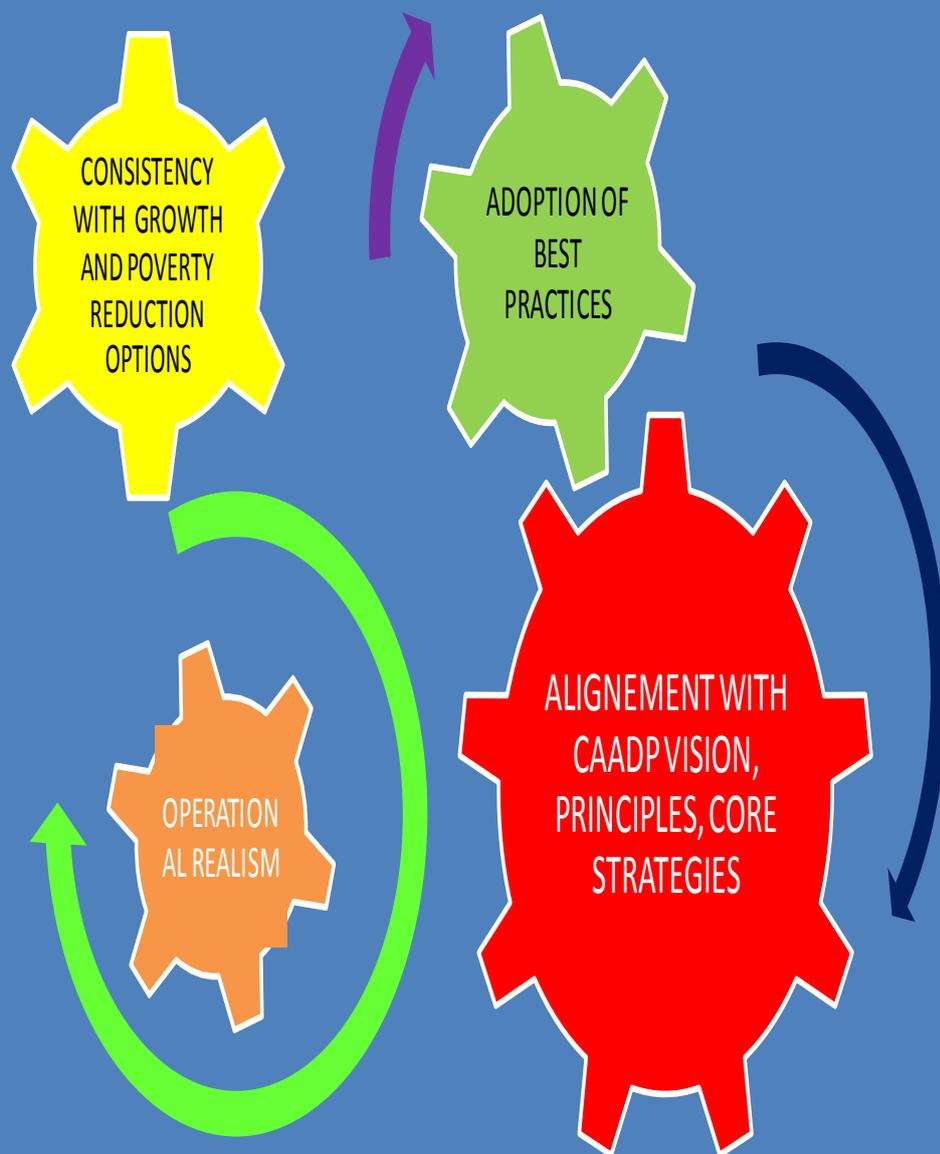


### POST COMPACT REVIEW: GUIDELINES



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## **1. Introduction**

The purpose of this document is to guide governments in the African Member States, working with the Development Partners in preparing National Agriculture Investment Plans (NAIPs) following the successful completion of a CAADP Compact, and those whose task is to review such plans. The document gives concise guidelines and milestones to move past signing of the country CAADP Compact. The focus in the post-compact strategy and roadmap is to enable the country move rapidly towards implementation of quality agriculture programmes. This document elaborate a common framework to rally local and international expert and development partner support to country CAADP processes in liaison with the African Union Commission (AUC), the NEPAD Agency and Regional Economic Communities (RECs).

The CAADP post-compact process builds on the pre-compact engagement to develop and support actual implementation of agriculture development programmes.

Engaging the post-compact strategy is not “one-off” event but part of an iterative/rolling process in which programmes get financed and implemented but further planning, monitoring and review would take place as refined and/or new programmes are prepared and presented for financing.

As would have been articulated in the pre-compact undertaking, the agriculture investment plan referred to here is not an independent, additional or parallel plan to Government’s Agriculture Strategy and programmes. The national agriculture investment plan referred to here is integral and systemic within national agriculture development planning and implementation. It does not even have to be labelled “CAADP” but should reflect the NEPAD-CAADP principles and values such as evidence-based, up-holding transparency and accountability principles, etc.

Engaging the country CAADP post-compact is NOT about fulfilling CONDITIONALITIES; It is about embracing NEPAD-CAADP principles and values, thereby building systems and capacity to effectively and efficiently deliver on national and regional growth and development objectives and targets.

The document consists of three sections: the first outlines in broad terms the scope, content and level of detail of a national agriculture sector investment plan; the second describes the process and steps for moving from a Compact to an endorsed investment plan; and the third provides a checklist of criteria to be used in the review of investment plans.

## **2. The Compact Milestone and Post-Compact roadmap**

### **2.1 Rationale: Building into signing the Compact**

There is now growing clarity and experience on “what is a country CAADP implementation Process” and the value of CAADP to national agriculture growth and development agenda. This include more clarity and appreciation of the core values of the African Union’s NEPAD–CAADP agenda – “that implementing the CAADP Agenda is about embracing CAADP principles and applying the CAADP framework in the development and design, implementing and evaluating of agriculture investment programmes; it is more than just more financing and more

investment programmes. Additional to increased productivity (achieving the 6% annual productivity target), embracing the CAADP agenda should contribute to strengthening active capacity and to building functioning institutions and systems as well as supportive policy environment and therefore, foundation of effective and efficient implementation and delivery of services (CAADP Guide, 2009). This also provide for benchmarking, mutual learning and promotion of best practices.

Signing the country CAADP compact (the compact milestone), therefore, reflects that the country is embracing key basic principles and values which represent the “CAADP” agenda (see Box 1). These include local and decentralized responsibility, inclusive partnership, transparency and mutual accountability.

On the technical “front”, the Pillar Framework documents and related tools and guides help countries to rally stakeholders’ collective “energy” and responsibilities in identifying national agriculture investment priorities, common strategic challenges and possible responses, including best practices, to guide comprehensive Investment Plan and programme development, design and implementation.

In the pre-compact stage, countries will have undertaken stocktaking and diagnosis to define long term strategic scenarios and options for growth and poverty reduction outcomes, both leading to a series benchmarks against which future progress can be measured.

It is noted that the extent and depth of the stocktaking and analysis will vary from country to country at the time the compact is being signed. However, compact signing will always characterize the following key parameters:

<p><b><i>Box 1: The CAADP Country Compact is:</i></b></p> <ul style="list-style-type: none"><li>• <i>Strategic Agreement (Document) on joint and collaborative action on Agriculture</i></li><li>• <i>Political and Technical Content</i></li><li>• <i>Specifies key areas for investment</i></li><li>• <i>Commitment from national govt. and partners</i></li><li>• <i>Defines roles and responsibilities</i></li><li>• <i>Process into compact vary from country to country</i></li></ul>
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- (a) that primary stocktaking and diagnostic and analytical work has been done with preliminary definition of long term strategic growth and investment scenarios and priority investment options for growth and poverty reduction
- (b) primary basis, in terms of the issues and priorities providing for common thrust on which to base partnerships and collective and mutual responsibility in advancing the agriculture agenda in the country
- (c) Signed compacts will now also have a third component that will contain a clear post-compact roadmap detailing what has to be done and related roles and responsibilities of the various in-country and external players and stakeholders including the RECs, NEPAD Agency and AUC. This will define key milestones from signing of the compact to the post-compact Business Meeting (see Figure 1) with a focus on rapid development of agriculture investment plan and programmes.

The “Post-Compact Roadmap” is especially developed to provide a coordination framework and simple operational guidance for both those supporting and those actually implementing the post-compact undertakings. The Post-Compact Strategy and Roadmap is complementary to the CAADP Implementation Guide, which provides basic principles for CAADP implementation and operationally focused on the pre-compact undertakings.

The signing of the compact demonstrates commitment and readiness to:

- Jointly and collectively align to a common and agreed vision and priorities
- co-create and build collective ownership and responsibility of agricultural investment programmes
- Align engagement strategies, in particular among the development partners (See Box 2), and
- to hold each other accountable for promises and commitments made in supporting the country's agriculture development agenda

The compact provides a baseline for evidence and peer based progress assessment and review. The signed compact should have attached an annex detailing the agreed roadmap and milestones for the post-compact roadmap.

