



Hamisi Abdalla Rubalati grows maize, cassava and other vegetables on his land in Kisarawe District, Tanzania (2008). Tanzania has seen foreign investment in agriculture on a large scale in recent years. Photo: Aubrey Wade/Oxfam.

# THE NEW ALLIANCE: A NEW DIRECTION NEEDED

Reforming the G8's public-private partnership on agriculture and food security

The New Alliance for Food Security and Nutrition, launched at the G8 summit in 2012, promised to reduce poverty for 50 million people over the next ten years by increasing private investment and agriculture-led growth in selected African countries. One year after the initiative's launch, evidence about its implementation presents a worrying picture of its early performance. Donors, developing country governments, and participating companies must make key reforms, or this initiative risks harming rather than helping small-scale producers.

# 1 INTRODUCTION

The past decade has witnessed a resurgence of interest in investing in agriculture. In 2003, heads of state from across Africa committed to allocate at least 10 per cent of their national budgets on an annual basis to agriculture and, through their commitment to the Comprehensive Africa Agriculture Development Programme (CAADP), to reduce poverty through agriculture-led growth.<sup>1</sup> More recently, at the 2009 G8 Summit in L'Aquila, Italy, world leaders responded to the global spike in food prices by pledging to provide \$22bn over three years to promote food security in developing countries.<sup>2</sup>

The need for sustained public funding for agriculture is as pressing as ever: across sub-Saharan Africa 234 million people are undernourished;<sup>3</sup> the majority of them, as in the rest of the world, rely on food production for their livelihoods.<sup>4</sup> But, as the 2013 'G8 Accountability Report' notes, national agriculture plans face serious funding shortfalls, of approximately 50 per cent of what is needed. In the modest language of political communiqués, 'considerably more' needs to be done by both African governments and donors to close the financing gap.<sup>5</sup>

Amidst tight budgets and austerity measures, donors and developing countries are increasingly turning to the private sector. Public-private partnerships (PPPs), aimed at leveraging the resources of private investment to achieve development objectives, represent an emerging trend in this direction.<sup>6</sup> The New Alliance for Food Security and Nutrition, launched at the 2012 G8 Summit is one such example. At its inception, the initiative promised to deliver \$3bn in agriculture-related investments from African and multinational companies, with the goal of lifting 50 million people out of poverty over the next decade.<sup>7</sup>

Private investment in the agriculture sector of developing countries, especially investment made by small-scale producers themselves, is critical to driving inclusive growth. However, there are good reasons to be sceptical that large-scale private investment, even in well-intentioned PPPs, can benefit small-scale producers. As Oxfam has documented time and again, local communities too often lack the political power and voice needed to claim their rights and to ensure that investments support rather than undermine their livelihoods, for example, as a result of land or water grabs.<sup>8</sup> Initiatives such as the New Alliance must address this challenge, working with stakeholders to develop and execute investments that are rooted in a shared vision for development and built on partnerships not just with companies and governments, but also with small-scale producer organizations (POs), civil society, and local communities themselves.

To understand better how the New Alliance is being implemented, Oxfam conducted fact-finding research in several of the early adopting countries (specifically Ghana, Tanzania, and Mozambique<sup>9</sup>). This paper also draws on Oxfam's experience as a member of the Alliance's Leadership Council. The research did not cover countries which joined the New Alliance in 2013. While the evidence gathered does not capture community perspectives regarding specific investment activities, it does provide a snapshot of current activities and concerns identified by a variety of stakeholders. The findings paint a picture of

an initiative in need of a major correction to the course it is currently on. These reforms must address both process and content: the process of designing and implementing investment activities and policy reforms, as well as the content of these partnerships and the kinds of investment being promoted.

## **The nuts and bolts of the New Alliance**

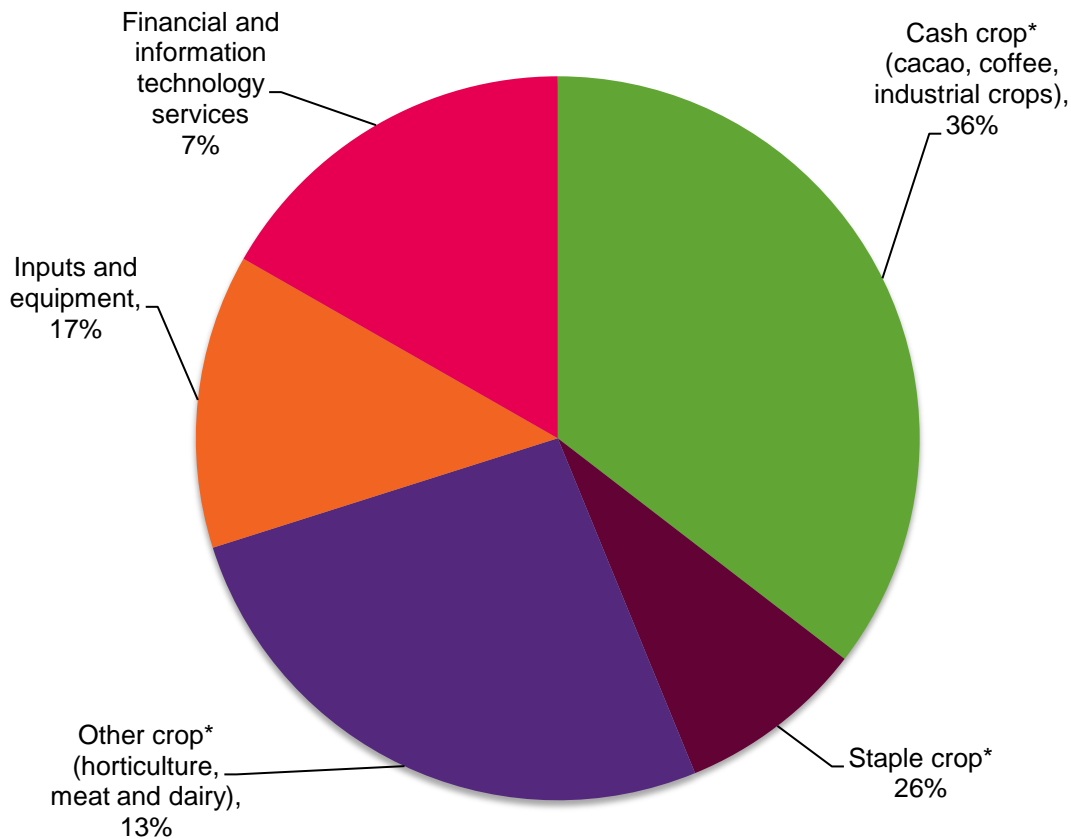
From the initial set of countries announced at the launch of the New Alliance in 2012, the initiative has now grown to involve ten African states – Benin, Burkina Faso, Côte d'Ivoire, Ethiopia, Ghana, Malawi, Mozambique, Nigeria, Tanzania, and Senegal – and well over 100 companies.<sup>10</sup>

