



MALAWI CAADP COMPACT

TO SUPPORT

THE SUCCESSFUL IMPLEMENTATION OF THE AGRICULTURAL SECTOR WIDE APPROACH

A. Background

1. CAADP as an African-Owned Agenda and Shared Development Framework

Under the New Partnership for Africa's Development (NEPAD), Africa's Heads of State and Government recognized the critical importance of agriculture as the cornerstone of sustained growth and poverty reduction. In the Second Ordinary Session of the Assembly of the African Union in Maputo (10-12 July 2003), Africa's Heads of State resolved to implement the Comprehensive African Agriculture Development Programme (CAADP) and flagship projects as a matter of urgency to put African agriculture on the path of strong and sustained growth. The main goal of CAADP is to enhance agriculture-led economic growth, eliminate hunger, reduce poverty, food and nutrition insecurities, and enable the expansion of exports. CAADP is an African developed programme with tailor-made priority investment areas, led by African leaders. In partnership with AU/NEPAD, Regional Economic Communities are mandated to coordinate and harmonize implementation in their different regions. In the case of Malawi, COMESA facilitates the CAADP development process, which fully reflects its broader principles of mutual review and dialogue, accountability, and partnership.

2. CAADP as a Value Addition Agenda at the Country Level

Although continental in scope, the CAADP agenda is an integral part of Malawi's efforts to promote food security and economic development through agricultural-led economic growth in order to achieve the Millennium Development Goals. CAADP therefore promotes harmonized strategic planning and implementation for partnership and development assistance and aims at enhancing the capacity of government staff in technical and management skills for investment promotion. Furthermore, realignment to this African-owned initiative provides a window to

utilize political, technical and financial support. In aligning with CAADP, African countries adopt a common commitment to achieve an annual growth rate of 6% and above in agriculture and meet the Maputo Pledge of allocating at least 10% of national budgets to the sector.

3. Goal of CAADP in Malawi

The ultimate goal of the CAADP process in Malawi is to improve agricultural development through a coherent long-term framework that guides the planning and implementation of priority development and investment areas in current and future revisions of the national agricultural development and food security strategy. It will help to identify strategic options and sources of pro-poor growth for the agriculture sector; build knowledge management systems in the sector and embrace peer review mechanisms to enhance collective responsibility and local ownership. To these ends, the Government of Malawi will contribute at least 10% or more of its national budget to pursue 6% average growth rate in agriculture in order to increase agricultural productivity and diversity for improved food and nutrition security and increase agricultural incomes of rural households.

The Agriculture Sector Wide Approach (ASWAp) is Malawi's national agricultural development and food security strategy and is aligned to the CAADP pillars and the overarching national development framework, the Malawi Growth and Development Strategy (MGDS). The MGDS has targeted agriculture as the driver of economic growth by recognizing that food security is a pre-requisite for economic growth and poverty reduction. The MGDS aspires to attain the Malawi Vision 2020 and the Millennium Development Goals particularly Goal Number One, of halving extreme poverty by 2015.

B. Rationale for Malawi CAADP Compact

In advancing the Government of Malawi's vision and commitment to economic development, the Compact: (a) sets the parameters for long-term partnership in the agricultural sector; (b) highlights the commitments of government, national stakeholders and development partners; and (c) clarifies stakeholder expectations in order to ensure successful implementation of the ASWAp.

The Compact therefore sets the context for joint sector policy, budgetary and investment dialogue, and commitments to align, scale up and improve the quality of long-term sector investment. The Compact confirms and provides consensus around the goals and priorities that Malawi has set to accelerate agriculture growth and improve food and nutrition security, and the partnership and assistance that are required to achieve these goals. The ultimate purpose is to: (i) increase the effectiveness of planning and execution of government efforts; (ii) increase the effectiveness and delivery of external assistance in the agricultural sector with coordinated development partner support and limited transaction costs; and thereby (iii) provide a solid framework under which resources can be scaled up, to help meet the short- and long-term investment needs in the sector.

C. Malawi's Development Agenda

Malawi's ASWAp is aligned to international and regional development agendas. Closely linked to the Malawi Growth Development Strategy, the ASWAp is designed to help Malawi achieve the Millennium Development Goals through agriculture-led economic growth. The ASWAp incorporates the principles of international resolutions such as the World Summit on Food Security by the Food and Agriculture Organization, the Paris Declaration on Aid Effectiveness and Agricultural Trade Policy by the World Trade Organization.