**Box 2: For development partners to match the magnitude of change on African side, new modalities for funding and engagement are desired:**

- *Embracing a partnership driven by mutual responsibility in “co-creation” all the way to delivery and impact*
- *Alignment to CAADP principles and values (within the context of the Paris Declaration and Accra Action Plan)*
- *Alignment to and flexibility to accommodate countries’ priorities and leadership (agenda setting)*
- *Flexibility in plans to accommodate rapid learning and improvements*
- *Common/coherent between country based ADWGs and their HQ*
- *Capacity support for investment program design*
- *Support to and being part to the M&E reporting structures*
- *Commitment to long-term strategic capacity development support (technical and organizational) to create sustainable systems which work*
- *Commitment to funding support to CAADP implementation through the MDTF and other instruments*

## **2.2 Link to the Country CAADP Compact**

The CAADP roundtable process, organised by RECs and governments, with political and technical backstopping support organised through the AUC and NEPAD Agency, incorporates systematic stocktaking of past and current agriculture development efforts by countries, and an analysis of the future prospects for accelerating growth in the sector, reducing poverty and improving food and nutrition security. Extensive consultation with all stakeholders including civil society and the private sector is an inherent feature of the CAADP roundtable process. The resulting sector strategy forms the basis for dialogue and consultations at the roundtable meeting and joint commitment in a Compact to the principles of its implementation by all stakeholders.

The formulation of a national agriculture sector investment plan is the next key milestone to be achieved. The work, including analytical work, in the post-compact strategy and roadmap will build on what has been done in the pre-compact exercises. It should be emphasized that

the post-compact strategy is not just a planning exercise, but decisive move to get implementation underway.

The post-compact roadmap will vary in form and character from country to country and the speed at which it is implemented is also a country-specific matter.

### **2.3 Process and Coordination of the Post-Compact Strategy and Roadmap**

The CAADP post-compact strategy is a multi-partner engagement involving: (i) the development of a broad national agriculture investment plan (NAIP); (ii) in-depth technical design of specific programmes and projects; (iii) formal and independent technical review of the plan; (iv) commitment of resources by government, other stakeholders and partners including donors; (v) implementation, monitoring and evaluation and (vi) appraisal and improvements in the implementation of programmes and projects.

The CAADP Post-compact strategy is aimed at enabling a country to develop an agriculture investment plan including design of related investment programmes. Figure 1 describes the main segments of the process and the generic flow outlining the key milestones. As per the CAADP principles, this is NOT a single-dimensional linear process, but highly iterative, multi-institutional and cutting across several disciplines and sectors. Ideally and at country level, the Ministry of Finance should lead or co-lead the CAADP post-compact undertaking. Support for this undertaking also closely involves “external” continental players and or expert teams and stakeholders under the coordination of the NEPAD Agency in liaison with Regional Economic Communities (RECs).

### **2.4 Ownership and internalization of the Process**

Even with the support of the expert team, which is expected to be largely external, it is crucial and a fundamental NEPAD-CAADP principle, that the undertaking is well internalized into the local or country setting, functions and responsibilities.

With the focus on development of investment programmes and desired linkages to Government policies and development planning, it is important that the Ministry responsible for Finance and Development Planning play a prominent role. In Rwanda, the Ministry of Finance and Economic Planning was the primary custodian of the Process, with Ministry of Agriculture only responsible for the technical content. It was also clear what roles and responsibilities had to be taken up by other state and non-state institutions. It was also clear what roles and functions were to be undertaken by and through the NEPAD coordinated external support.

### **2.5 The CAADP Post Compact strategy and alignment of development partner support**

Technical and financing support to Africa agriculture by development partners is significant and will also continue to play an important part in advancing the performance of agriculture in Africa. However, better and clear coordination, alignment and harmonisation of the donor support will enhance the effectiveness and returns of such support. It has been common practice for donors have negotiated individually with governments on preparing and financing specific programmes and projects within the sector and mostly under donor-led processes such

as the Country Assistance Strategy (CAS) mainly led by the World Bank, Results-based Country Strategic Opportunities Programme (COSOP) under IFAD or Country Support Programme (CSP) under the Africa Development Bank (AfDB). Only when government has indicated that a sector-wide approach (SWAp) is preferred have donors come together to formulate and jointly process a sector investment plan. Within the context of donor commitment to the Paris Declaration and Accra Action Agenda and also in the collective commitment made in the CAADP compact, the CAADP Post-compact strategy and roadmap provides a review process that will facilitate the coordination of donor own efforts, harmonization of support and alignment of efforts along the country-led agriculture investment plans and programs. For this to be effective, there has to be a credible mechanism for carrying out “due diligence” of each plan as the precursor to making broad commitments to financing and embarking on donor-specific investment appraisal and approval processes.

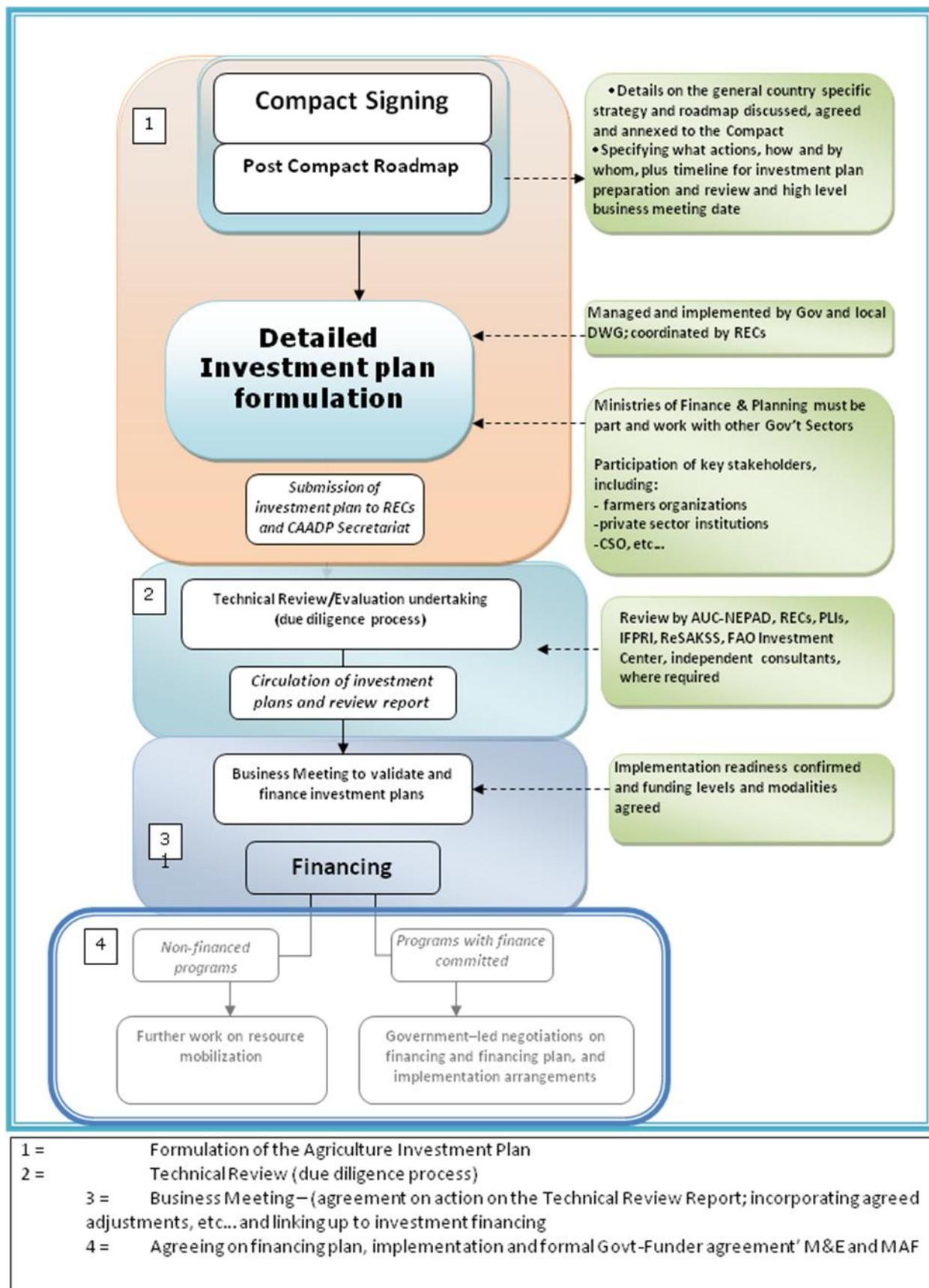


Figure 1: Main Post Compact Stages

### 3. Post-Compact Investment Plan Formulation and Technical Review

#### 3.1 The formulation of National Investment Plan and Programs

Once the compact is signed, the next major milestone is to prepare for the design or formulation of a National Agriculture Investment Plan. The main thrust for the Post-Compact Strategy and Roadmap, therefore, is to rally expert support to the country CAADP implementation process to develop and design quality national agriculture Investment Plan and programmes (see Box 3). The Investment Plan is a broader plan that builds from the broader goals and targets stipulated in the compact, translates the sector challenges and opportunities into sector objectives and strategies and later details out specific programs that will achieve sector goals, objectives and targets. The sector programs therefore are an integral part of the Investment Plan. The programs detail out key investment areas such as extension, research, irrigation, etc into concrete packages on how each of these will contribute to attainment of sector goals. Each program can be broadened into sub-programs (with clear program targets) and later activities designed and costed. This programming and sub-programming, targeting, and later costing is what defines an Investment Plan.