To achieve the poverty reduction goal the New Alliance has set for itself, the initiative has committed to

- bring responsible investments, expertise, and innovation into African agriculture from small and medium-sized enterprises (SMEs) as well as from multinational enterprises;
- align corporate investments with CAADP in order to reinforce national agriculture investment strategies;
- promote policy reforms to create an enabling environment for business.<sup>11</sup>

This combination of focused investments and reformed policies is intended to drive inclusive agriculture-led growth that can improve food security and livelihoods.<sup>12</sup> The 84 corporate investments in the first six New Alliance countries span the value chain from production to processing to marketing, and include commitments from 37 African firms, 36 multinational enterprises and ten multi-stakeholder initiatives (involving multiple corporate partners).<sup>13</sup>

**Figure 1: Company commitments by category of investment**



\*Refers to production, processing or procurement commitments

Source: 'Cooperative Framework Agreements'

Commitments for each partner in the New Alliance – companies, governments, and donors – are outlined in Cooperative Framework Agreements (CFAs).<sup>14</sup> These publicly available documents detail the investments that companies commit to bring to New Alliance countries and the policy reforms that countries agree to undertake. The CFAs also detail the role of donors and their intended levels of development assistance for agriculture and nutrition, often on a multi-year basis.<sup>15</sup> There is no indication regarding what, if any, portion of donor funding will be directed to co-investment with companies.

The G8 has served as a primary focal point for this initiative at the global level, and host governments in New Alliance countries have been instrumental in shaping it at the national level. Grow Africa<sup>16</sup> and the World Economic Forum have also been substantially involved, particularly in a convening role. A Leadership Council was formed late in 2012; it is comprised of G8 representatives, heads of state or high-level representatives from five African countries, CEOs from seven participating companies, one civil society organization (CSO), and two regional farmers' organizations.<sup>17</sup> Oxfam currently serves on this body on an interim basis.

# 2 PERFORMANCE AND PITFALLS

In reviewing CFAs and supplementary materials in the initial six New Alliance countries and interviewing key stakeholders from government, the private sector, producer organizations, and civil society, Oxfam's analysis has identified concerns in four areas:

- civil society participation and transparency;
- policy reforms to benefit business;
- accountability, standards, and safeguards;
- the impact on small-scale producers.

Some of these findings will not be surprising to those who have followed the development of this initiative since its launch. In fact, a number of the observations raised here were also identified in the New Alliance's own '2013 Progress Report'. Other issues have received less attention, especially those regarding the relationship between New Alliance investments and the role of small-scale producers, particularly women. These issues go to the heart of the model of investment that is being promoted by the New Alliance, and they demand urgent attention.

## Civil society participation and transparency

The CFAs focus on the role of companies and governments in the New Alliance. However, POs and CSOs representing the interests of women, the rural poor, and consumers are also crucial stakeholders. They have a role to play in identifying investment opportunities, contributing to policy reform discussions, working directly with participating companies, and providing oversight and accountability for this initiative. This role is underscored by the emphasis given to POs and CSOs in CAADP,<sup>18</sup> which provides the broader framework for the New Alliance.

To date, and as highlighted by individuals interviewed by Oxfam and in the '2013 Progress Report' itself, the participation of POs and CSOs has so far been ad hoc and inadequate. For example, they were not involved during the development of CFAs, and the negotiation process between governments and companies has not been open to public scrutiny or the participation of small-scale producers. As a result, the role of small-scale producers, as the chief investors in agriculture, is not prioritized in CFAs.

Unlike CAADP, the New Alliance has not developed guidance outlining the roles and responsibilities of stakeholders, including POs and CSOs. Nor are there specific benchmarks for their participation in the development of CFAs or implementation of New Alliance activities. Consequently, actors in each country – chiefly donors and government officials – are free to decide whether and how to engage stakeholders.

*Developing this multi-stakeholder, country level dialogue and establishing clear leadership to drive and track progress has taken time across the initial six New Alliance partner countries. Progress has been mixed... There is also a particular need to engage civil society proactively in this dialogue and as a partner in investment projects.*

*New Alliance Progress Report*



In some, but not all, of the countries surveyed by Oxfam, civil society groups reported participating in information meetings *after* the finalization of the country's CFA. At that stage, the key decisions regarding New Alliance investments had already been made. The meetings thus served primarily to share information rather than inform decision making. POs and CSOs further reported that they did not have a clear sense of how their input would influence the initiative. This lack of structured engagement has left little room for POs and CSOs to voice critiques of the New Alliance<sup>19</sup> or allow them to explore opportunities for partnership. As one CSO representative from Ghana reported, there was 'a gap between participation and meaningful dialogue' in these consultations.