The MGDS focuses on increasing the level of economic growth to at least 6 percent per annum on a sustainable basis in line with the commitments in CAADP. It places emphasis on key priority areas which include: i) agriculture and food security; ii) greenbelt irrigation and water development; iii) transport infrastructure development and Nsanje inland port; iv) education science and technology; v) public health sanitation and HIV and AIDS management; vi) youth development and empowerment; vii) integrated rural development; viii) energy mining and industrial development; and ix) climate change and natural resources and environmental management.

At sector level, the MGDS aims at increasing agricultural productivity and food diversity by: (i) increasing value addition to agricultural products by smallholder farmers and orienting smallholder farmers to greater commercialization; (ii) strengthening the linkages of farmers to markets through infrastructure development; and (iii) enhancing irrigation and water development.

D. Malawi's Agricultural Development and Food Security Agenda

The Malawi Government agreed with stakeholders and development partners to formulate the Agriculture Sector Wide Approach (ASWAp) as a means for achieving the agricultural growth and poverty reduction goals of the Malawi Growth and Development Strategy in the first phase of implementation. It recognizes that food security is a pre-requisite for economic growth and poverty reduction. The ASWAp, therefore, offers a strategy for supporting priority investments in the agricultural sector to increase agricultural productivity for making Malawi a hunger-free nation for all, including the highly vulnerable, to enable people to access nutritious food and increase the contribution of agro-processing to economic growth.

The ASWAp is led by the Government of Malawi; it envisages a single comprehensive programme and budget framework. The ASWAp will work towards a process for better development partner coordination and harmonization of investment and alignment of funding arrangements between Government of Malawi and development partners. It will also promote increased use of local procedures for programme design, implementation, monitoring and evaluation.

The ASWAp identifies three focus areas¹ for priority investment to achieve sustainable agricultural growth and development:

- i) Food security and risk management;
- ii) Commercial agriculture, agro-processing and market development; and
- iii) Sustainable agricultural land and water management.

Furthermore, the ASWAp identifies two supporting programme pillars:

- i) Technology generation and dissemination; and
- ii) Institutional strengthening and capacity building.

The ASWAp has mainstreamed cross-cutting themes of gender, HIV and AIDS. It also takes account of the importance of climate change and the environment. The ASWAp document is a living document and will continue to evolve in the spirit of continued collaboration and dialogue with government, development partners and other relevant stakeholders

E. ASWAp Stakeholder Partnerships and Commitments

1. Purpose, Principles, and Modalities of Partnerships

This compact supports partnerships amongst the Government of Malawi, the development partners, civil society and private sector organizations to promote the successful implementation of the ASWAp in line with the principles, modalities, and commitments agreed in this Compact. The partnership modalities and principles follow the consultative, long-term, sector-wide strategic planning and programmatic approach to implementation.

The CAADP Compact shall be *owned* by the Government of Malawi and in *partnership* with other sector players. All partners acknowledge the importance of *harmonization* and *alignment*, as well as the principles of mutual *transparency* and *accountability*.

2. Government Commitments under the ASWAp and Partnerships

In implementing the Paris Declaration on Aid effectiveness and the Accra Action Plan, the Government of Malawi commits to promote long-term economic growth and development to reduce poverty and achieve food and nutrition securities. The CAADP framework is therefore useful to achieve the objectives related to Malawi's vision for economic development through: (i) improved food security and risk management; (ii) commercial agriculture, agro-processing and market development; (iii) sustainable agricultural land and water management; (iv) technology generation and dissemination; and (v) institutional strengthening and capacity building. The Government commits to efficiency and effectiveness in the utilization of public expenditure in pursuing the implementation of the ASWAp/MGDS objectives.

¹¹¹ See Annexure 1

The Government of Malawi commits to sustain or increase the CAADP recommended 10% of the national budget to the agriculture sector, to achieve at least 6% agricultural growth. The Government of Malawi also commits to; strengthening the quality of data to enhance monitoring and evaluation systems necessary to track ASWAp results; the regular reporting of ASWAp accomplishments; and to the contracting of an adequate number of qualified personnel for ASWAp oversight and implementation

Government will strengthen opportunities for dialogue with key stakeholders within the sector through the institution of a national and district partnership forum, multidisciplinary sector working groups, technical working groups and executive management meetings. Furthermore, joint quarterly, semi-annual and annual reviews implemented through the foregoing structures will ensure coordination, transparency and accountability in ASWAp implementation.

