly.

If the centre of government prioritises neither agriculture nor another inclusive economic sector (like manufacturing or tourism), this does not mean that local and foreign proponents of agricultural transformation should abandon efforts to help governments secure that transformation. Rather, it means broadening the scope and playing a long game by extending the time horizon for a real elite vision to take hold. This requires a very different approach from that

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<sup>15</sup> Milo Vandemoortele and Kate Bird, "Progress in Economic Conditions: Sustained Success Against the Odds in Mauritius", Overseas Development Institute, 2012, <https://www.odi.org/publications/5184-progress-economic-conditions-mauritius-success-against-odds>.

adopted under the current CAADP framework in many countries in Africa.

The current application of the CAADP framework implicitly assumes that the elites are committed to agricultural transformation, and that this lies at the heart of the centre of government's vision. It is important to assess these assumptions and, in countries where this commitment is unclear, to adjust the approach in several ways.

First, partners should recognise that while government leaders may have a vision, they may be unable to translate it into reality because of limited delivery and coordination capacity in agencies such as the presidency or ministry of finance. A lack of managerial and communication skills deployed in the right places may prevent the vision from taking hold. In such a case, partners may need to help the centre of government with that capacity.

If the vision itself is missing, it may take, say, ten or 20 years instead of two or four for there to be the basis for the leadership to make inclusive economic transformation a priority—and this may or may not be centred on agriculture as the prime sector. China, India and Ethiopia all required more than a decade of foundational work for a strong economic transformation to take hold. Although Zenawi shifted policy towards agricultural transformation in 1993, it was only in 2004 that Ethiopia firmly embarked on a path to transformation.<sup>16</sup> In India, Prime Minister Indira Gandhi's attitudinal shift towards the private sector in the 1980s “left little paper trail in actual policies but had an important impact on investors' psychology”, in the words of economists Dani Rodrik and Arvind Subramanian, such that India's economic transformation started in the 1990s.<sup>17</sup>

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16 Alejandro Nin-Pratt, “Inputs, productivity, and agricultural growth in Africa south of the Sahara”, International Food Policy Research Institute (IFPRI) discussion paper 0143, 2012. Nin-Pratt reports that agricultural output per worker grew by 2 per cent between 2001 and 2012, compared with 0.6 per cent growth in the 1990s and no growth in the 1970s and 1980s. Lars Moller, “Ethiopia's great run: The growth acceleration and how to pace it”, World Bank, 2012, <http://documents.worldbank.org/curated/en/693561467988949839/Ethiopia-s-great-run-the-growth-acceleration-and-how-to-pace-it>. Shiferaw, “Productive Capacity and Economic Growth in Ethiopia”.

17 Dani Rodrik and Arvind Subramanian, “From ‘Hindu Growth’ to Productivity Surge: The Mystery of the Indian Growth Transition”, National

Proponents of agricultural transformation should be prepared to work with a broader group of stakeholders and elites and to understand their mindsets, incentives and situations. It is crucial to target the factors influencing heads of state, ministers of finance, ministers of trade and industry, and other senior cabinet officials, as well as the legislature, rather than solely aiming at ministries of agriculture. Supporters of agricultural transformation need to think like presidents and prime ministers, not like technocrats, to understand their worldviews, perspectives, experiences, constraints and incentives; their broader political context; the political economy and patronage networks they have to manage; the execution challenges and security concerns they face; and the economic and political pressures they are under. It is only in this way that local and foreign proponents of agricultural transformation can help heads of state and government to act more like economists and technocrats in their policymaking.

With this context in mind, and given an approximate ten-year timeframe, strategic foundational work can begin to set the basis for an elite transformational vision and strategy to properly take hold later down the road.

## **POLITICAL ECONOMY**

The most critical factor that determines whether an inclusive vision for economic transformation can take hold at the centre of government is a country's political economy. This determines the political space the leadership has—whether those leaders are fans of agricultural transformation or not. Politicians need funding and support to run political campaigns to win elections, or to climb the ranks of their party. This support always comes with strings

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Bureau of Economic Research working paper 10376, March 2004, <https://www.nber.org/papers/w10376.pdf>. We recognise that the broader economic transformation in India benefited from the Green Revolution that started with Agriculture Minister Chidambaram Subramaniam's crucial decision in 1965 to defy large and powerful opposition by importing significant amounts of Mexipak high-yield wheat, initially for use in selected lead districts. This, plus significant changes in fertiliser and irrigation policy, and with the release of IR-8 and later IR-20 rice, transformed Indian agricultural productivity in the 1960s and 1970s, and served as a precursor to broader economic transformation in the 1990s.

attached. The nature of these strings plays a big role in determining what the leadership prioritises, when the leadership goes the extra mile to fix bottlenecks and when it does not, irrespective of who the leaders are.

For example, if the political economy depends on extractive industries such as oil, mining and the export of raw agricultural commodities, while there is also a strong importer lobby, it becomes hard for anyone in government to drive an agricultural transformation agenda. This is because these conditions will tend to dictate how political capital is used and what the incentives for politicians are. This is essentially the case in many countries in Africa, such as Angola, Ghana, Guinea, Liberia, Malawi, Nigeria, Sierra Leone, Tanzania, Zambia and Zimbabwe.

Likewise, if the patronage networks are based on an approach to agriculture that favours unsustainable subsidies of imported fertilisers—outside a coherent agricultural transformation strategy—over market system building and transformation, this will make it difficult for governments to transform agriculture. In such contexts, the appropriate strategy would be to assume a five- to ten-year strategic approach to build a strong enough political constituency for agricultural transformation. This is possible through a number of strategic, long-term engagements.<sup>18</sup>

The first is to strengthen local systems and structures for coordination within the government, within value chains, between the government and the private sector, and between the government and donors. This can be done in different ways. For example, Liberia trialled a Presidential Taskforce on Agriculture for a year, and this improved government alignment and elites' focus on agriculture both before and after the 2017 presidential election.<sup>19</sup> Cambodia and Malawi opted for a Trade Sector–Wide Approach centred on an agriculture-based National Export Strategy to run a series of public-private dialogue working groups.<sup>20</sup>

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18 The examples described are cases in which various initiatives have shown some positive results in helping or starting to help governments move to a place where they can drive an agricultural transformation agenda. They do not necessarily indicate that agricultural transformation happened there.

19 Akileswaran, Huss, Hymowitz and Said, *The Jobs Gap*.

20 Kate Bird, Tali Diamant, Ursula Grant and Kate Higgins, “An integrated approach to Aid for Trade: Cambodia Trade Sector Wide Approach”, Case Study

Tanzania chose to focus on agricultural corridors, starting with the Southern Agricultural Corridor of Tanzania, led by a central office with a multi-stakeholder board of directors and a full-time staff headed by a chief executive officer.<sup>21</sup> Burkina Faso's Bagre Corridor and Senegal's Senegal River Valley Corridor, which focus on irrigation and coordinated services, are other good examples of efforts centred on value-chain coordination.<sup>22</sup>

The second way to foster long-term readiness for transformation is to support small and medium-sized enterprises to grow through targeted business-development services and tailored financing. This would strengthen agriculture value chains with strong economic potential that can in the future bring in as much revenue as extractives—or more. Supporting entrepreneurs who invest in agriculture and agroprocessing can allow them to build up their capacity and thus become a political force.

The Malawi Innovation Challenge Fund has supported a local firm, Universal Industries, to set up the country's first cassava starch and liquid glucose industrial-scale processing plant.<sup>23</sup> It is now supplying food manufacturers, textile industries, and paper and plywood manufacturers, thereby increasing the economic and political clout of value-adding businesses. Similarly, Liberia's GROW programme, which is funded by the Swedish International Development Cooperation Agency, is working with rubber processors to diversify away from the export of raw rubber towards local value-addition rubber, creating a new product and a new political voice.

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by Overseas Development Institute, 2019, <https://www.odi.org/publications/4532-integrated-approach-aid-trade-cambodia-trade-sector-wide-approach-swap>.

21 "Southern Agricultural Growth Corridor of Tanzania", SAGCOT, accessed June 2018, <http://sagcot.co.tz/index.php/the-team/>.

22 "Burkina Faso – Appraisal Report – Bagre Growth Pole Support Project", African Development Bank, 2015, <https://www.afdb.org/en/documents/document/burkina-faso-appraisal-report-bagre-growth-pole-support-project-papcb-05-2015-52632/>. "Senegal Compact", Millennium Challenge Corporation, accessed June 2018, <https://www.mcc.gov/where-we-work/program/senegal-compact>.

23 "Malawi Innovation Challenge Fund", Imani Development, accessed June 2018, <http://imanidevelopment.com/malawi-innovation-challenge-fund-portfolio/>.