Nor has the consultation process done enough to illuminate the details of the specific commitments made by companies. Each CFA contains summary details of proposed company investments, but Letters of Intent (Lols) signed between companies and governments have not been made publicly available.<sup>20</sup>

Despite these early shortcomings, in some countries multi-stakeholder CAADP platforms, such as working groups and steering committees, have been identified to provide regular monitoring and oversight of the New Alliance. This welcome step holds the possibility of encouraging more consistent engagement with POs and CSOs and stronger alignment and integration with existing CAADP activities. However, this will require regular reporting and more timely information sharing than has so far occurred.

#### **Box 1: Aligning with CAADP: how does the New Alliance measure up?**

The New Alliance promises alignment with national agriculture investment plans, including CAADP, serving to channel increased private sector investment to augment national plans. So how is CAADP alignment working in practice?

- In Tanzania, New Alliance activities are aligned with the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) strategy, rather than with the country's CAADP plan. The SAGCOT initiative is more narrowly focused geographically and is more market-oriented in its approach than the CAADP strategy.<sup>21</sup>
- In Ghana, there appears to be better alignment between New Alliance activities and the country's CAADP plan. However, representatives of POs and CSOs have raised concerns that existing platforms to organize and oversee implementation of the government's agriculture investment strategy have not so far yielded better coordination between these organizations and companies in the New Alliance – i.e. alignment does not yet appear to be resulting in synergy between companies and POs.

## **Policy reforms to benefit business**

Increased participation of all forms of the private sector in African agriculture can bring benefits such as innovation and new capital.<sup>22</sup> But these activities will bypass small-scale producers, or worse yet, undermine their livelihoods, if investments are not coupled with appropriately designed and targeted public support, along with policies tailored to address the specific challenges small scale-producers face. Women in particular face unequal access to resources

and legal protections, exacerbating their marginalization and making it more difficult for them to realize opportunities in agriculture.<sup>23</sup> In the context of the New Alliance, there is a pressing need to ensure that policies prioritize the development of an enabling environment for small-scale producers – the primary investors in the agriculture sector – while promoting responsible corporate investments that contribute to rural economic growth, environmental sustainability, and poverty reduction.<sup>24</sup>

The choice of policy reforms included in CFAs has not been driven by the identified needs of small-scale producers. As noted above, POs and CSOs were not consulted in the process of developing CFAs and so had no clear role in determining the policy reform agenda, even though these reforms may have far-reaching impacts on their livelihoods. Instead, interviews with key stakeholders suggest that the selection of policy reforms was heavily donor-driven.

While some of the identified reforms may be included in country CAADP plans, inclusion of these policy changes in the New Alliance implies a prioritization of focus on creating an enabling environment for the private sector, rather than supporting small-scale food producers. As one interviewee from Ghana noted, New Alliance commitments may be used as a means of ‘fast tracking’ reforms in a manner that reduces the voice and influence of small-scale producers.<sup>25</sup>

The New Alliance Progress Report identifies 97 policy reforms that the six initial participating countries have agreed to undertake, along with timelines for enacting these changes. While the specifics vary from country to country, there is some consistency in the policy areas identified for action.

- All CFAs include changes to land laws and policies. These commitments range from demarcating and registering lands to establishing or streamlining procedures for land leases, to creating databases to identify suitable land for investment. If not undertaken with deliberate attention to their impacts on small-scale producers, these policies could put at risk small-scale producers’ access to and control over land and water.<sup>26</sup> In fact, CFAs do not include or reference analysis of land use or availability; information that is needed in order to contextualize these proposed policy reforms.
- Reform of seed and input policies to promote greater private sector investment in production, marketing, and distribution is also a consistent theme. This raises serious concerns that governments will prioritize the adoption and enforcement of strict intellectual property protections of companies over the rights of small-scale producers to develop, save, re-use, exchange, and sell seeds.
- A number of CFAs commit countries to lowering tax and trade barriers or streamlining the licensing procedures needed to start up businesses. In four of the six CFAs reviewed, the success of these reforms is measured, in part, by an improved ranking in the World Bank’s Doing Business Index, a tool the Bank’s own Independent Evaluation Group has criticized as failing to illuminate trade-offs between increased deregulation and development outcomes.<sup>27</sup>

Given the specific benchmarks and short timelines associated with enacting some of the proposed policy changes, deliberations on specific policy reforms have, in some instances, taken place without input from POs and CSOs. In Mozambique, for example, CSOs reported that they were caught by surprise

when proposed changes to seed policy were announced at the country's New Alliance launch event. These reforms had apparently been under discussion for several months, but key civil society stakeholders were not informed.

## Accountability, standards, and safeguards

Governments – in both donor and developing countries – bear the primary responsibility for ensuring that the New Alliance delivers on its poverty reduction objectives. Companies also have responsibilities for ensuring its success, but accountability lies, first and foremost, with national governments. This accountability must start with a shared understanding of how investment activities connect to poverty reduction objectives. It must also include a commitment to protect and promote the rights and interests of small-scale producers and local communities affected by company investments. Tools that can bring needed accountability include

- pre-agreed standards, including for meaningful participation and consultation of affected communities and groups through multi-stakeholder platforms;
- safeguards, including those grounded in human rights norms, to avoid negative impacts to individuals, communities and the environment;
- robust monitoring with defined targets and indicators to measure impact; and
- clear redress mechanisms.

These tools have not been developed by the New Alliance so far, though the application of a robust Accountability Framework may begin to address this.<sup>28</sup>

### Box 2: Global and local accountability

Achieving greater country-level ownership and accountability is necessary to improve the performance of the New Alliance. At the same time, the initiative also needs stronger global leadership in order to ensure that company and country performance contributes to its top-line poverty reduction goal. Shortly after the launch of the New Alliance, a Leadership Council (LC) was developed to serve this function, with participation from G8 and developing country governments, companies, POs and civil society.

In practice, the LC has been delegated a limited advisory function with no concrete decision making or oversight responsibilities. At present it lacks terms of reference (ToR) and a mandate outlining roles and responsibilities for members and clearly articulating how the LC relates to New Alliance decision making functions. Without this ToR, the LC has operated less effectively and less transparently than it might otherwise.