Within the overall principles and values of NEPAD – CAADP, this undertaking also places deliberate effort on quality of the investment plan and programmes. This is one of the key elements distinguishing the CAADP Investment Plan and Programmes from plans and programmes countries have done before.

#### 3.2 The quality of an “Investment Plan and Programmes”

As mentioned earlier, CAADP implementation and specifically the post-compact strategy is more about the quality of the investment programmes and related implementation modalities. This underlines the fact that NEPAD and specifically CAADP is about enhancing the ability of investment programmes to address real issues (growth and development challenges and opportunities) with clear results and sustainable impact on growth and development parameters. A quality investment plan and programmes means that an intervention (both the plan and programmes) should demonstrate the likelihood to provide the highest return on the investment – whether it is in traditional profit terms or in terms of real value in benefits to people and society. A quality investment programme should also imply that related implementation modalities are able to provide for optimal results and outcomes. Box 3

**Box 3: What is Quality Investment Plan and Programme/s?**

*Quality Agriculture Investment Plan and Programme:*

- *Is one built on clear national/ community priorities and expressed development needs*
- *Translates from concrete analysis and evidence (both on the issues and problems as well as solutions to be pursued)*
- *Provide detailed costing within the programs and sub-programs with clearly defined financing gap based on up to date financial and economic analysis*
- *Its planning and implementation integral to existing institutional and policy frameworks and contributing to their strengthening*
- *Have (or potentially able to support) clear instruments and institutional and governance arrangements for robust Monitoring & evaluation as a basis for impact assessment, learning and mutual accountability*
- *Embracing both technical considerations as well as public opinion*
- *Inclusive programme development and implementation including active involvement of both state and non-state institutions*

highlights some of the features which should characterise “quality” in national agriculture investment plan and programmes. The “quality” part also means that the plans and programmes which are able to guide governments to “place” public sector financing in areas and issues that are able to give best possible value in using these resources. The main elements that should constitute a quality investment plan are summarised in Table 1.

**Table 1: Main elements and features of an Investment Plan**

Summary Element	Elaboration of scope, content and detail
<ul style="list-style-type: none"> <li>• Coherence and consistency with long term growth and poverty reduction targets</li> </ul>	<p>In many countries sector investment plans have been in place before the CAADP process started. The validation and modification of these plans as a result of the stocktaking and analytical work that culminates in a sector strategy presented at a roundtable and endorsed in a Compact can be an excellent starting point for a post-Compact investment plan. In some cases, the CAADP process can provide an opportunity to thoroughly review sector strategies and formulate a new investment plan.</p>
<ul style="list-style-type: none"> <li>• Scope</li> </ul>	<p>The sector investment plan should be comprehensive in scope, covering all sub-sectors and not necessarily limited to the mandated areas of a ministry of agriculture. As appropriate, it should include crops, livestock, forestry and fisheries, post-harvest value chains and all support services. It should include all on-going and already funded programmes as well as new and expanded programmes for which incremental financing is required during the plan period.</p>
<ul style="list-style-type: none"> <li>• Programme level definition</li> </ul>	<p>The investment plan should be organised around specific programmes. Although these would normally reflect the four CAADP pillars, compatibility with CAADP would not preclude the formulation of more than four programmes. Each programme should have clearly-defined objectives and describe outcomes and main activities, informed by the CAADP Pillar Implementation Guides.</p>
<ul style="list-style-type: none"> <li>• Results framework</li> </ul>	<p>A comprehensive results (logical) framework should be put together that clearly links the overall investment plan goals (outcomes) with individual programme objectives, and the outputs of components and (where possible) activities. Risks and assumptions need to be clearly identified at each level.</p>
<ul style="list-style-type: none"> <li>• Priority setting</li> </ul>	<p>Clear priorities should be indicated in the investment plan. This would include drawing explicit links with the conclusions of the sector analysis and associated strategic options, and applying various tools to assist in prioritisation, such as financial and economic analysis. Priorities should be indicated between different programmes and also within each programme, indicating any interdependencies, and be reflected in the indicative resource allocations.</p>
<ul style="list-style-type: none"> <li>• Costing</li> </ul>	<p>The costing of the investment plan should be activity-based at programme level. Individual programmes should be costed in as much detail as is feasible in the time available, reflecting the level of detailed planning that has taken place. The plan should also provide an indication of “overhead” costs associated with the management of the sector. Every effort should be made to avoid using the “budget line” approach to assembling costs.</p>
<ul style="list-style-type: none"> <li>• Financial and economic analysis</li> </ul>	<p>For the investment plan as a whole, the sector analysis conducted as part of the roundtable provides an indication of the overall impact on growth of allocating incremental resources to the sector. Indicative financial and economic analyses should be provided at the programme level.</p>
<ul style="list-style-type: none"> <li>• Implementation</li> </ul>	<p>The existing and/or proposed implementation mechanisms should be clearly outlined for the investment plan as a whole and for each programme.</p>
<ul style="list-style-type: none"> <li>• Institutional assessment</li> </ul>	<p>The investment plan should be built upon a thorough institutional assessment. This should indicate overall human resource availability (number and level) and, if possible, the human resources for each programme, as well as an identification of strengths and weaknesses in the operation and management of each major sector institution. As far as possible, plans should be aimed at introducing or strengthening results-based management.</p>

Summary Element	Elaboration of scope, content and detail
	<ul style="list-style-type: none"> <li>• A capacity-building plan, identifying the main human resource gaps and the scale and scope of capacity building required, should be an integral part of the investment plan.</li> <li>• A sector public expenditure review (AgPER) should have been carried out so as to identify areas for enhancing the efficiency and effectiveness of public expenditure and to ensure firm links between expenditure and outputs in sector institutions</li> <li>• An assessment of the status of public financial management (PFM) in the sector should be built upon a sector public expenditure review (AgPER).</li> <li>• A statement on the definition of the roles of the public and private sector in agriculture and how resources will reach the private sector.</li> <li>• Assessment of the capacity and role of the private sector institutions to fulfil their part in plan implementation.</li> </ul>
• Policy implications	The policy implications and outstanding policy issues implicit in changing the thrust of agriculture sector development should be set out; and an assessment of the difficulty and time required to achieve the change and which entity is responsible for leading the change.
• Monitoring & evaluation	Overall monitoring and evaluation mechanisms should be proposed. This should review existing mechanisms and make proposals to enhance their effectiveness. The main indicators should be listed (poverty reduction, increases in income, productivity increases etc).
• Financing plan	The investment plan must include an indicative financing plan. This should show how incremental financing builds upon existing financing and should include arrangements for a sector-wide approach (SWAp) (if this is the chosen approach) and/or options for basket-funding. It must also show the scale and distribution of government contribution to financing, make an estimate of the impact of incremental investment on the recurrent budget and indicate how government will meet additional recurrent costs.

The process estimated timelines of formulating a country agricultural investment plan is summarised in Table 2.

**Table 2: Formulation of the National Agriculture Investment Plan and design of Investment Programmes**

Activity/Outcomes	Govt Responsibilities (Country CAADP Team)	Other Lead Players	Timeline Date limit	Remarks
<b>Develop the country Agriculture Investment Plan</b>				
Govt jointly with DWG and other key in-country players and support from RECs, PLIs and AU/NEPAD engage to elaborate details <sup>1</sup> of the post-	• Govt lead and primary custodian (Agric. and Finance Ministries – at the minimum)	NEPAD in liaison with Govt and Pls to identify and facilitate link to expert support on formulating NAIP and design of Investment programmes	Within 2-3 weeks after Compact signing Start	Action trigger/ formalized by request letter by country PS addressed to REC and NEPAD (cc to

<sup>1</sup> The key elements of the country specific Post-compact road map are:

- Quick diagnosis of the state of readiness for review of existing investment plans
- Agreement on the scope and scale of TA support needed to prepare an investment plan
- Coordination of funding from different sources (FAO, MDTF, bilateral) for implementing the road map
- Agreement by all parties not to provide TA for investment planning outside the roadmap process
- Discussion on defining the financing gap, its scale (if not already evident in the compact) and the “fiscal space” as indicated by the ministry of finance
- Discussion of the process of aligning existing programmes with sector strategy
- Clarity on the time frame for investment plan review and Business meeting

compact road map outline (included in the Compact)  This will result in: - ToR for preparation of NAIP - Roadmap/timeline ready - National focal point/Team identified and commissioned	<ul style="list-style-type: none"> <li>Initiate the exercise</li> <li>Local coordination and stakeholder mobilization</li> </ul>	REC supporting and facilitating organizational arrangements	immediately after Compact is signed (or as soon as possible in cases where Compacts have already been signed)	AUC, DWG)
Actual undertaking to develop the National Agriculture Investment Plan and design Investment Programmes	Govt lead Ministry of Finance Ministry of Agric Other Players	Expert Team Lead multilateral Organization identified to provide expert support PIs and SAKSS DWG  AUC-NEPAD-REC support missions to the country will be organised as per need  NEPAD and REC to monitor and support that the agreed roadmap is being implemented	3-4 months	NEPAD will formally communicate to Govt and to other partners the Organisation to lead in technical support on development of the NAIP  Reference Documents: <ul style="list-style-type: none"> <li>The CAADP Guide</li> <li>What is Quality NAIP</li> <li>Post-Compact Guide</li> </ul>

### 3.3 Technical Review of the Agriculture Investment Plan

Once the National Agriculture Investment Plan is ready, Government will make available copy of the NAIP to partners through the REC and NEPAD Agency. This submission of the NAIP to respective REC and NEPAD Agency will formally trigger the technical review.