The third long-term engagement consists of attracting and facilitating foreign or domestic investment where the target value chains are weak but have a strong business case, or where there is scope for innovation. An example of this is attracting a new processor with an alternative way of processing to local players and with a different market. For instance, Côte d'Ivoire engaged Olam and Cemoi to open the country's first major chocolate-processing factories in 2015, shifting the vested interest of the value chain from raw exports to local value addition.<sup>24</sup>

Similarly, in 2013 Liberia attracted its first cocoa exporter, Wienco, which is supported by the Global Agriculture and Food Security Programme and the International Finance Corporation. Wienco's business model was centred on supporting farmers through affordable inputs, extension services and offtake, whereas the rest of the sector was content not supporting smallholder farmers and exporting low-quality cocoa.<sup>25</sup> This changed the dynamics of the sector.

Building the management capacity of economically competitive cooperatives and farms is also important. A good example is the Phatisa Agriculture Technical Assistance Facility, which has helped set up a smallholder oil palm support chain to feed into Goldtree, a processing firm in Sierra Leone.<sup>26</sup> Another is Agdevco, an agri-investor that is helping develop the Northern Zambia Agricultural Hub with a series of economically sustainable nucleus farms and outgrower schemes; these are farming systems with a core central farm, typically run by a medium-sized or large firm and surrounded by smaller farms that receive inputs, extension services and/or financing from the central farm on condition to sell their produce to the central farm after harvest.<sup>27</sup>

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24 "The world's two largest cocoa producers want you to buy their chocolate, not just their beans" Quartz Africa, 12 May 2017, <https://qz.com/981562/ghana-ivory-coast-are-marketing-more-chocolate-to-the-world/>.

25 "Wienco", Global Agriculture and Food Security Programme, accessed June 2018, <http://www.gafspfund.org/content/wienco>.

26 "Investment Portfolio", Phatisa, accessed June 2018, <https://www.phatisa.com/portfolio/aaf-portfolio/>.

27 "Northern Zambia Agricultural Hub", Agdevco, accessed June 2018, <https://www.agdevco.com/our-investments/by-investment/NORTHERN-ZAMBIA-AGRICULTURAL-HUB-NZAH>.

Another approach is to shift the political-economy dynamics of the agricultural sector or of a particular value chain. Nigeria did this in the rice sector with the Nigeria Agriculture Transformation Agenda in 2011.<sup>28</sup> The government used the agenda to shift the patronage networks that importers of fertilisers enjoyed through farm-input subsidies—meaning that few fertilisers actually reached farmers—towards a mechanism that allowed farmers to access those fertilisers.

This strategy could also include working with importers of agricultural crops or fertilisers and seed, to help them see a business opportunity to engage in value addition and follow the agricultural transformation agenda. An example of this is the Malawi Oil Seed Transformation Project, which is funded by the United Kingdom Department for International Development.<sup>29</sup>

Or it could include helping political leaders share the spoils between technocrats and progressives, on the one hand, and rent-seekers on the other—just as Hun Sen, the prime minister of Cambodia, has done: he created a balance between technocrats and rent-seekers in Hun’s dominant coalition. Technocrats are given just enough latitude to support growth industries like garments, tourism, electronics and rice, while rent-seekers receive the political backing to generate profits, a proportion of which are funnelled to the masses through patronage projects of the ruling party.<sup>30</sup>

The final element is to systematically build technocratic competence. Building this competence in agriculture value chain and market systems development of the civil service across multiple ministries is essential to help technocrats and elites better understand how to develop an economically and agriculturally robust strategy that can lead to genuine agricultural transformation that benefits most of the population, including smallholder farmers.

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28 “How Nigeria’s Agricultural Transformation Agenda Is Changing the Status Quo”, Ventures Africa, 23 September 2014, <http://venturesafrica.com/how-nigerias-agricultural-transformation-agenda-is-changing-the-status-quo/>.

29 “Malawi Oil Seed Transformation Project”, United Kingdom Department for International Development, accessed June 2018, <http://www.most.mw/>.

30 Tim Kelsall and Seiha Heng, “Not minding the gap: Unbalanced growth and the hybrid political settlement in Cambodia”, in *Deals and Development: The Political Dynamics of Growth Episodes*, ed. Lant Pritchett, Kunal Sen and Eric Werker (Oxford: Oxford University Press, 2017).

Building a strong political, economic and social foundation provides the right support to countries for a strong agricultural vision to gradually emerge and take root. Ultimately, this occurs when money-making interests align with what needs to happen to allow for agricultural transformation. Digging deep to understand these dynamics and help value-adding actors to succeed and non-engaged businesses to find their entry point can be essential. How to prioritise these depends on a proper analysis of the issues faced by each country and its typology, as discussed below.

In countries where the leadership and elites already view agricultural transformation as a top priority but struggle to bring this vision to life because, for example, of the political-economy constraints they face, it is essential to provide them with the right support to succeed politically and economically. This means backing that vision strategically by:

- strengthening the political and economic momentum for the vision through approaches such as those mentioned above; and
- helping the government address the specific obstacles its approach faces and solve its priority problems in a sustainable way. For this, improved delivery and adaptive management tools that have been applied in other sectors can be employed; these include smart management, which focuses on the prioritisation, planning and performance management of a few activities; problem-driven iterative adaptation; and thinking and working politically.<sup>31</sup>

In conclusion, it is important to understand how strong the elite's inclusive economic transformation vision is and, if it is missing, to focus on what will allow it to take hold and come to life in a tangible way. While elites and governments are not a homogenous group, a four-level framework can help determine the current status of a

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31 "Art of Delivery" series, Tony Blair Institute for Global Change, 2016, <https://institute.global/insight/governance/collections/art-delivery>. Matt Andrews, Lant Pritchett and Michael Woolcock, "Escaping capability traps through problem driven iterative adaptation", Center for International Development, Harvard University, 2012, <https://www.hks.harvard.edu/centers/cid/publications/faculty-working-papers/escaping-capability-traps-through-problem-driven-iterative-adaptation-pdia>.



country's vision and then the right approach to engage with it (see table 1).

*Table 1: A Framework for the Strength of a Country's Agricultural Transformation Vision*

Strength of Vision	Description	Approach
High	Elites and government consistently set agricultural transformation as top priority and act accordingly	Follow government lead and help with implementation and delivery
Medium	Elites and government speak of agriculture's importance, but do not include it in top three priorities	Help progressive elites and leaders succeed by aiding them to build economic and political momentum
Basic	Elites and government have started to recognise agriculture's importance, but do little to tackle its obstacles	Take a ten- to 20-year approach to strengthen inclusive agricultural value chains, by working with engaged local stakeholders to find localised solutions to systemic problems
Low	Elites and government give almost no importance to agriculture, for example due to reliance on oil or mining or because they are divided and conflicted	Take a 20- to 30-year approach to start building economically robust value chains, working mostly with small and medium-sized enterprises and catalytic investors; this is important to empower rural people to pressure elites into action

It is important to recognise that vision is dynamic and ever changing. It does not necessarily come first. Because it is about the mindset of the elites, it evolves slowly over time, as the basis for it changes. Hence, each of the factors that follow on from vision—such as developing a strategy and attempting to implement it—also plays a big role in either reinforcing or undermining that vision. Therefore it is important to view these aspects as intertwined and mutually reinforcing.

## THE CENTRALITY OF CONTEXT

Successful efforts to help a country secure a strong vision and prioritised strategy for agricultural transformation must be based on the context of that country. No one-size-fits-all solution exists. Each country is different and faces a unique set of political, social, cultural, economic, human and institutional capacity factors. Furthermore, each country has a different history and its own legacies, ways of working, systems and structures. The vision, strategy, prioritisation and flagship projects need to depend on the capacity of a country as a whole, and this capacity in turn depends on various factors.

One major factor is the relationship between the political and economic systems of a country. Properly understanding this is important because politicians lead governments. The source of rents that politicians need to accumulate political power, win elections and stay in power is a crucial determinant of whether heads of state have the political capital to make the tough decisions to fix problems holding back agricultural transformation.

Recognising that understanding context is complex, three factors are the most important in setting a country's context: the type of political settlement and patronage networks; the current economic structure and the scale of the value-adding private sector; and the levels of institutional and human capacity.

### POLITICAL SETTLEMENT

Countries' political settlements can be categorised according to whether the head of state has strong or weak powers, based on four factors:

- whether the head of state has to manage a diverse set of conflicted elites;
- whether the country is rules based or deals based;
- whether the ruling coalition has interests that align with transformation; and
- whether the country has a democratic or a nondemocratic system.<sup>32</sup>

In addition, two definitions are needed:

- **Dominant party vs. competitive settlement:** A dominant ruling party is one that controls the political scene, for example by staying in power for decades at a stretch. In a competitive scenario, by contrast, there is strong competition between different parties.
- **Horizontal vs. vertical power:** The distribution of horizontal power refers to the extent to which power is concentrated in the ruling party or coalition relative to elites excluded from the government. If coalitions of excluded elites are weak, the interests of the ruling coalition are more likely to be aligned to a long-term horizon, which is needed for any economic transformation. The distribution of vertical power relates to how power is spread across higher- and lower-level factions in the ruling party or coalition. If lower-level factions are weak, then the inner circle and centre of government have more relative power and hence may have stronger implementation capacity.