This shortcoming must be addressed immediately, and the LC should be vested with greater responsibility in contributing to decisions regarding the overall shape and direction of the New Alliance, in monitoring company activities, and to support the examination of policy reforms to ensure they contribute to poverty reduction, food security and nutrition outcomes.

It should also focus on accounting for the use of official development assistance (ODA) for New Alliance activities. The CFAs contain little concrete information on how donor funding will support national (CAADP) agriculture investment strategies or how much donor funding is being dedicated to co-investment with companies in the New Alliance.



Finally, the Leadership Council must do a better job of connecting global- and national-level dialogue. At present a significant gap exists between the high-level discussions of the LC and those taking place at the national level. Increasing communication and dialogue between actors at these different levels can provide an additional means of bringing much needed accountability to the New Alliance.

On paper, the New Alliance recognizes the need to promote standards and safeguards that can effectively guide company investments and policy reforms. In practice, much more needs to be done to support better governance of land and seeds and to avoid harm to small-scale producers. Each CFA includes the commitment that all parties in the New Alliance will 'take account of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security [VGGTs]... as well as the Principles of Responsible Agricultural Investment [PRAI] developed by IFAD, FAO, UNCTAD and the World Bank'.<sup>29</sup> Further, there is general language affirming an agreement to develop 'pilot implementation programs' in New Alliance countries.

At both the global and country levels, there has been limited discussion about how the New Alliance will support the implementation of the VGGTs.<sup>30</sup> Given the substantial number of policy reform commitments directly relating to land tenure and the management of natural resources, this is clearly an area where immediate attention is needed.

To address this concern, the VGGTs need to be implemented in full, not just those that facilitate private investment. Many of the proposed land policy reforms are designed to streamline processes to facilitate land transfers or the allocation of state land. On the other hand, the majority of CFAs do not include policy changes to implement or strengthen safeguard mechanisms to protect tenure rights, especially for poor and marginalized communities. These too are a part of the VGGTs.<sup>31</sup>

CFAs rightly point to the need to situate implementation of the VGGTs within a broader set of guidance on responsible investments in agriculture. At the moment, the Committee on World Food Security (CFS) is leading a process to develop just such standards – a process that should conclude in 2014. In light of this effort, use of the existing PRAI is inappropriate, even if on a pilot basis. Currently, the PRAI lack legitimacy; they were not developed in a consultative manner. They have also been criticized for being vague and lacking a framework for implementation.<sup>32</sup>

In the meantime, governments should promote and investors should adopt the most robust existing standards to plan and measure the impact of their investment activities, such as the International Finance Corporation's performance standards<sup>33</sup> and UN human rights norms.<sup>34</sup> And clear, accessible redress mechanisms need to be available in instances where community complaints arise.

The application of standards and safeguards in the New Alliance can ensure that policy reforms and company investments not only 'do no harm' to the surrounding communities where investments are made, but that they actively and positively affect the livelihoods of small-scale producers, particularly women, while also contributing to environmental sustainability. This, after all, is a goal of

the New Alliance as a PPP focused on deepening the development impact of the core business activities of participating companies.<sup>35</sup>

## Impact on small-scale producers

A key factor in determining whether the New Alliance will contribute to broad-based and inclusive growth in agriculture is the quality of engagement between participating companies and small-scale producers. This requires first and foremost, as one interviewee put it, a 'clear vision for the role of small-scale producers'. Without a defined role for small-scale producers and a clear analysis of existing community-level production and marketing models and constraints, the New Alliance risks promoting industrial-scale production that is disconnected from local producers and the formal and informal markets that they serve. There is the additional concern that this model of agriculture will damage the environment and undermine agro-ecological farming practices and the ability of small-scale producers to adapt to climate change.

### Company commitments and contract farming activities

For a number of the participating companies, summary information in the CFAs provides little or, in some cases no, information on how investments will engage or benefit small-scale producers. Instead, company summaries describe commitments to expand market presence for inputs such as seeds, chemicals, and mechanized farming and irrigation equipment. Improved inputs and increased mechanization can increase crop yields, but they will not contribute to poverty reduction unless they are situated within a broader context of regulations and policies to protect and promote the interests of agricultural workers, small-scale producers and the environment (e.g. sustainable use of land and water).

This broader context includes, among other things, measures that protect the health of farm labourers;<sup>36</sup> reduce the risks faced by small-scale producers in adopting new technologies; improve the environmental sustainability of agricultural practices; and promote the rights of small-scale producers regarding seeds.<sup>37</sup> These issues are not addressed in the CFAs.

Conversely, there are a number of examples of specific commitments to work with small-scale producers. These are often based on outgrower schemes connecting small-scale producers to larger nucleus farm operations. In Mozambique, for example, Rei do Agro, a locally incorporated firm with international financing, has been in operation since 2010, farming a total of 2,300 hectares. In the 2012/13 season, it contracted with 50 small-scale producers farming an additional area of around 250 hectares. In this arrangement outgrowers are provided with inputs (seeds and agro-chemicals), extension services, and mechanized field preparation and Rei do Agro serves as a purchaser.

Under fair conditions, contract farming can develop complementarities between large- and small-scale producers, yielding benefits for both. The exact nature of what constitutes a fair arrangement is context-specific and depends not just on the provisions of the contract but also on the broader legal and regulatory environment within a country.<sup>38</sup> In general, though, these arrangements will not benefit small-scale producers in an environment where substantial asymmetries of information exist or where there are unequal bargaining positions between small-scale producers/POs and companies. In order to benefit small-scale

*Summary information provided by 27 of the 38 MNEs in the New Alliance does not identify specific targets or strategies for reaching out to or benefitting small-scale producers.*

Data collected from CFAs

producers, contract arrangements need to ensure a fair sharing of risks and commit companies to purchase crops at fair prices. Provisions should be transparent and easy to understand and provide small-scale producers with adequate redress mechanisms.