The post-compact technical review is the natural continuation of the CAADP implementation process as planned from the outset. The key tools to carry out such a review are all in place and the lead actors among the different stakeholder groups are known, as indicated below in the section on the components, methodology, criteria, and tools of the review. It is important and critical that the review be based on, and make full use of, the analytical benchmarks, the pillar framework guides, and set of indicators developed by various players including ReSAKSS

The post compact technical review is a critical step in the operational implementation of the country compacts and investment plans. The primary objective is to collectively evaluate for:

- the likelihood for the investment programs to realize the growth and poverty reduction prospects laid out in the different strategy scenarios carried out for the roundtable and summarized in the different roundtable brochures;
- the use of best practices and other technical guidance in the pillar framework documents in designing the above investment programs;
- the technical realism (alignment of resources with results) and adequacy of institutional arrangements of the programs;
- the integration of CAADP principles of inclusive review and dialogue; and

- the consistency with budgetary and development assistance commitments and principles agreed in the compact.
- adequacy of institutional arrangements for effective and efficient “delivery” including information and knowledge support, M&E and on-going evaluation and learning
- coherence and or consistency between policies, implementation arrangements and delivery mechanisms and investments areas, priorities or programme objectives
- appropriateness and feasibility of the indicators for impact and system or capacity improvement and accountability
- extent and quality of dialogue, (peer) review and mutual accountability system
- potential to contribute and link to regional integration objectives;

The purpose of the review is not to approve or grade the investment programs and other elements of the post-compact agenda. Rather, it is to ensure that every possible action is being taken to make sure that the objectives and targets laid out in the plan and defined in the CAADP agenda will be met. The review should be seen and approached as an exercise to lay the groundwork for successful implementation of the plans approved at the roundtable and reflected in the compact and NAIP. The outcome of the review should therefore be a set of concrete, implementable actions to:

- immediately mobilize the required expertise, capacities, and partnerships for immediate on-the-ground implementation;
- establishing a mechanism to facilitate joint donor commitment to financing and thereby release the resources required to meet the funding needs of the plans within a reasonable time;
- streamlining of review and appraisal process and standards to speed up individual donor processing; and
- establish the knowledge systems for an inclusive review, M&E, mutual accountability, learning and impact assessment including on-going consultations and dialogue to enhance implementation as well as development and design of new programmes

**Table 3: Undertaking the Technical Review of the National Agriculture Investment Plan and Programmes**

Activity/Outcomes	Govt Responsibilities (Country CAADP Team)	Other Lead Players	Timeline Date limit	Remarks
<b>Technical Review of the National Agriculture Investment Plan</b>				
The review of the investment plan (or due diligence process) would be conducted by a review team led and managed by NEPAD Agency in liaison with the REC concerned	Govt lead - Local coordination - Make NAIP Document available for the review - Critical Ministry of Finance role and responsibilities	- NEPAD in liaison with PI and DP to mobilise an international expert team (including independent experts) to do the review - REC to support country in coordinating arrangements in country - AUC; NEPAD and REC to also provide input to the review using set criteria - PIs to organise Pillar review of the NAIP and	4 weeks	The Lead Technical Review person (team) will also compile all the review comments/input into the final Technical Review Document  Reference Documents: - What is Quality NAIP/P - Post-Compact Strategy - Technical Review Checklist

		programmes against set pillar-based review criteria - DP & ADWG to do their part of the review		
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The review follows a set of criteria and benchmarks. The review criterion is contained in Annex 1 and operational design of the review in Annex 2. Once the review has been completed, the investment plan plus the review reports will be circulated to RECs, AUC, NEPAD, Development Partners agencies, other CAADP implementation institutions and key stakeholder groups. All background materials would be assembled on the NEPAD and respective REC web site with hypertext links to all technical, policy and other background documents and working papers. Completion of the technical review will set the stage for the Business Meeting.

### 3.4 The Components, methodology, criteria and tools for the Technical Review

The basic approach of the review consists of assessing proposed actions and outcomes in the programmes against CAADP principles and country specific targets, objectives, practices, and approaches defined and agreed in the country CAADP Compact. The criteria are measures of the consistency or lack thereof of the programs with the above indicators. The main components and tools for the review include the following:

1. Alignment with the NEPAD-CAADP principles, values and targets: The CAADP implementation guide setting out the vision, principles, core strategy elements, and impact expectations;
2. Coherence and consistency with long term growth and poverty reduction objectives and targets: The roundtable brochures and technical background documents defining the long term agricultural productivity, growth, and trade performance, and the related poverty outcomes;
3. Embodiment of technical best practices and CAADP priority areas/issues: The Pillar Framework Documents laying out the key strategic issues, core program elements, and best practices;
4. Operational quality and implementation readiness and alignment with Compact commitments: The CAADP compact specifying the policy, budgetary, development assistance, review, and dialogue commitments;
5. Detailed investment programs showing inputs, outputs, outcomes, and institutional arrangements;
6. The Donor coordination guidelines for CAADP support at a country level outlining modalities for engagement between local development partner agencies, government and other stakeholders

**Component 1: Alignment with CAADP vision, principles, and strategy elements.**

*Lead Evaluator: AUC, NEPAD, REC*

*Tool: CAADP Implementation Guide*

The component's objective here is to find out whether all key vision elements, principles, and strategy core elements, as defined in Annex I, are reflected in the country's programs and, where there gaps, to help fill these in order to ensure full alignment.

**Component 2: Consistency with long term growth and poverty reduction options**

*Lead Advisor: IFPRI, ReSAKSS*

*Tools: Brochures, technical background documents, investment program documents*

The objective under this component is to evaluate whether: (i) the overall growth targets that are specified or implied in the plans, in general, and (ii) the changes in individual sub-sectors and related targets, in particular, diverge from the sector-wide performance and poverty reduction outcomes

underlying the long term strategic scenarios. For instance, each of these scenarios is linked to required changes in sub-sector growth rates, trade performance, overall public expenditure levels, and assumptions about the efficiency of sector policies. The component will also include the establishment of a country comparator profile, based on the nearly two dozen indicators being tracked by ReSAKSS for all African countries, to show the current standing of each country with respect to its peers, and thereby identify gaps to be bridged.

**Component 3: Adoption of best practices and inclusion of core program elements**

*Lead Advisor: Pillar Lead Institutions*

*Tool: Pillar Framework Documents and Pillar Implementation Guides and Tools*

This component of the review seeks to find out where clearer definition and understanding of the strategic issues and better integration of best practices can help improve the design of the plans and maximize the chances of success. Annexes II to IV present a set of specific guides and tools, which have been prepared by the Pillar lead institutions as part of the Pillar framework documents, and which provide criteria and step by step approaches to design high quality plans.

**Component 4: Alignment with compact commitments**

*Lead Evaluator: Government, CAADP DP Task Force, and Agricultural Sector Working Group*

*Tools: CAADP Compact, Brochure 5, and Donor Guidelines for CAADP support at country level*

The objective is to agree on: (i) a joint action plan to meet the policy, budgetary, and assistance commitments and (ii) identify and confirm modalities for mutual review, including dialogue fora and supporting knowledge systems to track and report on such commitments.

**Component 5: Operational realism of investment programs**

*Lead Advisor: FAO Investment Centre and independent consultants*

*Tools: Detailed investment programmes*

The objective is to verify and confirm the adequacy of the content, cost and institutional arrangements, and where necessary, to identify the operational and design improvement to be carried out to ensure successful implementation. The task is to verify the extent to which the key elements and features listed in Table 1 above are reflected in the investment plans. The experience of the investment centre and its access to benchmarks and best practices should be fully brought to bear. Given the expectedly large demand for expertise, it is likely that the Centre will have to mobilize independent consultants to augment its capacities. The delayed operational design is contained in Annex 2

## **4. The Business Meeting and Financing of the identified Investment Programmes**

### **4.1 The Business Meeting**

After signing of the Compact and the National Agriculture Investment Plan being ready and reviewed, the next major milestone in the Post-compact roadmap is a high level Business Meeting. This is organized with the following focus and objectives: (i) validation and endorsement of the investment and confirmation of their implementation readiness; and (ii) declaration of funding commitments and agreement on modalities and timelines to meet the funding needs of the investment plans.