These elements combine to create four scenarios (see table 2). One scenario is a development coalition. South Korea in the 1960s is an example of this, because elite factions that were excluded from the government and lower-level factions in the government were both weak. This allowed the authoritarian government at the time to set a strong industrial policy.

*Table 2: Types of Political Settlement*

Vertical Distribution of Power	Horizontal Distribution of Power	
	Weak (interests of ruling coalition strongly aligned with growth)	Strong (interests of ruling coalition weakly aligned with growth)

32 Mushtaq Khan, "Political Settlements and the Governance of Growth-Enhancing Institutions", School for Oriental and African Studies draft paper in research paper series on growth-enhancing governance, 20 January 2011, <http://eprints.soas.ac.uk/id/eprint/9968>.

Vertical Distribution of Power	Horizontal Distribution of Power	
<b>Weak</b> (ruling coalition has strong implementation capabilities)	<b>Potential developmental coalition</b>  Low opposition from excluded factions gives ruling coalition stability. Limited power of lower-level factional supporters ensures high enforcement capability. Construction of developmental state possible.	<b>Vulnerable authoritarian coalition</b>  Initial enforcement capabilities likely to be strong, but strong excluded factions make force or legal restrictions necessary, making coalition vulnerable to violent overthrow.
<b>Strong</b> (ruling coalition has weak implementation capabilities)	<b>Weak dominant party</b>  Enforcement capabilities become weaker as lower-level factions get stronger or more fragmented. Excluded factions also become stronger if dissatisfied supporters start leaving.	<b>Competitive clientelism</b>  Competition among multiple strong factions. Stability can be achieved only with credible mechanisms for cycling of factions in power. Low enforcement capabilities and short time horizons.

*Source: Mushtaq Khan, "Political Settlements and the Governance of Growth-Enhancing Institutions", School of Oriental and African Studies, 2011*

Another scenario is a weak dominant party, like Tanzania since 1992. It is classified in this way because the ruling party faces weak opposition outside the party but has to contend with strong lower-level factions in the party. Hence the centre of government and the inner circle are relatively weak, despite the party's dominant position. This was critical in undermining Tanzania's agricultural

transformation vision and implementation capacity.<sup>33</sup> Crucially, this scenario provides a different perspective on efforts such as decentralisation and rapid democratisation, raising the question of whether the push to decentralise power in some countries may undermine their ability to build their capacity to drive an agricultural transformation agenda.

Then there are vulnerable authoritarian states, where power is centralised in the government but there are many excluded strong political factions. This can lead to strong implementation capacity in the short term, but the long-term stability of the agenda is at risk because the ruling coalition is typically not inclusive. Bangladesh in the 1980s and 1990s is an example, although in that country's case, this set the basis for manufacturing transformation in the 2000s when the interests of political and business elites aligned in the textile sector.

Finally, there is competitive clientelism. Many modern multi-party democratic African states, such as Ghana, Kenya, Liberia, Malawi, Nigeria and Zambia fall into this category. Economic, and hence agricultural, transformation can be undermined by stiff competition among multiple strong factions excluded from the government and by limited enforcement capabilities due to strong factions in the government.<sup>34</sup>

Recognising the nature of a country's political settlement is essential in helping a strong vision and strategy emerge, because it determines the political capital of a country's leadership and, therefore, the extent to which a leadership can turn its ideas into reality. Strong visions and strategies can emerge in each context, but implementing them requires very different approaches, time horizons and expectations.

## **ECONOMIC STRUCTURE**

The private-sector actors in a country can be broken down into four categories (see table 3).<sup>35</sup> Analysing the economy according

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33 Ibid.

34 Ibid.

35 Lant Pritchett and Eric Werker, "Developing the Guts of a GUT (Grand Unified Theory): Elite Commitment and Inclusive Growth", *Effective States and*

to the relative dominance of each category is helpful because businesses in each group are likely to have a typical set of demands they make to politicians. Some of those demands are in return for lending those politicians their support, for example to win elections.

*Table 3: Types of Private-Sector Economic Actor*

	Regulatory Rents	Market Competition
Export Oriented	Rentiers	Magicians
Domestic Market Oriented	Power brokers	Workhorses

*Source: Lant Pritchett and Eric Werker, “Developing the Guts of a GUT (Grand Unified Theory): Elite Commitment and Inclusive Growth”, Effective States and Inclusive Development Research Centre, 2012*

For instance, rentiers—defined as businesses that largely sell to export markets but maintain high rents, typically through the extraction of a resource such as oil, minerals or timber logs—would typically ask politicians for preferential licences and tax breaks. Such items do not require the political elites to invest in institutional capacity and an improved enabling environment for market systems development. These are essential for any form of inclusive economic transformation, including agricultural transformation.

Similarly, power brokers, which largely target domestic markets but also make high rents and profits (this category typically includes banks and importers in many African countries), also tend to ask for preferential licences—to protect their monopolistic or oligopolistic position—or tax breaks. This creates relatively poor incentives for politicians if power brokers have funded or supported their political campaign.

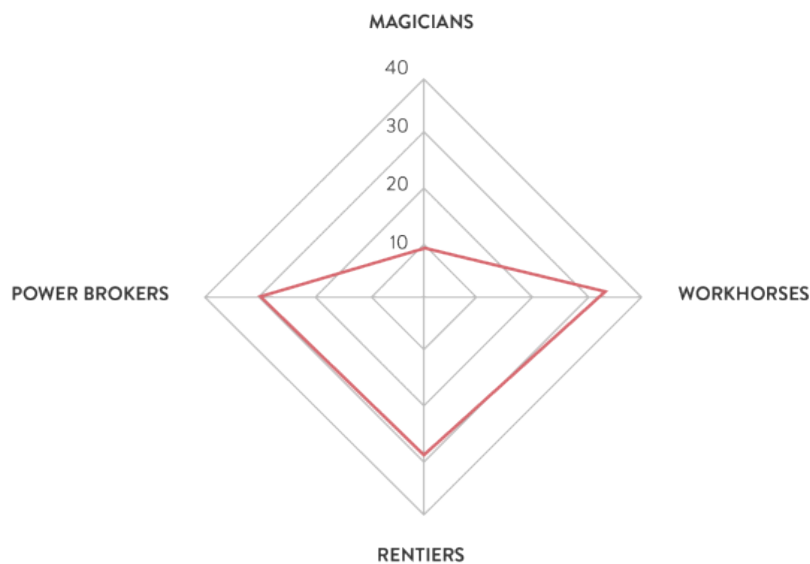
However, magicians—private-sector actors that export but face strong competition—typically tend to ask politicians for growth-enhancing institutions like better-funded standards bureaus, more

reliable electricity, improved customs procedures for export or improved sanitary and phytosanitary standards.<sup>36</sup> This is because these features are critical for magicians to compete effectively.

Political power generally lies with these three categories, and less with workhorses—most people in African countries, who typically have limited influence and reach with political elites.

Hence, if magicians are weak while rentiers and power brokers are strong, politicians tend to have little political capital to drive agricultural transformation. This is the case in Ghana, where in 2014 magicians accounted for 10 per cent of the country’s GDP, while power brokers made up 30 per cent (see figure 4).<sup>37</sup> This is especially so in competitive clientelist political settlements, where politicians face stiff competition to become head of state.

Figure 4: Ghana’s Market Matrix, 2014 (percentage of GDP accounted for by each type of actor)



Source: Robert Darko Osei, Charles Ackah, George Domfe and Michael Danquah, “Political Settlements and Structural Change: Why Growth Has Not Been Transformational in Ghana”, in *Deals and Development: The Political Dynamics of Growth Episodes* (Oxford: Oxford University Press, 2017)

36 Ibid.

37 Robert Darko Osei, Charles Ackah, George Domfe and Michael Danquah, “Political settlements and structural change: Why growth has not been transformational in Ghana”, in *Deals and Development: The Political Dynamics of Growth Episodes*, ed. Lant Pritchett, Kunal Sen and Eric Werker (Oxford: Oxford University Press, 2017).



This is also true in countries like Botswana, Guinea, Kenya, Liberia, Malawi, Nigeria, Sierra Leone and Zambia. These countries have historically relied on extractive industries (classified as rentiers), such as those for oil, iron ore, copper, diamonds and timber, or raw agricultural exports such as tobacco, tea, coffee and rubber as important sources of government revenue and elite rents. That means there is little pressure from the political economy to build the capacity needed for agricultural or broader economic transformation.