As part of its New Alliance commitment, Rei do Agro plans to ‘increase production/procurement/off-take agreements’ for soybeans, maize, and sunflowers.<sup>39</sup> However, the Mozambique CFA lacks detailed information regarding how the company will structure these agreements and therefore how smallholder farmers will fare. This problem is not unique to Rei do Agro among companies participating in the New Alliance, of course. The initiative currently lacks a systematized mechanism (model contracts, technical assistance, transparency criteria, redress mechanisms, etc.) to ensure that best practices in contract farming arrangements are followed.

### **Measuring impact**

A number of the company representatives interviewed described their New Alliance commitments in terms of expanding existing operations and/or increasing the number of small-scale producers reached, rather than launching entirely new business activities. This suggests that many of the touted investments are not new; rather, they were under development prior to the launch of the New Alliance. Despite the fact that many of these business plans pre-date the initiative, a review of New Alliance company activities undertaken by GROW Africa found that 61 per cent of investments are still in the pilot phase.<sup>40</sup>

Further complicating this picture, because many of the commitments are designed around existing business activities, it is difficult at the community level to determine whether impacts are attributable to New Alliance-related commitments or to activities that predate this initiative.

#### **Box 3: Recruiting the right companies to achieve poverty reduction**

The drive to recruit private investment should not come at the expense of the quality of those investments or of the companies behind them. Past performance, especially regarding interaction with local communities and small-scale producers, should be part of a deliberate evaluation process before any company is invited to join the New Alliance.

However, the process of company recruitment for the New Alliance appears to have been ad hoc, rather than being based on a specific set of criteria or on an overarching analysis of the agriculture sector in individual countries. Moreover, no formal screening process has been used in the process of identifying participating companies.

- In Ghana, as in other countries, a number of the participating firms may have been selected due to existing relationships with USAID or other donors. As these companies, many of them SMEs, have some experience of working with development actors in PPPs, it is possible, though not inevitable, that they will be better equipped to design investments that are sensitive to the needs of small-scale producers.
- In Tanzania, one of the firms participating in the New Alliance has acquired land to which local communities also claimed a right. This led to conflict and eventually to the resettlement of some households. Given this history, there is scepticism that this firm’s investments will benefit local communities.<sup>41</sup>

## Supporting small-scale producers for collective action

One of the early lessons from this review of implementation of the New Alliance is the need to re-centre commitments, especially government and donor commitments and the policy reform agenda, around strengthening and empowering collective bodies that represent the interests of small-scale producers, including informal networks and formalized producer organizations. This must include encouraging the participation of, and leadership by, women.

Several company representatives interviewed for this study mentioned that they have limited ability and/or desire to interact directly with small-scale producers. Producer organizations, non-government organizations (NGOs) and SMEs acting as intermediaries have a crucial role to play in serving to organize individual small-scale producers and to serve as a link between these groups and larger-scale actors in supply chains. This approach has the benefit of allowing small-scale producers to strengthen their bargaining power, improve their access to credit, increase returns, and better manage the risks they face.<sup>42</sup> At the same time, it is often easier and more efficient for larger firms to work with organized groups of farmers than to try and reach farmers individually.

Finally, national governments participating in the New Alliance must remember that the industrial model of agriculture promoted in many company commitments will reach only a sub-set of small-scale producers – ‘those that can... make the transition to commercially viable small family farms’.<sup>43</sup> The investments and activities being undertaken under this initiative are not well suited to reach small-scale producers who are unorganized, who participate mainly in informal markets, or who have limited access to or control over productive assets such as land and water. For them, public investments, and even public procurement programs, are critical.

This underscores the need to ensure that donor and host government support for this initiative does not come at the expense of public sector investments or better public policy to meet the needs of small-scale producers who are not in a position to engage in value-chains. Women are heavily represented in this category and should be targeted for tailored support, for example through investments that increase the production and quality of the crops mainly under their control and help them to develop skills and capacity to enhance their participation in markets.<sup>44</sup> All of this should go alongside expanding women’s access to social protection, to improve and protect their lives and livelihoods.

*‘There is a clear challenge in how big companies fit with small producers. Too often, small producers lack the capacity and skills to negotiate strong contracts and to manage risk associated with contract farming.’*

Interviewee from Mozambique

# 3 CONCLUSIONS AND RECOMMENDATIONS

There is a substantial need for sustained public and private investments in African countries to spur broad-based growth in agriculture. There are also significant opportunities for poverty reduction and development. Growth in agriculture is, after all, twice as likely to improve the lives of people living in poverty as investments in other sectors.<sup>45</sup>

The challenge is to identify and support responsible private investments that benefit local communities and promote food security. The New Alliance, as it currently operates, faces substantial challenges in meeting this objective and is in need of serious reform to address shortcomings. From promoting better participation among stakeholders, who too often are left on the sidelines of global initiatives of this kind, to rethinking the policy reform agendas, to supporting the application of robust safeguards, the need to re-examine the New Alliance is urgent.

## **For New Alliance leadership (host and donor governments) and companies in each country, Oxfam recommends the following actions:**

- Strengthen the role of POs and civil society groups, including those representing women, the rural poor, and consumers. Recognize them as full partners in the initiative and include them in the multi-stakeholder platforms identified for the review and implementation of New Alliance activities. CFAs should include specific commitments for POs; and donors and host governments should provide specific technical and financial support to enable their participation in New Alliance activities. This includes, where necessary, providing funding to build the capacity and increase the reach of these organizations. Specific attention should be given to expanding the participation of women and increasing their leadership.
- Host governments should re-examine the existing set of proposed policy reforms to determine what impact they will have on small-scale producers, especially with regard to their access land and seeds. Identify and implement policy reforms that strengthen opportunities for small-scale producers and contribute to rural development. Policy reforms must not be fast-tracked simply in order to meet timelines set out in the New Alliance CFAs.
- Companies, with the support of host and donor governments, should identify and apply the highest existing safeguards and standards to New Alliance investments, and support the implementation of the VGGTs.<sup>46</sup> This includes undertaking environmental and social impact assessments of proposed investments to identify and mitigate activities with potentially harmful consequences. These assessments should be conducted as prerequisites to any company investment activity being included as part of New Alliance commitments. Additionally, clear redress mechanisms also need to be available to affected communities.
- Improve the transparency of the initiative by increasing available information at both the global and local levels. At a minimum, all Letters of Intent should be made publicly available so that the terms of company investments, the

commitments and agreements and the potential impact of their investments and activities can be evaluated before they are undertaken.