The main documents as input to the Business Meeting must include:

- (i). The detailed Sector Investment Plan
- (ii). The roundtable brochures and briefs
- (iii). The signed CAADP Compact
- (iv). The Technical Review Report

AUC, NEPAD Agency, RECs, Pillar Institutions and Government will coordinate discussion of the Technical Review Report at the Business Meeting and will coordinate the documentation of the agreements on what needs to be adjusted/revised/strengthened in finalizing the National Agricultural Investment Plan and Programmes

## 4.2 Financing the Agriculture Investment Plan

The National Agriculture Investment Plan will articulate clearly committed public and private sector resources as well as those of development partners. The private sector commitment is a demonstration by private sector to implementation of the plan but also a demonstration of private sector engagement in the articulation of priorities and investment plan formulation process. The meeting would also review all existing commitments and pipeline programmes and arrange to seek additional financing from new sources.

Government will consult with local development partners and the latter with their headquarters, ahead of the Business Meeting, so as to reach the necessary agreements for individual partners to declare their funding commitments to cover the eventual financing gaps of the investment plan. Government would subsequently negotiate with each development partner – or preferably with partners jointly – a detailed financing plan as well as procedures and schedule for disbursement of funds.

**Table 4: Objectives and Outcomes of the Business Plan Meeting**

Activity/Outcomes	Govt Responsibilities (Country CAADP Team)	Other Lead Players	Timeline Date limit	Remarks
<b>The Business Meeting</b>				
Business Meeting organized	Govt lead in organizing Meeting	<ul style="list-style-type: none"> <li>• REC support (<i>administrative and organisational</i>) and NEPAD (<i>technical content</i>) and AUC (<i>political buy</i>)</li> <li>• Local DWG and other partners</li> <li>• AU/NEPAD, RECs, Government, Development Partners, Implementing Agencies, Key Stakeholder Groups</li> </ul>	Dedicated 2-3 day meeting	
<ul style="list-style-type: none"> <li>i. Detailed investment plans evaluated for implementation readiness, guided by the outcome of the post-compact review report</li> <li>ii. Also review existing commitments and pipeline programmes and reach agreement on additional financing from new sources</li> </ul>	Govt – Finance			
		• Government		

Activity/Outcomes	Govt Responsibilities (Country CAADP Team)	Other Lead Players	Timeline Date limit	Remarks
iii. Declaration of funding commitment (see Note below)		<ul style="list-style-type: none"> <li>• Development Partners</li> <li>• Foundations and other non traditional partners</li> <li>• Private Sector</li> </ul>		
iv. Bilateral funding negotiations <i>(Immediately after Business Meeting, govt will negotiate with DP, preferably jointly, the detailed financing plans and procedures &amp; disbursement schedule)</i>		DGW and Bilateral country offices  AUC and NEPAD will in liaison with the DP monitoring the financing negotiations and support seedy funding agreement		<b>Reference Documents:</b> <ul style="list-style-type: none"> <li>- Post-Compact Strategy</li> <li>- National Agric. Investment Plan</li> </ul> Technical Review Report
v. Support to Implement the M&E, Mutual Accountability Framework		NEPAD/REC and Pillar Institutions <i>(Note: The Technical Review will already assess existing instruments for M&amp;E / MAF including gaps and issues)</i>		

### Declaration of funding commitment

- Government will indicate its funding levels and strategy in light of country levels and in line with the Maputo pledge.
- Private Sector actors will indicate their investment priorities and plans
- Partners would indicate available funding and strategy to mobilize additional funding, where necessary, meet the external funding requirements of the plans
- Efforts would be made to facilitate joint donor financing and common programme preparation mechanisms
- For those parts of the plan that are not immediately financed, outstanding analysis or programme formulation tasks that should be undertaken would be identified
- As part of alignment, all parties would commit to not fund programmes or projects outside the investment plan (“off plan” and “off-budget”)

## 5. Strengthening the CAADP Principles and Values

It is now more understood that CAADP is as much a Transformation agenda. The reform in institutional and organizational arrangements, the governance of public and private resources as well as building capacity are elements inherent pursued in advancing the CAADP agenda. Therefore, the post-compact strategy and roadmap and aims to pay deliberate attention to enhancing the functioning of systems and institutions including related policies. This chapter highlights a few key activities which are taken up along and integral to the core objectives and activities of the post-compact strategy and roadmap. These activities build on the pre-compact

undertakings as an on-going process to strengthen capacity, policy framework as well as institutions. The key components in this thrust include:

- (i). Capacity building and nurturing for the core systems which will “drive” and coordinate the CAADP implementation in the country. This is a capacity anchored in the Country CAADP Team
- (ii). Enhancing public and stakeholder awareness and buy-in
- (iii). Rallying and strengthening development partner buy-in and alignment
- (iv). Buy-in and alignment by other players and stakeholders including private sector and the civil society

Table 5 elaborates on the activities and related engagements.

**Table 5: Objectives and Outcomes of the Business Plan Meeting**

Activity/Outcomes	Govt Responsibilities (Country CAADP Team)	Other Lead Players	Timeline Date limit	Remarks
<b>Strengthening CAADP Principles and values</b>				
Capacity building /nurturing for the CAADP Team  i) Confirmation of Team ToR and Composition ii) Training/orientation programme adapted against specified needs iii) Learning-Sharing sessions – roadmap (regional level)	Govt (Agric lead)	NEPAD – Training context and curriculum and mobilization of resource persons in liaison with Pillar Institutions  Coordination of the CAADP Resource Group  REC organization and management of learning events/ programme	At least two regional level learning-sharing session per year	
CAADP Agenda awareness and buy-in for stakeholder and players - General Public seminars - Targeted seminars - Special seminars for Senior Govt and officers		REC: Organizational and management support-facilitation  NEPAD content and curriculum		Some of these sessions will also focus on consultations and buy-in to the NAIP
Development partner alignment & harmonization.  Commitments in principle from partners to finance selected parts of the plan, subject to further clarification and specification of details during subsequent activities	Govt (CAADP Team)  Govt lead	NEPAD, REC coordination in liaison with GDPRD	Series of NEPAD coordinated missions will be organized to countries	Core objective is aligning the financing instruments and resource mobilization
Alignment/harmonization dialogue and consultations with focus on: - Domestic and international Private sector - Farmer organizations - Civil Society Org	Govt lead;	REC: Organizational and management support-facilitation NEPAD content and curriculum / Resource mobilisation AUC: Political buy-in and resource mobilisation		NEPAD to mobilize HQ D/Partners

## Annex 1: Post Compact Country Investment Plan Review Criteria

Overarching Criteria	Information Source
<p><b>Alignment with CAADP vision, principles and strategy</b>  <b>Purpose:</b> To assess the extent to which all the key vision elements, principles and strategy core are reflected in the country’s investment plan and, where gaps exist, what measures are proposed to ensure full alignment.  <b>Approach:</b> It is important to ensure that “alignment” is used as a genuine measure of the coherence and soundness of the investment plan and not simply as a token statement of adherence to CAADP principles.  <b>Importance:</b> High  <b>Recommendation:</b> Since all countries that pass through the roundtable and compact process should have demonstrated broad alignment with CAADP, the judgement on this criterion is most likely to be a qualitative statement identifying areas where adjustments might be made to enhance the alignment with CAADP and coherence of the plan.</p>	<ul style="list-style-type: none"> <li>• Roundtable background documents</li> <li>• Strategic options</li> </ul>
<p><b>Alignment with compact commitments</b>  <b>Purpose:</b> To ensure that distinct commitments made by government as a result of the round table process, including the sector strategy and PRS, and captured in the compact, are translated into investment programmes that will most efficiently achieve long term growth and poverty reduction targets.  <b>Approach:</b> Map individual programmes and sub-programmes against compact commitments and conclusions of the strategic options analysis.  <b>Importance:</b> High  <b>Recommendation:</b> This is an important criterion. If the commitments and agreed strategy are not fully reflected in the investment plan, there is good reason to request reformulation of the plan.</p>	<ul style="list-style-type: none"> <li>• Compact</li> <li>• Strategic options</li> <li>• PRS</li> </ul>
<p><b>Dimensions of incremental financing</b>  <b>Purpose:</b> To assess the aggregate feasibility of the incremental financing proposed.  <b>Approach:</b> The scale of incremental financing should be assessed against: <ul style="list-style-type: none"> <li>• Current development and recurrent budget commitment and budget outcomes</li> <li>• Overall budget scale and financing against Maputo commitment (10%)</li> <li>• Estimates from analysis (IFPRI) of the investment needs to achieve the necessary growth in the sector</li> </ul> <b>Importance:</b> High  <b>Recommendation:</b> This is an important criterion to which certain “rules of thumb” could be applied. If the projected size of incremental funding is greater than indicated by the IFPRI analysis, and/or represents an increase of more than 30% over existing budgets, even if less than the 10% target, the scale of the investment plan should merit detailed review.</p>	<ul style="list-style-type: none"> <li>• National budget documents</li> <li>• Budget outcome reports</li> <li>• Estimate of Maputo commitment scale</li> <li>• IFPRI analysis</li> </ul>
<p><b>Prioritisation within the investment plan</b>  <b>Purpose:</b> To demonstrate that the sequencing of investment in the sector and within individual programmes has been properly considered.  <b>Approach:</b> Presentation of different levels of priority (e.g. high, medium, low)</p>	<ul style="list-style-type: none"> <li>• PERT chart</li> <li>• Implementation plan</li> </ul>