This puts these states in the same category as dominant-party countries that also relied on resource extraction, such as Angola, Mozambique, Niger, Tanzania and Zimbabwe. None of these countries has achieved agricultural transformation over the past ten years, suggesting that reliance on extractives is an important factor in holding back Africa's economic transformation.

It is also essential to account for the scale and depth of magicians—that is, the value-adding and job-creating private sector that operates in the agricultural sector and related value chains. For example, Rwanda has a limited indigenous value-adding private sector when compared with countries like Kenya. This influences the scope of the vision for agricultural transformation because the government has fewer private-sector players it can collaborate with to drive the agenda. Such a private sector, which typically has incentives aligned with the needs of agricultural transformation, boosts the ability of government leaders to gain economic and political traction when they embark on an agricultural transformation agenda, because they have a stronger value-adding private sector (with aligned incentives) to work with.

This does not mean Rwanda will struggle to transform its agriculture more than Kenya will. Rather, it means Rwanda should seek to adopt a different approach from that of Kenya—one that accounts for the size of the existing private sector. For example, in Rwanda it may be valuable to treat value-adding micro and small businesses as catalytic players that receive significant support, despite their limited size, because they can be the basis to enhance agriculture value chains. Kenya may have less of a need to focus its strategy at this level, instead helping medium-sized and large

businesses to innovate and grow, while still encouraging smaller ones to flourish.

## **INSTITUTIONAL AND HUMAN CAPACITY**

Institutional capacity is a function of the evolution of the political settlement and economic structure over time: these form the basis of the political economy, which in turn drives the degree of investment in institutional capacity. Building this capacity is ultimately the responsibility of politicians.

Ethiopia has relatively strong institutional capacity because of its dominant-party system and favourable economic structure, with elite alignment and commitment to agricultural and broader economic transformation. Countries like Ghana, Kenya and Senegal also have strong institutional and human capacity, mostly because of their history of strong civil service and education.

States such as Ghana and Côte d'Ivoire, which historically relied on the export of cocoa, have relatively strong agricultural institutions in the form of research centres, agricultural extension and market regulators—COCOBOD in Ghana and the Conseil Café Cacao in Côte d'Ivoire. Countries that have strong capacity at the centre of government to organise, coordinate and build political cohesion within the government, as in Côte d'Ivoire, Kenya and Senegal, will find it easier to drive an agricultural transformation agenda.

Finally, countries like Ghana, Senegal and Zimbabwe have relatively strong human capital on the back of their relatively strong education sectors when compared with countries like Angola, Liberia, Malawi and Tanzania. Zimbabwe spends 30 per cent of its budget on education, while Ghana and Senegal spend 21 per cent and 24 per cent respectively. This compares with 17 per cent in Malawi and Tanzania, and 8 per cent in Angola and Liberia. Numerous studies have found a positive correlation between education and agricultural productivity.<sup>38</sup>

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38 Atal Bihari Das and Dukhabandhu Sahoo, "Farmers' educational level and agricultural productivity: a study of tribals of KBK districts of Odisha", *International Journal of Education Economics and Development* 3, no. 4 (2012): 363–374. Eric Oduro-Ofori, Prince Aboagye and Naa Acquaye, "Effects

In sum, the critical message is that proponents of agricultural transformation must appreciate different country typologies to account for the political, economic, institutional and human circumstances of each. This can allow supporters to appropriately understand a leadership's ability to adopt a strong vision and strategy for agricultural transformation, and hence to devise a suitable approach to helping these countries.

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of education on the agricultural productivity of farmers in the Offinso Municipality”, *International Journal of Development Research* 6, no. 9 (2015): 1951-1960. Steve Okpachu, Godwin Okpachu and Kate Obijesi, “The Impact of Education on Agricultural Productivity of Small Scale Rural Female Maize Farmers in Potiskum, Yobe State”, *International Journal of Research in Agriculture and Food Sciences* 2, no. 4 (2014).

## CHAMPIONS AND LEADERS

Being a government champion and leader of agricultural transformation requires passion. It is about setting a coherent vision to help a given agency play a consistently better role in developing sustainable agricultural market systems and value chains. Leadership is about understanding one's role and responsibility and going the extra mile to deliver. It is about effecting positive change through statutory responsibility.

Champions and leaders of agricultural transformation can emerge from all levels of government, from the head of state to the legislature to ministerial positions or agency heads, down to permanent secretaries, directors and technical officers. Similarly, they can be found in all parts of the ministry of agriculture and in other key agencies such as the presidency and the ministries of trade and industry, finance and economic planning, and infrastructure. They can also emerge in agriculture-oriented agencies that play a central role in building agricultural market systems and value chains, such as sanitary and phytosanitary agencies, customs agencies, investment promotion agencies and seed agencies. That said, the higher the level in government, the greater the responsibility and ability to bring about positive change to the agricultural system.

## SYSTEMIC CHALLENGES

Yet the main message is that government champions and leaders need to emerge out of positions that are part of the government system. Thus, they need to come from the prevailing context of the government's often tough working and political environment. They need to succeed against the odds, faced with unfavourable political and patronage dynamics, demotivated colleagues, poor salaries, unrecognised merit and a limited number of skilled people they can rely on. In addition, senior leaders struggle to spend their time on what matters, limiting their ability to become champions of agricultural transformation.

In many countries, particularly those classified as competitive clientelist, the nature of the political system makes it difficult for

leaders to focus on the central elements of their vision for agricultural transformation. This is because the leaders have to manage the often conflicting interests of people inside and outside government, and this takes time and planning. Government leaders also have to spend a lot of their time responding to the individual requests of tens if not hundreds of people, because otherwise they would struggle politically. And they often have to compete with relatively stronger vested interests when economic power is concentrated with a handful of power brokers and rentiers.

Champions and potential champions of agricultural transformation also face serious capacity challenges. In part, this often has political roots too. For example, many leaders find that despite their best intentions, they cannot give the most important jobs to the most capable people, because if they did, they would lose too much political capital. However, it goes far beyond that. Leaders come into office and find they have few people they can rely on to fix problems, take good decisions and see tasks through to completion. They find that a weak bureaucracy means they rarely receive the reliable timely information, policy options or expert advice they need to take good decisions with confidence.

Moreover, leaders often do not have management systems in place at the centre of government, let alone in the various ministries and agencies, to implement decisions taken. The reality is frequently that their few best people—and even they themselves—get stuck doing basic administrative work that needs to be done but should not be taking up their time at the higher echelons. Leaders end up constantly putting out fires to keep the ship afloat, forever juggling issues without the people and systems in place to deal with issues as they arise.

The scale of the needs in the agriculture sector in absolute terms is daunting enough, even before one sets these needs against the financial and human resources that champions and potential champions of agricultural transformation have available to tackle them. Such champions often have to deal with limited funds to spend per citizen per year, while their counterparts in the West may avail themselves of 100 times that amount.

In addition to this are further challenges that come with being dependent on external financial support and make the political and

capacity challenges even harder to address. Ministers and overwhelmed officials throughout the bureaucracy must deal with multiple development partners and their multiple processes and points of interaction. A vast array of international commitments, targets and tied-aid rules further diminishes governments' ability to make trade-offs and prioritise resources: management time, money, political capital and administrative capacity. The mass of goals and rules creates a dynamic where everything should be a priority, which means nothing can be. This limits the ability of champions and potential champions of agricultural transformation to mobilise the resources they need to drive their strategy into place.

## **FLEXIBLE AND RESPONSIVE SUPPORT**

Many champions and potential champions of agricultural transformation do not receive the support they need to address the challenges they face, which often prevents them from translating their passion for transformation into real leadership. It is therefore essential to put in place flexible and responsive support programmes that can help leaders to emerge and grow. This requires sound advice, mentoring and constructive challenging that is timely, quick and suitable. Such backing needs to be responsive, work to leaders' goals and agendas, and help them fix their priority problems while accounting for their hectic work routines and political and institutional challenges.

This can be done by providing politically smart embedded management and technical support that can build a relationship based on genuine trust, so it can respond to leaders' needs and assist them with their blind spots. It can also be done by designing projects and programmes that genuinely respond to leaders' strategies and priorities, even those that are essential to build the political capital of champions and potential champions, not merely those deemed vital on technical grounds.

It is also essential to ensure that the programmes and interventions of external players do not inadvertently clip the wings of potential champions in government because of rigid planning or because they have not properly bought into or understood the government's strategy and approach. This may happen when

interventions are designed based on what implementing partners think a country needs, rather than on what the government leadership thinks it needs, to secure agricultural transformation.

For this reason, the CAADP process, through national agriculture investment plans, should reflect the real priorities of the leadership, rather than a catch-all list of activities without clear prioritisation. This is because development partners inadvertently made it more difficult for champions in government to set clear priorities in such documents, for example by lobbying for certain activities they deemed should be included.

## A WELL-PRIORITISED STRATEGY

An implementable and impactful strategy is one that gets the politics and economics right simultaneously.<sup>39</sup> Such a strategy is based on a proper understanding of the political economy, of existing patronage networks, and hence of the potential winners and losers of the strategy.