**Regarding the Leadership Council of the New Alliance, Oxfam calls for the following actions to be undertaken:**

- Immediately clarify the roles and responsibilities of the Leadership Council in providing oversight and decision making for the New Alliance. This should include a specific mechanism within the LC for holding countries and companies accountable for their commitments as well as their performance.
- Ensure that Southern civil society and producer organizations are represented on the LC. The current situation in which the Southern CSO seat is vacant is unacceptable, and must be addressed immediately. Financial assistance should be provided to Southern participants in order to facilitate their participation.
- Develop and apply screening tools to companies wishing to join the New Alliance. These tools should give weight to SMEs along with companies that can demonstrate a record of success in working with small-scale producers and in investments that clearly identify strategies to contribute to social and environmental sustainability.
- Develop and implement clear guidance, for use in host countries, regarding the development and implementation of CFAs. This guidance must include a clear plan for engaging with POs and CSOs in the decision making process for all New Alliance activities.
- Provide financial support for third-party independent monitoring of the New Alliance to determine what it is doing well and what is in need of improvement.



# NOTES

- 1 AU Maputo Declaration on Agriculture and Food Security in Africa.  
<http://www.nepad.org/nepad/knowledge/doc/1787/maputo-declaration>
- 2 “L’Aquila” Joint Statement on Global Food Security: L’Aquila Food Security Initiative (AFSI). <http://www.mofa.go.jp/policy/economy/summit/2009/statement3-2.pdf>. Of the \$22bn pledged at L’Aquila, only \$6.8bn was new or additional to existing funding levels.
- 3 FAO (2012) ‘The State of Food Insecurity in the World: Economic growth is necessary but not sufficient to accelerate reduction of hunger and malnutrition’.  
<http://www.fao.org/docrep/016/i3027e/i3027e.pdf>
- 4 UN Millennium Project Task Force (2005) ‘Halving Hunger: It can be done’.  
[http://www.unmillenniumproject.org/documents/HTF-SumVers\\_FINAL.pdf](http://www.unmillenniumproject.org/documents/HTF-SumVers_FINAL.pdf)
- 5 ‘Camp David Accountability Report: Actions, Approach and Results’ (2012).  
<http://www.state.gov/documents/organization/189889.pdf>
- 6 The US Agency for International Development (USAID) estimates it leveraged \$383m in private investments through PPPs in 2012 alone. Shah (2013) ‘USAID 2013 Annual Letter’. <http://transition.usaid.gov/annualletter/2013-annual-letter-r2.pdf>. Examples of the size and scope of public–private partnerships initiated by the EU can be found in Conley, H and Dukkupati U. (2012) ‘Leading from Behind in Public Private Partnerships?’ An assessment of European engagement with the private sector in development’.  
[http://csis.org/files/publication/120207\\_Conley\\_LeadingPubPrivatePartnerships\\_web.pdf](http://csis.org/files/publication/120207_Conley_LeadingPubPrivatePartnerships_web.pdf)
- 7 US State Department (2012) ‘Fact Sheet: G-8 Action on Food Security and Nutrition’, 18 May 2012. <http://www.whitehouse.gov/the-press-office/2012/05/18/fact-sheet-g-8-action-food-security-and-nutrition>
- 8 B Zagma (2011) ‘Land and Power: The growing scandal surrounding the new wave of investments inland’, Oxfam. <http://www.oxfam.org/sites/www.oxfam.org/files/bp151-land-power-rights-acquisitions-220911-en.pdf> and N. Tandon and M. Wegerif (2013) ‘Promises, Power and Poverty : Corporate land deals and rural women in Africa’, Oxfam. <http://www.oxfam.org/en/grow/policy/promises-power-and-poverty>
- 9 To gather information for this report, country research was carried out in Ghana, Mozambique, and Tanzania. Additional information was gathered from Oxfam staff in Ethiopia. The full list of early adopting countries is Burkina Faso, Côte d’Ivoire, Ethiopia, Ghana, Mozambique, and Tanzania.
- 10 Not all countries have formally launched the New Alliance. The list of corporate partners in the New Alliance can be found in each country’s New Alliance Cooperation Framework Agreement.
- 11 US State Department (2012) ‘Fact Sheet: G-8 Action on Food Security and Nutrition’, op. cit.
- 12 However, as the initiative’s first annual Progress Report notes, the ‘understanding of the linkages between investment, agricultural growth and other important development outcomes, such as food security, nutrition and women’s economic empowerment is still relatively weak’. New Alliance for Food Security and Nutrition ‘2013 Progress Report Summary’, p.3.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/205885/New\\_Alliance\\_progress\\_report\\_May\\_2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/205885/New_Alliance_progress_report_May_2013.pdf)
- 13 Data summarized from company commitment summaries provided in Cooperation Framework Agreements.
- 14 Cooperation Framework Agreements can be found at:  
<https://www.gov.uk/government/organizations/department-for-international-development/series/the-new-alliance-for-food-security-and-nutrition-corporate-frameworks>
- 15 In each New Alliance country, the CFA identifies one or more donors to serve as ‘lead interlocutor[s]’ at the country level, responsible for coordinating implementation of the initiative.
- 16 <http://growafrica.com/>
- 17 The Leadership Council is currently co-chaired by the African Union, and the UK. Country representation includes Ethiopia, Tanzania, Côte d’Ivoire, and Mozambique, along with representation from all 8 G8 members. Additional members include representatives from NEPAD, IFAD, the IFC, and FAO. For the private sector, the CEOs of Syngenta, Yara, Unilever, Cargill, Equity Bank, Omega Farms and Ghana Premium Foods are on the LC. POs and CSOs participants include Oxfam, the East African Farmers Federation and the Southern African Confederation of Agriculture Unions.