3. Development Partners' Commitments under the ASWAp Agenda

The Development Partners recognize CAADP as an effective vehicle for mobilizing support to the agriculture sector in Africa. This has been recognized in the L'Aquila Declaration and at various other African Union, International Agriculture and Food Security Summits. The development partners further recognize that national political will is fundamental to implement the CAADP agenda.

Development partners commit collectively to the ASWAp objectives and framework, and realize that achieving the Millennium Development Goals and meeting Malawi development goals will require a harmonized investment plan which is closely aligned with the objectives of the ASWAp.

All development partners in agriculture commit to further aligning assistance to the ASWAp, in consultation with the government to provide indications of future aid to the sector on a multi-year basis; to improve predictability and allow better planning, budgeting, and implementation. The development partners commit to provide such aid consistent with the principles defined in the ASWAp and the Development Aid Strategy (DAS).

4. African Union, NEPAD and Regional Economic Communities (RECs) Commitments

In a number of declarations, the African Union, and Regional Economic Communities such as COMESA and Southern Africa Development Community (SADC) commit to supporting countries in their endeavors to define priority programmes to attain CAADP aspirations; they also commit to support Malawi's CAADP Compact implementation. Likewise, the African Union and COMESA commit to support implementation of Malawi's CAADP Compact through mobilization of international and regional political, financial and technical support.

5. Private Sector, Civil Society and Agriculture Union's Commitment

Given the need to work in appropriate partnerships to realize the goals set in the Millennium Development agenda and other international food and agriculture summits; the CAADP agenda supports the regional level, the MGDS supports the national level and the ASWAp at a sectoral level. The private sector, civil society organizations and agriculture unions commit to work effectively in partnership with Government and people of Malawi in enhancing: (i) food security and risk management; (ii) commercial agriculture, agro-processing and market development; (iii) sustainable agricultural land and water management; (iv) technology generation and dissemination; and (v) institutional strengthening and capacity building to benefit of the people of Malawi, private sector development, civil society and union advocacy.

F. ASWAp Implementation arrangements

1. Governance and Management

The ASWAp commits the Government of Malawi to strengthening accountability, transparency and participation in the agriculture sector at central and local levels. This commitment will facilitate the participation of farmers, both men and women, in decision-making that will affect their own livelihoods. Ultimately, this will enhance the targeting of vulnerable groups, and improve the quality of ASWAp programme implementation and financial management.

In the post Compact process Government, Development Partners and stakeholders will collaborate in refining roles and responsibilities of the various actors and the governance structures that will guide ASWAp implementation.

2. Funding Mechanisms

Government and Development Partners agree on the need for harmonization of investment in the agriculture sector. The ASWAp identifies pooled, earmarked and discrete funding modalities to support priority sector investments; and development partners acknowledge the Government of Malawi's preference for pooled funding arrangements. Following the CAADP Compact signing, Government and Development Partners will work together in completing the details of the ASWAp investment framework. The Government of Malawi recognises the importance of working with Development Partners in completing the investment framework and mobilising the funds for its implementation.

3. Implementation Capacities

The Government of Malawi, through the Ministry of Agriculture and Food Security, commits to strengthen capacities for meeting personnel, institutional, and logistical requirements for timely ASWAp implementation. The Development Partners commit to working in partnership with Government of Malawi to ensure Technical Cooperation is provided in a manner that is well coordinated to meet the required capacities for effective ASWAp implementation.

G. Key stakeholder endorsements

By endorsing this Compact:

- 1) The Government of Malawi pledges to fulfill the commitments specified therein, in line with the goals, objectives, principles, and modalities laid out in the ASWAp;
- 2) The Development Partners pledge, collectively, to fulfill the commitments specified therein, in line with the Paris Declaration and the Accra Agenda for Action;
- 3) African Union/NEPAD, Pillar Institutions and Other Regional Partners pledge collectively, to fulfill the commitments and resolutions made in the African Union and international food and agriculture summits;
- 4) The Private Sector, Civil Society and Agriculture Unions, collectively, pledge their support to realizing the aspiration of this Compact.