<p>in the investment plan with a clear explanation of why the particular level of priority has been assigned, together with explicit list of criteria used: readiness, capacity, need for sequencing, impact etc</p> <p><b>Importance:</b> High</p> <p><b>Recommendation:</b> If priorities are not clearly indicated in the plan and programmes, the overall plan should be reformulated.</p>	
<p><b>Identification of policy issues and steps required to resolve them</b></p> <p><b>Purpose:</b> To ensure that outstanding policy issues are recognised and that measures to address them have been considered.</p> <p><b>Approach:</b> The identification by government of policy issues indicates an understanding of the importance of the policy environment when formulating an investment plan. Policy issues that go beyond the sector but which are important in influencing the success of the investment plan should also be identified.</p> <p><b>Importance:</b> High</p> <p><b>Recommendation:</b> There are always policy issues that need to be resolved. It will remain as a judgement by the reviewers whether the specific issues are critical to successful implementation.</p>	<ul style="list-style-type: none"> <li>• Policy issue background papers and analysis</li> </ul>
<p><b>Programme balance</b></p> <p><b>Purpose:</b> To assess the extent to which the investment plan is comprehensive in scope.</p> <p><b>Approach:</b> The plan should propose investments that address the constraints in all the main sub-sectors as well as in the main areas in which public investment can play an important role.</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> An investment plan that fails to provide for investment in the main sub-sectors and services should prompt specific questions about the reason why certain areas have been excluded.</p>	<ul style="list-style-type: none"> <li>• Definition of sector scope</li> <li>• Existing budget allocations</li> <li>• Proposed budget allocations</li> </ul>
<p><b>Reform agenda</b></p> <p><b>Purpose:</b> To assess the measures taken or proposed to address broad policy and institutional reforms.</p> <p><b>Approach:</b> The main areas to assess include the status of public financial management in the sector (as a subset of overall PFM), civil service reform, decentralisation, privatisation, scope of public sector activity in the sector, contracting out service delivery.</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> Given that most of these areas of reform must be addressed beyond the agriculture sector, the status of reform would not normally count against supporting the investment plan. However, sector-specific implications can be important, for example, the way in which extension services are delivered.</p>	<ul style="list-style-type: none"> <li>• Reports on PFM, CSR etc</li> </ul>
<p><b>Institutional criteria</b></p>	<p><b>Information Source</b></p>
<p><b>Viability of implementation arrangements</b></p> <p><b>Purpose:</b> To assess the capacity of the main institutions within the sector to implement the proposed investment plan.</p> <p><b>Approach:</b> Although it is difficult to assess the viability of future implementation arrangements, the institutional assessment should provide</p>	<ul style="list-style-type: none"> <li>• Outline of main sector institutions involved</li> <li>• Organisation charts for each</li> </ul>

<p>an indication of any systemic weaknesses or gaps in the way public investments are implemented.</p> <p><b>Importance:</b> High</p> <p><b>Recommendation:</b> Failure to provide clear and uncomplicated lines of management and reporting should be a cause for concern. Proposals to contract out service delivery and to follow the principles of subsidiarity should be viewed positively.</p>	<p>programme</p> <ul style="list-style-type: none"> <li>• Reporting and accountability matrix</li> </ul>
<p><b>Stakeholder consultation</b></p> <p><b>Purpose:</b> To assess the extent to which the investment plan is likely to have the full support and ownership of the main stakeholders.</p> <p><b>Approach:</b> The investment planning process should document the scope and form of stakeholder consultations that took place.</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> Although stakeholder consultation is built into the roundtable process, it is crucial that this continues throughout the investment plan formulation process as well. Any indication that the private sector has not played an active role should raise questions about the capacity of the plan to mobilise private investment in the sector. CSOs – especially farmer organisations - should have been engaged in investment planning both nationally and at local level.</p>	<ul style="list-style-type: none"> <li>• Investment plan process documents</li> <li>• CSO consultation proceedings</li> <li>• Chamber of Commerce reports</li> </ul>
<p><b>Institutional assessment</b></p> <p><b>Purpose:</b> To provide an overview of the strengths and weaknesses of the institutions in the agriculture sector.</p> <p><b>Approach:</b> A formal institutional assessment should have been carried out within the previous two years, preferably covering not just the ministry of agriculture but also all related agencies.</p> <p><b>Importance:</b> High</p> <p><b>Recommendation:</b> If an institutional assessment has been carried out, its conclusions and recommendations should be cross-checked against proposed implementation arrangements and measures to strengthen identified weaknesses. Specifically, it should include:</p> <ul style="list-style-type: none"> <li>• Gap analysis</li> <li>• Capacity-building plan as an explicit part of the overall investment.</li> <li>• Public financial management (PFM) assessment – either as part of the institutional assessment or separate</li> </ul> <p>If no adequate institutional assessment has been carried out, the plan should include proposals and a timeline for undertaking such an assessment.</p>	<ul style="list-style-type: none"> <li>• Institutional assessment report</li> <li>• Capacity building plan</li> <li>• PFM report</li> </ul>
<p><b>Inter-ministerial collaboration and coordination</b></p> <p><b>Purpose:</b> To identify constraints to implementing a sector investment plan that incorporates infrastructure and services that support agriculture.</p> <p><b>Approach:</b> Review existing inter-ministerial collaboration mechanisms and proposals to strengthen them.</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> Inter-ministerial collaboration is difficult to achieve in any administration. The critical non-ministry of agriculture ministries and agencies should be identified and collaboration mechanisms assessed.</p>	<ul style="list-style-type: none"> <li>• Institutional assessment report</li> </ul>
<p><b>Status of donor harmonization</b></p>	<ul style="list-style-type: none"> <li>• Consultation with</li> </ul>

<p><b>Purpose:</b> To determine the likelihood that donor assistance will be effectively coordinated and that planning, financing and reporting processes are simplified.</p> <p><b>Approach:</b> The commitments made by donors in the Compact should be unpacked through extensive discussions with the DWG.</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> Two main scenarios need to be assessed:</p> <ul style="list-style-type: none"> <li>• If government decides to formulate a SWAp for the sector, a clear indication is needed of the state of readiness of donors to pool resources and harmonize processes in support of the SWAp. Mechanisms for accommodating donor funding outside the SWAp must also be explicit.</li> <li>• If a SWAp is not proposed, individual donors are likely to retain their separate identities and processes, but it is important to determine the extent to which they are prepared to adhere to the agreed programmes and activities, to facilitate joint programme assessments or appraisals, and to fund “on budget”.</li> </ul>	<p>government and DWG</p>
<p><b>Agriculture within the economy</b></p> <p><b>Purpose:</b> To assess the extent to which economy-wide public expenditure choices are likely to allow the agriculture sector to expand to accommodate the investment plan.</p> <p><b>Approach:</b> Review of national development plans and the PRS should determine the relative role anticipated for social sectors and productive sectors in addressing poverty reduction.</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> This items links with the need to determine the “fiscal space” for the agriculture sector within the MTEF. Unless there is a strong emphasis on the role of productive sectors in tackling poverty reduction, there is a likelihood that agriculture will not be able to sustain a large and prolonged expansion in the allocation of public resources.</p>	<ul style="list-style-type: none"> <li>• Ministry of Finance and/or Planning</li> </ul>
<p><b>Links to regional agriculture sector development plans</b></p> <p><b>Purpose:</b> To determine whether the investment is consistent with regional agriculture development plans formulated by the relevant REC.</p> <p><b>Approach:</b> The investment plan should be examined to determine the extent to which it includes explicit measures to promote regional trade, knowledge sharing etc.</p> <p><b>Importance:</b> High (if plan exists)</p> <p><b>Recommendation:</b> At present, only ECOWAS has prepared a fully articulated regional agriculture development programme (ECOWAP). The process of undertaking a similar exercise in other RECs is likely to be slow and therefore, individual country investment plans cannot be expected to be consistent with regional plans. However, the explicit understanding of the need to promote regional trade, for example, should be viewed positively.</p>	<ul style="list-style-type: none"> <li>• Regional sector development plans prepared by RECs</li> </ul>
<p><b>Incorporation of private sector</b></p> <p><b>Purpose:</b> To assess the efforts that have been made to bring the private sector into the investment planning process and to incorporate specific private sector investment into the plan.</p> <p><b>Approach:</b> The roundtable and investment planning processes should</p>	<ul style="list-style-type: none"> <li>• Records of consultations with the private sector</li> <li>• Chamber of Commerce</li> </ul>