In political terms, a successful approach is one that accounts for the power dynamics of how it can play out. In particular, that means whether the centre of government—which is ultimately seeking to guarantee its survival and re-election—is willing to use its limited political capital to pass an important reform. The strategy therefore needs to fully understand patronage networks, both at the centre of government and at the level of lower-level government officials, and the ways these interact with actors in the value chains.

From an economic perspective, if a strong business case exists for investment from actors in the value chain, including smallholder farmers and processors, this builds political momentum, while convincing other development partners to back the strategy. This means prioritising support for catalytic investment (whether at input, farmer, aggregator, transporter, processor or marketer level) in the value chains that have the strongest potential to deliver inclusive growth.

The strategy also needs to be feasible in terms of the institutional capacity of the implementing agencies it requires. It is not recommended to develop a strategy whose success requires a large-scale extension service for smallholder farmers when the ministry of agriculture has not invested in its extension services for years.

The strategy should be owned by the implementing agencies it requires. For example, a strategy that needs reliable energy to be provided to a hub of agro-processing activity, such as an agro-pole, and for rural roads to be built there, when the ministries of energy and rural infrastructure are prioritising energy access and rural roads in other parts of the country, is not well prioritised and robust. Securing the alignment and buy-in of the various agencies is essential and points to the importance of supporting leaders and

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<sup>39</sup> Akileswaran, Huss, Hymowitz and Said, The Jobs Gap.



champions to ensure their capacity to set a smart strategy and sell it to implementing agencies and ministries. This again underscores the need to embed agricultural transformation visions and strategies at the centre of government.

## VALUE CHAINS

To meet the criteria for a well-prioritised and robust strategy, the recommended approach is one that prioritises a few value chains. The best value chains to focus on are those that have a strong business case; can deliver inclusive growth, including to smallholder farmers; have great scope for domestic value addition and downstream product innovation; and have a relatively low opportunity cost or, in other words, can deliver political and economic returns with relatively little public-sector investment (see table 5).

*Table 5: Criteria for Prioritising Value Chains for Agricultural Transformation*

Criterion	What Priority Value Chains Should Do
Business case	Be a strong value proposition to private operators, with the ability to compete in globalised markets
Inclusive growth	Provide scope for significant improvement in smallholder incomes and livelihoods, for national food security and the growth of domestic small and medium-sized enterprises
Value addition	Have greatest scope for value addition and connections to manufacturing and high-value service sectors, such as tourism
Opportunity cost	Require the least effort and investment by governments and their partners to deliver returns at scale

The benefit of setting a transformation agenda centred on specific value chains is that it allows the coordination of various enablers: inputs, land, research, extension, access to new technology, access to finance, access to markets, skills, standards, regulations, taxes, investment and markets.<sup>40</sup> Disparate ministries, agencies and development partners drive these enablers; each institution has its own priorities, agenda and mandate.

For example, a focus on rice and cassava development allowed Nigeria to set up the Nigeria Incentive-Based Risk-Sharing for Agriculture Lending scheme and an electronic voucher system for farm inputs, focused on these value chains.<sup>41</sup> Likewise, Senegal has concentrated its \$540 million Millennium Challenge Corporation compact on rice development in two regions (Senegal River Valley and Casamance), using the scheme to also align various enablers such as roads, finance, irrigation and inputs.<sup>42</sup>

Clearly prioritised value chains therefore serve as a basis for champions of agricultural transformation to drive the coordination of these agencies and of development partners. This is essential for the level of policy coherence that agricultural transformation needs. In effect, this is what Côte d'Ivoire is doing with cocoa and cashew: by setting a clear message that its goal is cocoa and cashew processing, the country has a basis to put in place the enabling environment needed to attract investors to secure domestic processes and reduce the export of raw product. Similarly, this is what the Ethiopia Agriculture Transformation Agency has focused on.<sup>43</sup>

It is essential that the core government ministries and agencies agree to and accept these prioritised value chains, of which there should be as few as possible (and ideally not more than four). Otherwise, it becomes very difficult for ministers of agriculture to secure the buy-in of other ministers and heads of agencies. The

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40 Ibid.

41 “Nigerian Incentive Based Risk Scheme for Agricultural Lending”, NIRSAL, accessed June 2018 <https://www.nirsal.com/>. Tahirou Abdoulaye, Arega Alene, Feleke Shiferaw and Tesfamicheal Wossen, “Productivity and welfare effects of Nigeria’s e-voucher-based input subsidy program”, *World Development* 97 (September 2017): 251–265.

42 Millennium Challenge Corporation, accessed June 2018, [www.mcc.gov](http://www.mcc.gov).

43 Ethiopian Agriculture Transformation Agency, accessed June 2018, <http://www.ata.gov.et/>.

head of state is critical here, because only he or she has the big-picture view of political and economic factors as well as the political authority and convening power needed to bring ministries and agencies into alignment behind a few prioritised value chains.

## **INCLUSIVITY AND INNOVATION**

Once a few specific value chains are prioritised, the next step is to identify binding constraints to those value chains and then develop a politically smart approach—a strategy—that incorporates the private sector, civil society and development partners to address those constraints sequentially. The use of problem-driven iterative adaptation to find workable solutions and then applying clear planning, prioritising and performance-management techniques can help drive a clear and successful strategy for agricultural transformation.<sup>44</sup>

A final part of setting a well-prioritised strategy is being aware of what innovations and new technologies are available to champions and proponents of agricultural transformation to address binding and other constraints, particularly those that cannot be realistically addressed due to the political system and/or institutional capacity weaknesses. There are many cases in history—most notably Asia’s Green Revolution—when dramatic technological gains have been essential to overcoming institutional and political bottlenecks, both by stimulating weak input, processing and marketing delivery and by making it pay farmers to overcome strong barriers to collective or private action to raise output.

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<sup>44</sup> Andrews, Pritchett and Woolcock, “Escaping capability traps”. “Art of Delivery”, Tony Blair Institute for Global Change.

## TARGETED AND FOCUSED INTERVENTIONS

It is critical for government leaders of agricultural transformation to spend enough time fixing the problems that constrain value chains with transformational potential. In our Institute's experience, this is much harder than it sounds. Particularly in competitive clientelist political settlements, but also in dominant-party systems that depend likewise on patrimonialism, the way that politicians—the people who ultimately have to lead an agricultural transformation agenda—secure their political survival is by appeasing their clients and patrons. Doing so makes it hard to stay focused and targeted, because leaders get drawn into diverse issues they cannot ignore.

Leaders in governments need to invest in building political capital for their strategy by using compelling arguments and evidence of the business case with those with political power—so-called power owners. These people have a strong ability to influence policymakers in government. In our Institute's experience, to be politically smart, it is essential to prioritise fixing problems that power owners care about and that can deliver tangible economic progress on the ground.

For example, if the political clout lies with importers of soya products, because they finance the ruling party and soya is a sector with real domestic value-addition potential, then supporting one or two small local businesses to make a profit while producing domestically made soya products can convince soya-product importers to invest in local processing. This is what it means to get the politics and economics right simultaneously.

A smart strategy allows for a consistent focus on driving through key reforms that have the constant backing of the main political power owners, particularly at the levels of the head of state and centre of government. It is crucial to find a compromise between political expediency and a solution that will leave a lasting impact from a technical standpoint.

Hence, if the strategy is based on clear priority value chains that the government consistently adheres to, this allows solutions to be targeted to the binding constraints in those specific value chains. Designed smartly, these solutions can set the basis for focus to be

maintained. It is on this basis that governments should set flagship projects and programmes. These projects should meet the criteria set out above for a strong agricultural transformation strategy, as well as being tangible, feasible and concrete solutions to the main binding constraints holding back the value chains with the greatest potential. All these factors are essential to secure the resources needed to successfully implement the flagship projects, which in turn are key to gain political capital by showing real progress and impact in a way that delivers politically and economically.

The Africa Agriculture Status Report 2018 discussed several tools that can be used to target and maintain focus, such as developing a fit-for-purpose coordination and delivery mechanism, for example through value chain-specific working groups chaired by a senior government champion. The aim is to manage the main political stakeholders and core implementing agencies of the agricultural transformation agenda.

This chapter has provided first principles for how leaders and champions in government can think about this challenge. Based on this, development partners should help leaders and champions put in place systems and structures they need to manage their politics, to secure economic momentum on the ground and align the implementing partners and resources to their needs.

Genuinely planning programmes and support around what champions and leaders require is essential for two reasons. First, this helps quickly set up the support structures and tools leaders need to gain political capital for the agricultural transformation agenda. Second, it helps by not inadvertently making it harder for leaders to mobilise the right resources to gain economic and political momentum and secure a suitable implementation mechanism that can show results quickly, within the requirements of the political window.