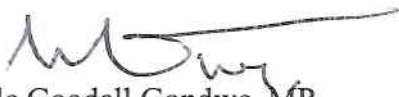
Signatures

For and on behalf of the Government of Malawi



Honorable Margaret R Mauwa, MP

Deputy Minister of Agriculture and Food Security



Honorable Goodall Gondwe, MP

Minister for Local Government and Rural Development



Honorable Ken Kandodo, MP

Minister of Finance



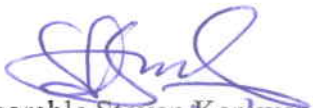
Honorable Abbie Malambika Shaba, MP

Minister of Development Planning and Cooperation



Honorable Richie Biswick Muheya, MP

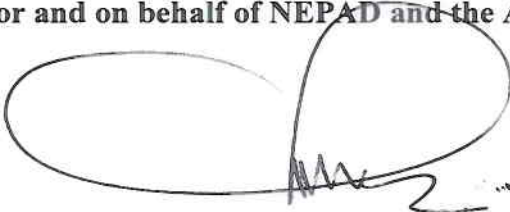
Minister of Irrigation and Water Development



Honorable Steven Kamwendo

Deputy Minister of Industry & Trade

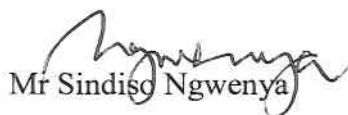
For and on behalf of NEPAD and the African Union



His Excellency Dr Ibrahim Assane Mayaki

Chief Executive of NEPAD

For and on behalf of COMESA



Mr Sindiso Ngwenya

Secretary General

For and on behalf of the Donor Committee on Agriculture and Food Security (DCAFS)



Dr Vincent O'Neill

Chairperson

DCAFS

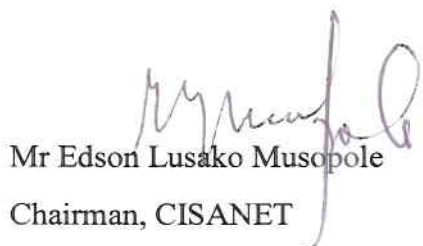
For and on behalf of the Private Sector

 19/04/2010

Ms. Edna Chamgwera

Representative of the Malawi Chamber of Commerce and Industry

For and on behalf of the Civil Society

 19/4/2010

Mr Edson Lusako Musopole

Chairman, CISANET

For and on behalf of the Farmers Union of Malawi



19.04.2010

Mr Abiel Keriya Banda

President, Farmers Union of Malawi

Annexure 1
Corresponding CAADP Pillars and ASWAP Key Priority Areas

CAADP Pillars	ASWAP Focus Areas	ASWAP Objectives
Increasing food supply and reducing hunger (Pillar 3)	1. Food Security and Risk Management	• Maize self-sufficiency • Diversification of food production for improved nutrition with focus on crops, livestock and fisheries Risk management for food stability at national level • Risk Management for food stability at National level
Improving rural infrastructure and trade-related capacities for market access. (Pillar 2)	2. Commercial Agriculture, Agro-Processing and Market Development	• Agricultural exports for improved balance of trade and income • Commercial agriculture and agro-processing for value addition and import substitution • Market development for inputs and outputs through public/private sector partners
Extending the area under sustainable land management. (Pillar 1)	3. Sustainable Agricultural Land and Water Management	• Sustainable agricultural land management • Sustainable agricultural water management and irrigation development • Sustainable management of the effects of climate change
Agricultural research, technology dissemination and adoption. (Pillar 4)	Technology Generation and Dissemination. (Key Support Services)	• Conducting results and market oriented research on priority technology needs and provision of technical and regulatory services • Provision of efficient farmer-led extension and training services
Institutions. (cross-cutting)	Institutional Strengthening and Capacity Building. (Key Support Services)	• Strengthening public management systems • Capacity building of the public and private sectors
	HIV Prevention and AIDS Impact Mitigation (cross cutting)	• HIV related morbidity and mortality attrition minimized • Enhanced resilience and household coping mechanisms • HIV infection risks and vulnerabilities reduced
	Gender Equity and Empowerment (Cross cutting)	• Gender disparities reduced • Enhanced capacity of youth, women and men