<p>document the extent of private sector involvement and register specific concerns and priorities expressed. Policy measures to encourage private sector investment should be reviewed. Estimates of private sector investment as part of the plan.</p> <p><b>Importance:</b> High</p> <p><b>Recommendation:</b> An investment plan that has been drawn up without active private sector participation should be seriously questioned. The absence of policy measures in support of the private sector in agriculture should be seen as a serious flaw. Credible estimates of projected private investment are unlikely to be found in many cases but an indication might be obtained by extrapolating from recent patterns of investment.</p>	<ul style="list-style-type: none"> <li>• Estimates of private sector investment</li> </ul>
<p><b>Effectiveness of existing programmes</b></p> <p><b>Purpose:</b> To assess the measures that are proposed to enhance the effectiveness of on-going investment programmes.</p> <p><b>Approach:</b> The explicit links between the investment plan and existing programmes should indicate changes in focus or implementation modalities that will enhance the effectiveness of the overall programme. This should be based on M&amp;E data or programme evaluations.</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> The mapping of existing and proposed investments against the sector strategy can be taken to indicate an understanding of the need to achieve an integrated and comprehensive investment plan. Proposals to phase out or cut certain sub-programmes indicate a willingness to take decisions to change the composition of the overall sector portfolio.</p>	<ul style="list-style-type: none"> <li>• Programme evaluations</li> <li>• ICRs</li> <li>• M&amp;E reports</li> </ul>
<p><b>DWG coordination measures</b></p> <p><b>Purpose:</b> To establish the scope, operating rules and effectiveness of the DWG.</p> <p><b>Approach:</b> The DWG should include all the main donors and credible representatives of CSOs and the private sector.</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> If the DWG does not operate on a regular basis or has important partners absent, the capacity of the government to prepare an investment plan with genuine ownership by stakeholders and to support harmonized external assistance, will be in doubt.</p>	<ul style="list-style-type: none"> <li>• Consultations with government and DWG</li> <li>• Consultations with CSOs and private sector</li> </ul>

Technical criteria	Information source
<p><b>Consistency with long term growth and poverty reduction goals</b></p> <p><b>Purpose:</b> To ensure that the investment plan is consistent with the sector growth targets established and will achieve the expected impact on poverty reduction.</p> <p><b>Approach:</b> Estimates of rates of productivity and income growth included in each major programme, together with clear indication of target groups and the impact of the investment on income.</p> <p><b>Importance:</b> High</p> <p><b>Recommendation:</b> If any of the major programmes is unable to demonstrate a credible projection of productivity growth and rates of incremental income growth for small farmers and rural enterprises, the programme should be seriously questioned.</p>	<ul style="list-style-type: none"> <li>• Strategic options report</li> <li>• PRS</li> </ul>

<p><b>Technical viability of major programmes</b>  <b>Purpose:</b> To determine whether each investment programme is technically viable.  <b>Approach:</b> Assess each investment programme against the components, programme selection criteria and indicators contained in the Pillar Implementation Guide. Technical expertise from each PLI and/or associated institution should lead the technical review.  <b>Importance:</b> High  <b>Recommendation:</b> If there are major discrepancies between any programme and the “good (or best) practices” and programme design elements contained in the relevant Pillar Implementation Guide, that programme should be examined in detail in order to verify that important technical design features have not been overlooked.</p>	<ul style="list-style-type: none"> <li>• Pillar framework documents</li> <li>• Sub-sector technical departments</li> <li>• NAROs</li> </ul>
<p><b>Links with existing sector programmes/projects</b>  <b>Purpose:</b> To assess the extent to which the new investment plan builds on existing programmes in the sector.  <b>Approach:</b> Map new investment programme components against existing sector programmes and projects.  <b>Importance:</b> Medium  <b>Recommendation:</b> The new investment plan should be based upon a thorough analysis of the strengths and weaknesses of existing programmes, building upon those programmes and projects that have demonstrated positive impact on growth and poverty reduction.</p>	<ul style="list-style-type: none"> <li>• Programme and project portfolio review</li> <li>• Independent project evaluations, ICRs etc</li> </ul>
<p><b>Monitoring and evaluation framework</b>  <b>Purpose:</b> To assess the scope, methodology and implementation modalities of the M&amp;E framework  <b>Approach:</b> Detailed brainstorming around the investment plan results framework and the feasibility of the indicators proposed. Assess proposals to conduct baseline surveys and the adequacy of the data gathering system.  <b>Importance:</b> High  <b>Recommendation:</b> An incomplete M&amp;E framework suggests that the results framework itself has not been thoroughly thought through.</p>	<ul style="list-style-type: none"> <li>• Investment plan results framework</li> </ul>
<p><b>Cross-cutting issues</b>  <b>Purpose:</b> To assess the extent to which major cross-cutting issues have been mainstreamed in the different programme elements.  <b>Approach:</b> The main cross-cutting issues to be taken into account are: <ul style="list-style-type: none"> <li>• Gender</li> <li>• Environment</li> <li>• Private sector</li> </ul> Examine each programme component in order to assess whether the investment takes specifically into account gender and environmental impacts and whether the role of the private sector is identified.  <b>Importance:</b> Medium  <b>Recommendation:</b> The absence of specific reference to gender and environment impacts and private sector role in any programme should trigger a request for these factors to be considered.</p>	<ul style="list-style-type: none"> <li>• Gender development plan</li> <li>• Sector environmental impact assessment framework</li> </ul>
<p><b>Environmental and social safeguard processes</b></p>	<ul style="list-style-type: none"> <li>• Sector impact</li> </ul>

<p><b>Purpose:</b> To ensure that safeguard processes are in place to mitigate any negative impacts of programmes on the social and environmental status of targeted communities, or that credible proposals for these processes exist.</p> <p><b>Approach:</b> Review sector environmental impact assessment and social assessment systems or proposals. These assessments are usually undertaken by independent specialists and should include wide stakeholder consultation. Recommendations on programme design mitigation should be made and costed.</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> Environmental impact and social assessments are more usually conducted as part of detailed programme design. Overall proposals for impact assessment and safeguard mechanisms (environmental, social) should be credible and identify capacity building needs. Proposals for Pillar 1-type investments should address climate change adaptation, mitigation and NRM issues and approaches.</p>	<p>assessment and safeguards proposals</p>
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Economic and financial criteria	Information source
<p><b>Costing including development and recurrent costs of (a) existing sector programmes and (b) incremental programmes</b></p> <p><b>Purpose:</b> (a) To provide context for understanding proposals for incremental financing to be able to assess the feasibility of the proposed incremental increases in expenditure, absorptive capacity, existing capacity, and availability of complementary funding; (b) to provide full transparency on proposed expenditures to be financed, to improve the accuracy of compact expenditure calculations, and enable calculation of long term recurrent cost implications and capacity requirements.</p> <p><b>Approach:</b> Detailed breakdown of incremental costs based on unit costs where available and estimates. Results-based budgeting should link expenditures to outcome and outputs contained within a results or logical framework. Breakdown by capital and recurrent expenditure and by functional classification (which can be linked to PER work) should be undertaken to provide a full picture of expenditure. “Rule of thumb” unit costs would be used where there are gaps. Assumptions should be fully explained and based on recent experience.</p> <p><b>Importance:</b> High</p> <p><b>Recommendation:</b> The breakdown of existing expenditures and initial costing of incremental expenditure should be as accurate as possible. Lack of detail on existing programmes would suggest a fragile understanding and analysis of existing programme expenditures, undermining the justification for the proposed scale of any new programmes. Lack of detail for new expenditures would put in doubt the accuracy of cost estimates and could delay the commitment of new financing.</p>	<ul style="list-style-type: none"> <li>• Government and project budgets,</li> <li>• Project evaluations or audits</li> </ul>
<p><b>Investment plan scale</b></p> <p><b>Purpose:</b> To determine the scale of incremental resources that can be allocated to the agriculture sector.</p> <p><b>Approach:</b> A comprehensive agriculture sector investment plan is in competition with all other sectors for a share of the national budget. For this reason, it is important that a clear indication is made by the ministry of</p>	<ul style="list-style-type: none"> <li>• Overall government budgets</li> <li>• Medium term expenditure frameworks</li> </ul>