Ensuring that the CAADP process is applied in a flexible, adaptive way is a key part of this. So is the development of tools under the CAADP framework to help champions in government identify their own priorities and sequencing. Otherwise, a rigidly applied model risks making it harder for champions to be targeted and focused.

## USE OF DATA AND ANALYSIS

This chapter focuses on how governments can use analysis and data to secure a vision for agricultural transformation and translate it into reality.

Data and analysis are tools, like those kept in a garden shed. Garden tools are not useful in and of themselves. They sit in the shed most days, unused. Gardeners think of them only when they need to work on the garden. Then, they think only of the tools that would help them with their tasks for the day. They seek them out in the shed, where they know they are stored, and take them to the garden to help them with their tasks. Garden tools then become tremendously useful, saving the gardener time, before returning to the shed for storage.

The equation that makes the gardener-tool relationship successful comprises four parts. First is the gardener. He or she knows what tasks need to be completed that day. Second are the tools themselves. They have been produced by someone and are available to the gardener, who probably bought them, knowing they might be useful in gardening work. The third component is the tool shop. Gardeners know where to go if they want to buy a tool they need, or if they want to learn about new tools. Fourth is the shed. This serves a critical purpose: it connects the gardener, in a timely manner, to the tools on the days they are needed. It allows the gardener to locate the tools and remember what tools are available.

In the same way, data and analysis are useful only when they help government champions and leaders to solve the problems they face on a particular day, or in a particular month. They are most useful when they help solve political problems: champions and leaders need tailored data, analysis and evidence to build their political capital by convincing politicians in government and the legislature, as well as stakeholders outside government, that their strategy is robust and tangible progress is being made.

Data and analysis are needed most to address obstacles to mobilising resources and aligning them to the government's strategy and approach. That is because unfortunately, champions and leaders have the challenge of needing to convince resource owners—who include other parts of the government, development

partners, businesses and civil society—that resources should be aligned to the agricultural transformation strategy of the government.

Yet one of the biggest challenges that champions and leaders of agricultural transformation in governments face is accessing data and analysis when they need it. One often critical point is when ministers of agriculture or of trade and industry are preparing presentations to the cabinet or legislature or submitting budget narratives to the finance ministry. Such presentations are often required at short notice. These are critical moments in building political capital for agricultural transformation and in securing government alignment and coalescing around the transformation plan—moments that work out rather differently without the right data and analysis presented in the right way. For data and analysis to be useful to leaders and champions, it is essential to combine the same four factors that make garden tools work.

These factors can be used to suggest a set of guiding questions for thinking about the usefulness of data and analysis in the context of helping governments drive a vision for agricultural transformation (see table 6).

*Table 6: Guiding Questions for Using Data and Analysis in Agricultural Transformation*

Component	Guiding Question
User	What data and analysis do agriculture champions and leaders in government need to ensure political momentum and to mobilise or align resources?
Supplier	What data and analysis are being produced, and how are they presented?
Learning	How do agriculture champions find out about new data and analysis that may be relevant to their needs?
Access	How do agriculture champions access the data and analysis they need in a timely way?

First, proponents of agricultural transformation should start from the user: the champion, leader or potential champion. These people know what problems need to be addressed to implement the next phase of the transformation agenda. Data and analysis should be demand led, and based on what champions and leaders require to further their cause. And analysis should be thought through and undertaken together with the champions and their teams, not presented to them as a final product.

Second, proponents of agricultural transformation need to produce data and analysis that will be used, in a way that users can understand, absorb and apply it. Data and analysis suppliers include the ecosystem of statistics agencies, statistics departments, universities, agricultural research institutions, businesses and development partners. Irrespective of the quality of their output, which may be of value to them or other audiences, to be useful for government leaders and champions, their data and analysis must be fit for purpose and suitable for the tasks at hand. These include the various political and resource mobilisation tasks leaders need to complete to translate their vision and strategy into reality. Such tasks vary over time. Therefore, producing a range of tools to help fix different types of problem is essential.

Third, it is important to think of a place where champions and leaders in government can access or learn about data and analysis they were not previously aware of, bearing in mind that politicians often do not have the time to go looking for these tools.

Finally, it is crucial to ensure a place where data and analysis can be stored and updated to ease access for champions and leaders, as the need arises.

Often, most effort in this area appears to target only the second component: supplying data and analysis. The other elements are frequently unmet. The important question is to what extent the data and analysis are based on what champions and leaders need, rather than on what data producers want to produce, for example to try to convince a government to do something they think it should. The challenge in synchronising data and analysis production



with the other three components is a big one. It requires taking a different approach from one that looks solely at production.

Consultation with champions and leaders is important to understand what type of data and analysis they need. This can help strengthen the development of robust and relevant statistics, from planning departments in ministries of agriculture and of trade and industry, as well as from government statistics agencies and local research institutions. Helping to strengthen these functions is essential.

However, this is most likely insufficient. Consultation does not address the shop and the shed—learning and access—particularly if the capacity of internal statistics functions is weak. Securing these requires working differently with government champions. In relatively weak institutions, it means building the capacity of leaders and champions to serve as the shop and the shed. In this way they can be the connecting tissue between what they need and what is available and reliable. It requires being part of the team of leaders and champions, together with their in-house team in their ministry or agency, to understand what data and analysis are needed, when and for which tasks, and matching this to knowledge of what data are available, reliable and easily accessible.

This also means being in touch with data and analysis producers to be aware of what new data sets and methodologies are available, and then synthesise and present this information to leaders and champions who are mostly too busy to keep abreast of it. Finally, this function is essential to help data and analysis producers to better understand the demand for data.

One way to provide tool shops and sheds to champions and leaders of agricultural transformation is to integrate data learning and access into the long-term ecosystem of support structures described above. A practical approach could be to provide long-term embedded support and advice with the additional skill set necessary to synthesise all the data and analysis available externally and make it presentable to champions, leaders and their teams when the timing is right. Such support structures should work with junior members of the leaders' teams in government to build awareness of what data are available and what analysis is possible.

This is important because it is a crucial part of how institutions learn, and junior members are likely the leaders of the future.

## AGRICULTURE IMPLEMENTATION MECHANISMS: FOUR CASE STUDIES

A number of countries across Africa have developed, or tried to develop, implementation mechanisms for governments to drive their agricultural transformation agenda. This chapter presents four case studies of such mechanisms. Ethiopia, Morocco and Rwanda stand out as countries that have successfully set up delivery and implementation mechanisms for agriculture. Liberia is an example of a country with a relatively weaker state capacity that trialled an approach between its Ebola crisis in 2014 and its elections in 2017 that helped develop the mindset of elites, ministries and agencies for how the country could lay the foundations of agricultural transformation.

### ETHIOPIA

Ethiopia is a striking success story. Over 25 consecutive years, the country has registered agricultural growth above the 6 per cent rate sought by CAADP.<sup>45</sup> Since the Ethiopian People's Revolutionary Democratic Front took power in 1991, Ethiopia has been notable for the unified, coordinated focus of its government. Its efforts in the agriculture sector have been characterised by strong prioritisation of the seed-and-fertiliser requirements for growth, and constant monitoring and re-examination of the general strategy.<sup>46</sup>

Elsewhere on the continent, there have been many efforts to promote inclusive and participatory approaches to defining development plans and strategies, with agriculture portrayed as a main ingredient. Unfortunately, more often than not, implementation has been inconsistent.

Ethiopia offers important lessons on how to strengthen coordination, from which other countries could learn. Dissatisfied

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45 Central Statistics Agency of Ethiopia, Government of Ethiopia.

46 Kassahun Berhanu, "The political economy of agricultural extension in Ethiopia: Economic growth and political control", Futures Agriculture Consortium working paper 42, 2012, [www.future-agricultures.org](http://www.future-agricultures.org). Tom Lavers, "Land grab as a development strategy? The political economy of agricultural investment in Ethiopia", *Journal of Peasant Studies* 39, no. 1 (2012): 105–132.

that its very large public extension workforce was delivering agricultural yields well below even sub-Saharan Africa standards, the country set up the Agricultural Transformation Agency (ATA) in 2010, with the support of partners like the Bill and Melinda Gates Foundation.<sup>47</sup> Modelled on similar agencies in Malaysia, South Korea and Taiwan, it aimed to catalyse the transformation of the agriculture sector by performing two primary functions:

- identifying systemic constraints to agricultural development and, based on studies and analysis, recommending prioritised interventions to address those and ensure sustainability and structural transformation; and
- supporting the establishment of strong linkages and coordination among agricultural stakeholders and related institutions and projects to ensure effective agricultural development activities.

The ATA reports to a council made up of federal and regional leaders, with an objective to promote enhanced coordination in the government. The ATA's lifespan was intended to be 15 years, during which time it would build the capacity of the Ministry of Agriculture to take over its functions.