There is a seat reserved for a southern CSO voice which is currently unfilled.

- 18 CAADP has years of experience in seeking to bring the perspectives of POs and CSOs to the decision making process for agricultural investments in African countries. See: CAADP Working Group on Non State Actor Participation (2011) 'Guidelines for Non State Actor Participation in CAADP Processes'. [http://www.caadp.net/pdf/Guidelines ~ Non State Actor participation in CAADP processes.pdf](http://www.caadp.net/pdf/Guidelines~NonStateActorparticipationinCAADPprocesses.pdf)
- 19 A number of critiques of the New Alliance have been raised by civil society organizations. On the eve of the launch of the New Alliance, ROPPA, the Network of Farmers' and Agricultural Producers' Organizations of West Africa, wrote an open letter to the President of the African Union questioning the New Alliance. 'Letter from African Civil Society Critical of Foreign Investment in African Agriculture at the G8 Summit' (15 May, 2012) <http://www.foodfirst.org/en/Challenge+to+Green+Revolution+for+Africa>
- 20 These 'Letters of Intent' are assumed to provide greater detail than what is available in CFAs. This information would, for example, include the size, time frame and geographic focus of investment activities, along with details regarding linkages with small producers and assumed impacts.
- 21 B. Cooksey (2013) 'The Comprehensive Africa Agriculture Development Programme (CAADP) and agricultural policies in Tanzania: Going with or against the grain?' [https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CC4QFjAA&url=http%3A%2F%2Fwww.future-agricultures.org%2Fpp-conference-papers%2Fdoc\\_download%2F1646-caadp-and-agricultural-policies-in-tanzania-going-with-or-against-the-grain&ei=S814Up7wCoONyG2w4H4CA&usq=AFQjCNHmxqyPi1J4v6ReWhdcoNlgKKagYw&sig2=rS8aLDCXjEQzpcFzgc0mQ&bvm=bv.52164340,d.aWc](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CC4QFjAA&url=http%3A%2F%2Fwww.future-agricultures.org%2Fpp-conference-papers%2Fdoc_download%2F1646-caadp-and-agricultural-policies-in-tanzania-going-with-or-against-the-grain&ei=S814Up7wCoONyG2w4H4CA&usq=AFQjCNHmxqyPi1J4v6ReWhdcoNlgKKagYw&sig2=rS8aLDCXjEQzpcFzgc0mQ&bvm=bv.52164340,d.aWc)
- 22 E. Sahan and M. Mikhail (2012) 'Private Investment in Agriculture: Why it's essential and what's needed', Oxfam, <http://oxf.am/JCb>
- 23 FAO (2011) 'State of Food and Agriculture: Women in agriculture: Closing the gender gap for development,' Rome <http://www.fao.org/docrep/013/i2050e/i2050e01.pdf>
- 24 B. Vorley, L. Cotula and M. Chun (2012) 'Tipping the Balance: Policies to shape agriculture investment and markets in favor of small-scale farmers', Oxfam. <http://www.oxfam.org/en/grow/policy/tipping-balance>
- 25 In practice, companies have suggested that the current pace of policy reform is restraining their ability to move forward with their investments. As the Progress Report notes, 'Private sector partners have reported a number of significant constraints to implementing their investment plans ... The three most common challenges identified in all countries were: a) Laws, policies or regulations that constrain business operations; b) Government capacity to respond quickly; c) Access to capital.' New Alliance Progress Report, p.6. In both Ghana and Ethiopia, individuals familiar with the New Alliance note that some policy reforms are off-track, i.e. moving at a slower pace than scheduled according to the country commitment.
- 26 B. Vorley, L. Cotula and M. Chun (2012) op cit.
- 27 World Bank IEG (2012) 'Doing Business: An Independent Evaluation. Taking the Measure of the World Bank-IFC Doing Business Indicators'. [http://www.dbrpanel.org/sites/dbrpanel/files/db\\_evaluation.pdf](http://www.dbrpanel.org/sites/dbrpanel/files/db_evaluation.pdf)
- 28 A draft Accountability Framework has been circulated to members of the LC, but not yet adopted.
- 29 This text is standard in all CFAs reviewed. It should be noted that use of the PRAI has been highly criticized, given that they have not been endorsed or supported by the Committee on World Food Security. The full text and other information on the PRAI can be found at: <https://www.responsibleagroinvestment.org/node/256>. The full text and accompanying information regarding the VGGTs can be found at: <http://www.fao.org/nr/tenure/voluntary-guidelines/en/>
- 30 This issue has not been discussed at length in any meeting of the LC. Nor did Oxfam's research uncover specific efforts by New Alliance leadership at the country level to draw from technical guidance prepared by the FAO.
- 31 See for example, VGGT Sec. 3.3: '[States should s]afeguard legitimate tenure rights against threats and infringements. They should protect tenure right holders against the arbitrary loss of their tenure rights, including forced evictions that are inconsistent with their existing obligations under national and international law'; and more generally Sec. 7. <http://www.fao.org/docrep/016/i2801e/i2801e.pdf>
- 32 C. Huggins (2011) 'Corporate "Responsibility" and Human Rights Perspectives on the Global Land Rush'. Cirad, International Land Coalition. <http://www.landcoalition.org/publications/corporate-%E2%80%9Cresponsibility%E2%80%9D-and-human-rights-perspectives-%E2%80%9Cglobal-land-rush%E2%80%9D>
- 33 IFC (2012) 'IFC Performance Standards on Environmental and Social Sustainability', [http://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/ifc-sustainability/publications/publications\\_handbook\\_pps](http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc-sustainability/publications/publications_handbook_pps)