<p>finance about the total budget ceiling that is likely to be applied to the sector within the MTEF over the plan period – say, five years. The plan should also outline the scale and shape of off-budget resources.</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> Although MTEFs are employed in many countries, they are not always rigorously applied. The absence of a clear budget ceiling for the sector should call into question the capacity of the sector to effectively use incremental resources and the sustainability of recurrent expenditures that would be incurred. Donors should commit to adhere to the practice that all incremental resources in the investment plan are on-budget.</p>	<ul style="list-style-type: none"> <li>• Macro assessments (government, IMF or other analysis)</li> </ul>
<p><b>Estimate of the investment to be provided by the private sector</b></p> <p><b>Purpose:</b> To better understand the extent to which public sector expenditures complement and reinforce private investment, identify any gaps in public sector expenditure, and help validate assumptions about the response or needs of private sector actors.</p> <p><b>Approach:</b> Analyzing private sector investment in the agriculture sector can be difficult due to its diverse nature and lack of data. The process can begin by mapping various private sector players and estimating the type and scale of resources deployed for different types of activities related to production or processing within a value chain. In the long term, surveys may generate useful data along with specific commodity, enterprise or value chain-based analysis.</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> Estimating private sector investments will be a long term iterative activity. Gross estimates of potential private sector investment should be presented at the investment planning stage, and any specific private sector investment plans that emerge from the consultations should be made explicit.</p>	<ul style="list-style-type: none"> <li>• Private sector (producer, processors, farmers) councils or apex organizations</li> <li>• Government statistics</li> </ul>
<p><b>Agriculture Sector Public Expenditure Review</b></p> <p><b>Purpose:</b> To be able to assess the allocative efficiency, budget performance, and consistency with sectoral priorities and strategies of existing expenditures.</p> <p><b>Approach:</b> Standard methodologies have been developed for PER analysis which involves detailed analysis of past Government budgets over a multi-year time frame. PERs should be fully integrated into budget planning and monitoring process and undertaken on a regular basis (yearly if possible).</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> A full PER will be a pre-requisite to implementing a SWAp or PBA arrangement and should be a core part of the review process. If no in-depth PER is available, a rapid budget assessment focusing on core PER elements can be useful in the review, in particular an analysis of budget outcomes in the sector in recent years.</p>	<ul style="list-style-type: none"> <li>• Government budget planning or expenditure frameworks</li> <li>• Budget out-turn or performance data</li> </ul>
<p><b>Public financial management capacity</b></p> <p><b>Purpose:</b> To assess the capacity of the public sector to effectively manage increased resources, in particular to cope with the demands of implementing a SWAp or PBA, and to The assessment also facilitates the development of a capacity building plan</p> <p><b>Approach:</b> The assessment should cover the main sectoral actors at both</p>	<ul style="list-style-type: none"> <li>• Capacity assessments</li> <li>• Civil service commission data</li> </ul>

<p>centralized and decentralized levels and highlight the current capacity levels and gaps. It should include an outline capacity building plan to address gaps as part of the detailed programme formulation process or during implementation.</p> <p><b>Importance:</b> High</p> <p><b>Recommendation:</b> Identification of existing capacity should be a pre-requisite for the review. The detailed assessment of gaps can be a continuous process as programmes are prepared.</p>	
<p><b>Risk assessment</b></p> <p><b>Purpose:</b> To be able to assess the likely impact on programme outcomes if certain critical assumptions are not met and to identify potential mitigation measures.</p> <p><b>Approach:</b> Risk assessment is a tool for identifying the consequences associated with failures in achieving specific programme objectives, outputs, reforms, cost escalation or other changes. It facilitates critical thinking about key assumptions in programme design and mechanisms for preventing or mitigating risks. It should involve all major element of a programme and would usually take the form of a risk matrix that links risks, their likelihood of occurrence or importance, and proposed mitigation measures.</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> Any programmes for which there are no credible mitigation measures should be considered for exclusion from the plan.</p>	<ul style="list-style-type: none"> <li>• Strategy and programme documents</li> <li>• Risk analysis</li> </ul>
<p><b>Beneficiary analysis</b></p> <p><b>Purpose:</b> To facilitate the design and targeting of programme activities, as a tool for assessing potential programme impact, and as a baseline for monitoring and evaluation during implementation.</p> <p><b>Approach:</b> A full description of programme beneficiary characteristics should be provided including overall numbers targeted, geographic locations, economic and social status.</p> <p><b>Importance:</b> Medium</p> <p><b>Recommendation:</b> A minimum level of beneficiary analysis should be required at the review stage but this could be refined once detailed programme elements are agreed.</p>	<ul style="list-style-type: none"> <li>• Socio-economic assessments</li> <li>• Household surveys</li> <li>• Government statistics</li> </ul>
<p><b>Financial and economic assessment (including cost-benefit analysis)</b></p> <p><b>Purpose:</b> To assess the financial and economic viability of proposed programmes within the investment plan and their potential impact at the beneficiary, community and macro-economic level.</p> <p><b>Approach:</b> A number of different cost-benefit analytic tools can be used as part of the financial and economic analysis of specific programme components. An overall programme rate-of-return, with sensitivity analysis, break-even point, and cost-effectiveness analysis would be used. A combination of various tools may be most appropriate in order to capture the complicated nature of a sector wide programme. Well-known “rules of thumb” can be applied to test the adequacy and robustness of the results, and are appropriate at the investment plan stage. The Review Team will be expected to determine the suitability of the tools used in the draft plan and to apply different tools in its analysis as it deems appropriate.</p> <p><b>Importance:</b> High</p>	<ul style="list-style-type: none"> <li>• Project evaluations</li> <li>• Commodity, enterprise or sub- sector analysis</li> </ul>

<p><b>Recommendation:</b> The methodology for the financial and economic assessment should be well developed prior to the review. A draft of the analysis should also be undertaken but can be refined following more detailed development of the programme. Failure to develop a methodology may indicate lack of understanding about the scope of project benefits.</p>	
<p><b>Indicative financing plan</b>  <b>Purpose:</b> To identify sources of existing or pipeline financing available for the investment plan and establish the scale of the financing gap.  <b>Approach:</b> The financing plan should be comprehensive so that it covers both on- and off-budget financing sources, both core sector and related sector budgets, and traditional and non-traditional donors. Expenditure ceilings or other constraints should be clearly identified. To the extent possible future commitments should be listed.  <b>Importance:</b> High  <b>Recommendation:</b> The financing plan should clearly show all known financing sources with a full breakdown by donors or government source. It is not necessary to demonstrate how the gap will be financed at the review stage but clear linkages should be made with prioritization of expenditures.</p>	<ul style="list-style-type: none"> <li>• Government Project evaluations</li> <li>• Commodity, enterprise or sub- sector analysis</li> <li>• Budgets</li> <li>• Donor assistance strategies</li> </ul>

## Annex 2: Operational design and review of investment plans

TASK	Responsibility
<p><b>Road map for investment plan formulation</b> Immediately after the signing of the Compact (or as soon as possible in the case of countries where Compacts have already been signed) government, DWG, RECs, PLIs and AU/NEPAD should prepare a road map outlining the steps and indicative time horizon for preparing a sector investment plan. The key elements of the road map should be:</p> <ul style="list-style-type: none"> <li>• Quick diagnosis of the state of readiness for review of existing investment plans</li> <li>• Agreement on the scope and scale of TA support needed to prepare an investment plan</li> <li>• Coordination of funding from different sources (FAO, MDTF, bilateral) for implementing the road map</li> <li>• Agreement by all parties not to provide TA for investment planning outside the roadmap process</li> <li>• Discussion on defining the financing gap, its scale (if not already evident in the compact) and the “fiscal space” as indicated by the ministry of finance</li> <li>• Discussion of the process of aligning existing programmes with sector strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Initiated by government</li> <li>• Coordinated by REC or AU/NEPAD in cases where coordination by REC is not effective</li> <li>• DWG dialogue with donor HQs</li> <li>• MoF</li> <li>• MoA</li> </ul>
<p><b>Management and implementation</b> The investment plan formulation process would be managed by government with the support of the AUC, NPCA, RECs and Pls. AUC, NEPAD and RECs will in liaison with Government and local DWG identify TA willing and able to lead technical review support, within the rules of the different TFs. It is expected that the PLIs would play a central role in providing or arranging the TA for the design of technical programmes. RECs will coordinate across countries</p>	<ul style="list-style-type: none"> <li>• Government</li> <li>• AUC, NPCA, RECs</li> </ul>
<p><b>Technical Review</b> The review of the investment plan (or due diligence process) would be conducted by a review team led and managed by NPCA. The review, which would take 2-3 weeks, would focus on (see Section 3.2 for details):</p> <ul style="list-style-type: none"> <li>• Alignment with CAADP targets, principles, and processes led by AUC/NEPAD and RECs</li> <li>• coherence and consistency with long term growth and poverty reduction objectives led local experts with expert support from other institutions including ReSaKSS</li> <li>• Embodiment of best practices led by Pillar Lead Institutions</li> <li>• Operational quality and implementation readiness by specialised institutions, assisted with independent consultants where necessary</li> <li>• Alignment with Compact commitments by Government, ADWG, and other key country stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• NPCA-led Review Team</li> </ul>
<p><b>Completion of review</b> Once the review has been completed, the investment plan plus the review reports are circulated to RECs, AUC, NEPAD, Development Partners agencies, other CAADP implementation institutions and key stakeholder groups</p>	<ul style="list-style-type: none"> <li>• NPCA and RECs</li> </ul>