From its inception, the agency worked with sector partners to develop and agree on a prioritised list of necessary interventions to catalyse agricultural transformation. The list was collated into an Agriculture Transformation Agenda, which is aligned with the country's development strategies, the first and second growth and transformation plans. To accommodate shifting demand and respond to changes in the political and economic context, the ATA has a nimble and results-oriented structure that enables it to reorganise its areas of intervention and teams to respond quickly to emerging needs or new priority areas.<sup>48</sup> The ATA has also developed a strong analytical capacity and introduced a level of transparency in reporting that paved the way for data-driven project management practices and decision-making.

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47 Berhanu, "The political economy of agricultural extension in Ethiopia".

48 "Ethiopia Agriculture Transformation Agency Annual Report 2016–2017", Ethiopian Agriculture Transformation Agency (EATA), 2017.

## LIBERIA

Liberia is a good example of a fragile country that recently suffered civil war and embraced multi-party democracy from the outset after the war ended. Despite numerous policy documents between 2006 and 2016 reiterating the importance of agriculture, the government devoted relatively little political attention to the sector until after the Ebola crisis of 2014.<sup>49</sup>

As the country emerged from a devastating civil war in 2003, public policy focused on reconstruction efforts and, in particular, on developing infrastructure and the extractive sector. As a result, agriculture was not prioritised. Between 2011 and 2016, the government allocated an average of only 1.4 per cent of public expenditures to the sector. A significant proportion of those resources was devoted to administrative costs—up to 99.5 per cent of the budget of the Ministry of Agriculture in 2011 and 2012.<sup>50</sup>

Triggered by a decline in the commodity prices of Liberia's main extractives around 2014, the Ebola crisis of 2014 and an increased recognition of the need to create value, jobs and livelihoods, the Liberia Agricultural Transformation Agenda in 2016 adopted an alternative implementation strategy based on prioritisation of crops, inclusivity of stakeholders and multi-level engagement. One key aim of the programme was to set the basis for a movement that would encourage wide-scale support to agriculture and position it as the main economic diversification strategy for the country.

Jointly designed by the Ministries of Agriculture and of Commerce and Industry, the initiative was spearheaded and monitored by a Presidential Task Force that brought together a number of ministries and agencies. It met every six weeks and was chaired by the president. This was critical in convening various key

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<sup>49</sup> A statement of policy intent was adopted to this effect in 2006, followed by the Food and Agriculture Policy and Strategy in 2008, in which then Liberian President Ellen Johnson Sirleaf affirmed, "The sector remains the most viable, sustainable and renewable source of national income." Such statements were repeated in public policy and international forums over the next ten years.

<sup>50</sup> Nelson Kanneh, "Final review report of the Liberia Agricultural Sector Investment Plan 2010–2015", 2017.

agencies such as the Ministry of Finance, the Ministry of Public Works and the Liberia Revenue Authority. This set the basis for the government to speak in unison about the importance of agriculture, sending a clear signal to the private sector about its intent to foster its emergence. Value chain-specific working groups were also set up to allow a feedback mechanism between catalytic value-chain actors and the government, which could feed into the Presidential Task Force.

At the same time, the government revived the Agriculture Donor Working Group, which had been dormant since the Ebola crisis struck, with a view to encouraging strategic alignment with the government's programme and better coordination of donor efforts in the agriculture sector. This attempt to better coordinate efforts and provide a new impetus to the sector was met with success. Nearly all donors embraced the programme, including re-aligning funds to support it.

There is also anecdotal evidence that the domestic private sector has shown renewed interest in agriculture, although there is as yet little data to substantiate the long-term impact of the programme, which died out in the build-up to the 2017 elections. The presence of our Institute's long-term embedded advisers in multiple government ministries and agencies, in particular the President's Office, was an important support structure to the government in achieving this outcome.

## **MOROCCO**

In 2007 Morocco made a step change in its efforts to develop its agriculture sector.<sup>51</sup> This was driven by the financial crisis in Europe, which drove many Moroccans to return to Morocco, and by the king's recognition of the need to change approach. While agriculture has always been deemed important in Morocco, it was lacking visionary leadership from someone with sufficient political and business clout.

Recognising this, and as part of a broader transformation agenda that included infrastructure, the development of services,

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<sup>51</sup> Most of this information was sourced from an interview with a consultant who worked on the plan.

manufacturing and an effort to curb corruption, in 2007 the prime minister recruited a businessman with significant political weight to serve as the minister of agriculture. He understood the power of vision and grand plans and was not one to get stuck on details. He drove the establishment of the Morocco Green Plan, pushing away resistance. He rode on the back of a general sense among stakeholders in the sector of the need to do things differently.

The approach succeeded for a few reasons. First were the vision and proactivity of the minister, prime minister and the king. This helped set a clear direction of travel, mobilise resources, build political momentum and secure alignment across different parts of the government and among development partners. It also sent a strong signal to the private sector and investors.

Second, the strategy worked in both an economic and a political sense. Economically, it prioritised the development of value chains and market systems, from inputs and production through to markets, that had a strong case for inclusivity and competitiveness.<sup>52</sup> Politically, the strategy stayed away from sensitive issues such as the sugar sector and land rights.

Third, the strategy built strong political coalitions, composed of people who genuinely wanted to see the plan work, both in and outside government.

Fourth, the plan's drivers gave strategic communications the highest priority, including through an international conference to launch it. Fundamentally, the strategy focused on rebranding agriculture to make it an attractive investment proposition to Moroccans, including the elites. Similarly, the strategy made sure to cover Morocco's various regions, identifying niche products for each. The initiative emphasised the link between national and local plans. And it was extensively sold to and covered by the media.

Fifth, recognising that the capacity of the underlying bureaucracy was still relatively weak—for example when compared with Tunisia's—the government saw the need for a big push from the top. Hence leaders made an effort to launch the Agriculture Development Agency as a focused delivery mechanism.<sup>53</sup> Crucially,

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<sup>52</sup> “Green Morocco Plan Strategy (2016)”, Ministry of Agriculture and Maritime Fish, Kingdom of Morocco.

the government put its trust in this agency, which had enough political clout to drive the implementation of the Green Plan. It had a clear mandate and supporting resources and senior political access, to support local and foreign investors, fix bottlenecks and ensure the development of outgrower schemes. The agency also made sure to bring in the right external support by engaging a consultancy—McKinsey & Company—as a long-term partner to help guide the process.

Sixth, the strategy set clear incentives for the private sector. This was complemented by clear roles and responsibilities for each stakeholder group, including civil society.

Finally, the plan was inclusive. The development of the Green Plan took over a year, driven by the Ministry of Agriculture and supported by the external consultancy.<sup>54</sup>

Together, these elements ensured the plan set Morocco on a path to securing agricultural transformation, boosting agricultural productivity, added value and employment, and helping to reduce poverty.<sup>55</sup>

## **RWANDA**

Since 2000, the Rwandan leadership has been convinced that an economic and social transformation is a necessary contributor to efforts to overcome ethnic divisions and violent conflicts and, ultimately, a peaceful and politically stable society.<sup>56</sup> As a result, within an integrated economic transformation strategy, the Government of Rwanda adopted policies and programmes that

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53 “Agriculture Development Agency”, Government of Morocco, accessed October 2018, <http://www.ada.gov.ma/>.

54 Sara Boettiger, Nicolas Denis and Sunil Sanghvi, “Successful agricultural transformations: Six core elements of planning and delivery”, McKinsey, December 2017, <https://www.mckinsey.com/industries/chemicals/our-insights/successful-agricultural-transformations-six-core-elements-of-planning-and-delivery>.

55 Abdelmajid Saidi and Mohammed Diouri, “Food self-sufficiency under the Green-Morocco Plan”, *Journal of Experimental Biology and Agricultural Sciences* 5 (2017): 33–40.

56 Fred Golooba-Mutebi and David Booth, “Bilateral cooperation and local power dynamics: The case of Rwanda”, Overseas Development Institute, 2013.



proposed concrete measures to transform farming practices countrywide from traditional subsistence to commercially oriented agriculture and a focus on higher-value commodity crops.

Two particular initiatives were the Rwandan Land Policy in 2004 and the Crop Intensification Programme in 2008.<sup>57</sup> The latter balanced land use between intercropping—growing multiple diverse crops—and monocropping—growing only one crop. This was a politically astute combination of food-security crops and higher-value export crops.<sup>58</sup>

Public investment in the sector supported this initiative. Funding from external sources was aligned with the government’s agenda. Between 2012 and 2016, the share of public expenditures in support of food and agriculture in Rwanda was about 7 per cent, with execution rates exceeding 100 per cent and the share of administrative costs averaging 10 per cent.<sup>59</sup>

Public expenditures were supply focused over the period, concentrating on categories such as input subsidies, payments to producers and agricultural infrastructure. The 50 per cent of expenditures originating from donors were directed to public goods such as irrigation, research and development.