- 34 For example, 'The Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework'. <http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf>  
See also the work on this issue carried out by the Special Rapporteur on the Right to Food, Olivier De Schutter, especially, [http://www.srfood.org/images/stories/pdf/officialreports/srrtf\\_contractfarming\\_a-66-262.pdf](http://www.srfood.org/images/stories/pdf/officialreports/srrtf_contractfarming_a-66-262.pdf)
- 35 Callan and Davies distinguish two types of PPP: those that recruit companies to provide public goods such as education and health care, and those that seek to increase the development impact of core business activities. M. Callan and R. Davies (2013) 'When Business Meets Aid: analyzing public-private partnerships for international development'. [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2252309](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2252309)
- 36 According to the ILO, approximately 10 per cent of all fatalities among agricultural workers in developing countries, roughly 17,000 people per year, are caused pesticide or agro-chemical exposure. See: 'The ILO Programme on Occupational Safety and Health in Agriculture' [http://www.ilo.org/safework/areasofwork/WCMS\\_117367/lang-en/index.htm](http://www.ilo.org/safework/areasofwork/WCMS_117367/lang-en/index.htm)
- 37 These issues are discussed in the synthesis report on the Future of Agriculture project. See Oxfam (2013) 'The Future of Agriculture: Synthesis of an online debate,' <http://www.oxfam.org/sites/www.oxfam.org/files/dp-future-of-agriculture-synthesis-300713-en.pdf>
- 38 L. Wegner and G. Zwart (2011) 'Who Will Feed the World? The production challenge', Oxfam, <http://oxf.am/43Q>
- 39 No specific target numbers are identified for this activity.
- 40 'Grow Africa Secretariat 'Investing in the Future of African Agriculture: 1st annual report on private sector investment in support of country-led transformations in African agriculture' [http://growafrica.com/Grow\\_Africa\\_Annual\\_Report\\_May\\_2013.pdf](http://growafrica.com/Grow_Africa_Annual_Report_May_2013.pdf) The report includes all company commitments from New Alliance countries plus Kenya and Rwanda which are members of the Grow Africa initiative but are not participants in the New Alliance.
- 41 ActionAid (2013) 'What President Obama Should Know for His Upcoming Trip to Africa' <http://www.actionaidusa.org/2013/06/what-president-obama-should-know-his-upcoming-trip-africa-part-2-2-part-series>
- 42 S. Baden (2013) 'Women's collective action in African agricultural markets: The limits of current development practice for rural women's empowerment', Gender & Development Vol. 21, Issue 2. <http://www.tandfonline.com/doi/full/10.1080/13552074.2013.802882> - .Ui\_YFrz4vn0
- 43 '2013 New Alliance Progress Report' op. cit.
- 44 S. Baden. op. cit.
- 45 World Bank (2008) 'World Development Report: 2008: Agriculture for Development' Washington, World Bank.
- 46 A key initial step in the implementation of the VGGTs is the development of multi-stakeholder platforms as recommended in Sec. 26.2, 'Promotion, Implementation, Monitoring and Evaluation'.

© Oxfam International September 2013

This paper was written by Eric Muñoz. Oxfam acknowledges the assistance of Stephanie Burgos, Lies Craeynest, Tim Gore and many others in its production. It is part of a series of papers written to inform public debate on development and humanitarian policy issues.

For further information on the issues raised in this paper please e-mail [advocacy@oxfaminternational.org](mailto:advocacy@oxfaminternational.org)

This publication is copyright but the text may be used free of charge for the purposes of advocacy, campaigning, education, and research, provided that the source is acknowledged in full. The copyright holder requests that all such use be registered with them for impact assessment purposes. For copying in any other circumstances, or for re-use in other publications, or for translation or adaptation, permission must be secured and a fee may be charged. E-mail [policyandpractice@oxfam.org.uk](mailto:policyandpractice@oxfam.org.uk).

The information in this publication is correct at the time of going to press.

Published by Oxfam GB for Oxfam International under ISBN 978-1-78077-466-4 in September 2013.

Oxfam GB, Oxfam House, John Smith Drive, Cowley, Oxford, OX4 2JY, UK.

## OXFAM

Oxfam is an international confederation of 17 organizations networked together in 94 countries, as part of a global movement for change, to build a future free from the injustice of poverty:

Oxfam America ([www.oxfamamerica.org](http://www.oxfamamerica.org))

Oxfam Australia ([www.oxfam.org.au](http://www.oxfam.org.au))

Oxfam-in-Belgium ([www.oxfamsol.be](http://www.oxfamsol.be))

Oxfam Canada ([www.oxfam.ca](http://www.oxfam.ca))

Oxfam France ([www.oxfamfrance.org](http://www.oxfamfrance.org))

Oxfam Germany ([www.oxfam.de](http://www.oxfam.de))

Oxfam GB ([www.oxfam.org.uk](http://www.oxfam.org.uk))

Oxfam Hong Kong ([www.oxfam.org.hk](http://www.oxfam.org.hk))

Oxfam India ([www.oxfamindia.org](http://www.oxfamindia.org))

Intermón Oxfam ([www.intermonoxfam.org](http://www.intermonoxfam.org))

Oxfam Ireland ([www.oxfamireland.org](http://www.oxfamireland.org))

Oxfam Italy ([www.oxfamitalia.org](http://www.oxfamitalia.org))

Oxfam Japan ([www.oxfam.jp](http://www.oxfam.jp))

Oxfam Mexico ([www.oxfamMexico.org](http://www.oxfamMexico.org))

Oxfam New Zealand ([www.oxfam.org.nz](http://www.oxfam.org.nz))

Oxfam Novib ([www.oxfamnovib.nl](http://www.oxfamnovib.nl))

Oxfam Quebec ([www.oxfam.qc.ca](http://www.oxfam.qc.ca))

Please write to any of the agencies for further information, or visit [www.oxfam.org](http://www.oxfam.org). Email: [advocacy@oxfaminternational.org](mailto:advocacy@oxfaminternational.org)