Rwanda provides a good example of the iterative process of experimenting with and developing delivery mechanisms and the kind of timeframe it takes to get things right. After signing the Paris Declaration on Aid Effectiveness in 2005, the Government of Rwanda adopted the Rwanda Aid Policy the following year.

The country began to experiment with setting up single project implementation units (SPIUs) in all line ministries and implementing

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57 The Crop Intensification Programme was launched in 2008 with the main goals of increasing agricultural productivity in high-potential food crops and ensuring food security and self-sufficiency. It relies on land use consolidation, improved seed and fertiliser use, proximity extension service by proximity service providers, change in farmer behaviour and agriculture product marketing, among other activities.

58 Jean-Marie Byakweli and Fred Golooba-Mutebi, “Drivers of success for CAADP implementation: Rwanda case study”, report prepared for Firetail, 2013, <https://www.firetail.co.uk>.

59 “Analysis of Rwanda agriculture expenditure”, United Nations Food and Agriculture Organisation, 2018.

agencies. This move represented an effort to merge multiple project implementation units in one ministry into one SPIU. The objectives were to increase the pace of project implementation, improve coordination, reduce transaction costs by sharing functions and retain experienced staff who previously would seek opportunities elsewhere once the individual projects ended.

In 2008 an external consultant guided the introduction of SPIUs as a pilot project in a few ministries, among them the Ministry of Agriculture. The results were modest, not least because implementation had been rushed, with ministries ill prepared for the transition from multiple units to SPIUs.<sup>60</sup> The initiative petered out due to limited capacity, insufficient involvement and push from senior ministers, and constraints imposed by development partners. However, the Ministry of Health achieved progress, not least because it had grown its own mini-SPIU organically from 2006.

In 2010–2011, participants at Rwanda’s annual Development Partners’ Retreat decided to institute SPIUs again. Reflecting on the lessons of the pilot phase, the government adopted a more coherent approach. It included providing full-time technical support and coordination from within the Ministry of Finance and Economic Planning and the cabinet’s adoption of a flexible and dynamic model.

Recognising the differences in capacity as well as the practical and legal parameters of existing project implementation units, the government planned a transition period and gave some flexibility to individual ministries for phasing in the transition from multiple units to SPIUs. Also, in 2011 the cabinet approved a harmonised salary scale for SPIU staff, which is more generous than the standard scale in ministries but lower than in individual implementation units. Ultimately, the SPIUs streamlined project management and contributed greatly to implementation and delivery, including in the agriculture sector.

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<sup>60</sup> Bruno Versailles, “Rwanda: Establishing single project implementation units”; Overseas Development Institute, 2012.

## SUMMARY

Among the four countries, it is easy to see how differences in the prioritisation of agriculture in their overall development strategies affected their respective results. However, the differences in policy ownership run deeper. For example, analysts have contended that unlike the usually hyperbolic vision documents routinely adopted by developing governments and then not used, Rwanda's Vision 2020 is a real point of reference for ministers and civil servants.<sup>61</sup>

This contrasts sharply with Liberia Rising 2030, which civil servants rarely refer to, or the Liberia Agricultural Sector Investment Plan (LASIP), developed as part of the CAADP commitment in 2010 and then rapidly forgotten. Indeed, an evaluation in 2017 of the plan's implementation revealed that "many persons, staff and administrators working in the agriculture sector, especially within implementing partners' organizations and sector ministries and agencies, have either not heard of LASIP, seen it or read and understood the programmes".<sup>62</sup> It should therefore come as no surprise that there is little to show for the plan on the ground.

There is no evidence that every African country and country context is suitable for replicating the Ethiopian, Moroccan and Rwandan models and approaches. Nonetheless, it is essential to emulate the principles of adopting systemic solutions, accounting for the political economy throughout a plan, using strategic communications to rebrand agriculture, working towards the coordination of stakeholders and alignment of government strategies, and putting in place a localised but effective delivery mechanism. Practitioners highlight the need to integrate rigorous analysis and proven project management practices for effective execution, and the need to set up innovative, nimble delivery mechanisms that can translate national agricultural plans into activities that have an impact on the ground.<sup>63</sup>

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61 Golooba-Mutebi and Booth, "Bilateral cooperation and local power dynamics".

62 Ibid.

63 Boettiger, Denis and Sanghvi, "Successful agricultural transformations".

## CONCLUSION

If Africa is to transform its agriculture sector and achieve its own green revolution, governments and elites more broadly need to take the lead in driving an agenda that encourages the development of agriculture value chains, enables the diffusion of technology and builds institutional, farmer and private-sector capacity.

The new generation of leaders on the continent recognises this and has undertaken efforts in recent years to try to revolutionise the sector. Countries such as Ethiopia and Morocco have got it right by setting up agencies with sufficient political authority to coordinate the development of agriculture and address the bottlenecks to transformation. Countries like Rwanda and Senegal are also making progress by improving yields and diversifying their crops.

But many others have fallen short. This is understandable: agricultural systems are complex, while governments often lack the capacity or support to intervene in the right way. But almost all the leaders with whom our Institute works understand the need to transform the sector to increase productivity, boost food security and create jobs for people.

Agricultural transformation is the process of raising a country's long-term agricultural productivity growth to such a level that it improves the well-being of most of the population, pulling them out of poverty, delivering nationwide food security and setting the country on a clear path to broader economic development and industrialisation. This does not happen in isolation, but as part of a broader process of structural transformation shaped by the interlinkages between agriculture, the rural non-farm economy, manufacturing and services.

Agricultural transformation in Africa, and hence the achievement of the CAADP and Malabo Declaration targets, can happen only if governments take the lead and drive a transformation agenda based on a visionary and cohesive national strategy. Given the multi-agency and multi-sector nature of agricultural transformation, such a strategy should be developed as a central part of a country's national development vision. That vision, in turn, must be fully

owned by the head of state, because it requires the coordination of multiple sectors.

This report has provided a framework for proponents of agricultural transformation—be they in government, the private sector, civil society or external development partners—to think through first principles for how to secure the elements required. These are:

- setting a clear vision for agricultural transformation;
- ensuring support is context led;
- securing champions and leaders;
- charting a strong dynamic strategy that is well prioritised and sequenced;
- setting targets and remaining focused; and
- using analysis and data.

Vision and strategy are not documents; they are what is in the mind of a country's leadership. Agricultural transformation has to be led by politicians, so understanding the political context and political economy in which they operate is fundamental. It is therefore vital to distinguish between countries' political, economic and institutional statuses.

The emergence of, and the provision of strategic and flexible support to, political champions and leadership is essential because transformation is not automatic. This report has set out the basis for how such champions and leaders can emerge as part of the government system, be supported to build a political coalition that can drive the reforms and agenda into place, and communicate strategically. Proponents of agricultural transformation need to build an ecosystem of support to leaders who are part of the local system, particularly those in government.

The trick to securing an economically and politically robust, prioritised strategy, with the right priorities and successful flagship projects, lies in focusing on the development of a few value chains with the greatest transformation potential given the resources available. This report has provided a set of criteria for optimal value-chain prioritisation, based on the principles of business case, inclusive growth, value addition and opportunity cost. Finally, data

and analysis are valuable to champions and leaders of agricultural transformation only if they are based on users' needs, if they are timely and if users can learn what data and analysis are available to meet their needs.

Given this, and based on our Institute's experience, there are three fundamental issues that governments and their development partners need to focus on, beyond new technological solutions.

The first is that leaders in government need to be better supported so they can navigate the complexity of reforms. Technical analysis and political decision-making need to go hand in hand, so that leaders can review investor proposals or new irrigation techniques quickly and effectively, and then make political judgements based on sound evidence.

Second, governments need more flexible and adaptive support to help them provide the enabling environment for transformative agriculture value chains, so that investment and capital come into the sector and drive growth. Rule of law is important to ensure consistency for business. But so too is coherence in the system, which is why governments need support to coordinate the various ministries and agencies that will drive value chains—such as those that turn a cocoa bean into a chocolate bar.

And third, development partners need to better enable inclusive value chains that have a strong business case and political momentum. This includes support for small and medium-sized enterprises, as many of these firms in areas such as cocoa and soya processing do not receive the mentoring support they need over an extended period to develop coherent business plans or do not receive suitable seed financing.

Africa's agriculture revolution needs to happen fast. The continent's population is set to rise from 1.2 billion to 4 billion by 2100, increasing demand not only for food but also for jobs and livelihoods.<sup>64</sup> Being able to put food on the table and providing for families is therefore crucial. African leaders are increasingly becoming the primary voices in pushing for transformational change. To succeed, they need strong partners willing both to invest

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64 "World Population Prospects 2017", United Nations.

in the industry and to support leaders to drive reforms across the continent.

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To be successful, a vision for agricultural transformation must be a central part of a country's national development agenda. Those who provide support must be driven by the local context, and the emergence of an ecosystem of strategic and flexible support to political champions and leadership is essential.

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