Wolfgang Obenland

Corporate influence through the G8 New Alliance for Food Security and Nutrition in Africa

August 2014
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I. Introduction: What is the G8 New Alliance?

In times of growing impatience with the slow pace of global negotiations, the difficulties of governments to achieve compromises in the multilateral arena, and perceptions of public budgets as drained, new partnership models between governments, business and civil society are increasingly gaining attention. “Multistakeholder initiatives”, “public-private partnerships” and similar concepts are increasing in number and size. The United Nations (UN), for instance, is currently promoting partnerships in areas such as energy or maternal and children’s health, which claim to mobilize billions in funding for under-resourced policy sectors. While some of these initiatives have opened space for more participation, they deserve greater scrutiny regarding which interests they actually promote, what oversight mechanisms exist to monitor their activities, and whether there are more suitable and credible processes to fulfill their tasks.

One of the latest additions to the mosaic of political initiatives and programs in the field of food security and nutrition has been the “New Alliance for Food Security and Nutrition” (G8NA), inaugurated at the G8 summit of 2012 in the United States. It is a commitment by the governments of the G8, African countries and corporate sector partners to lift 50 million people out of poverty over the next ten years by “unleashing the power of the private sector.” Or, put more mildly, the self-proclaimed goals of the New Alliance are “to increase responsible domestic and foreign investments in African agriculture, take innovations that can enhance agricultural productivity to scale, and reduce the risk borne by vulnerable economies and communities.” To this end, under the umbrella of the G8NA, ten African governments have signed so-called Cooperation Framework Agreements (CFAs). CFAs include pledges and commitments by host countries, G8 countries, other public donors, and by national and transnational companies.

The G8NA attributes specific roles to those categories of actors and invites African countries to specify the parameters in their respective circumstances. The G8 governments have pledged to “expand Africa’s potential for rapid and sustainable growth”, including through its promise made in L’Aquila to align contributions with each African country’s implementation of the Comprehensive Africa Agriculture Development Programme (CAADP). Additionally, the G8 aims to support the preparation and financing of agricultural infrastructure projects, secure commitments to the Global Agriculture and Food Security Program and try to bring other actors, including the World Bank, on board the G8NA. The G8 also promises to improve its support for initiatives like Scaling Up Nutrition (SUN) and the Agricultural Risk Management Platform (PARM). There is no indication, however, regarding the extent to which donor funding will be directed to co-invest with companies under the G8NA.

The role for the private sector through the G8NA is not defined as clearly as that of host states. Despite this relative lack of clarity, several international and domestic companies have pledged to invest in areas relevant for food security and nutrition. While CFAs contain summary details of proposed company investments, letters of intent signed between companies and governments are not publicly available. Pledges by companies amount to roughly 7.2 billion dollars to date and come in very different shapes and forms. Some are huge and rather unspecific, like the pledge by the Norwegian company Yara to invest in fertilizer production to the amount of 1.5 to 2 billion dollars – if a suitable site for a plant can be found. Others are more concrete, like a pledge by the US company Cargill to commit “$1.35 million to improve vocational training in Zambia farming communities.”

The pledges and activities of the New Alliance for Food Security and Nutrition are comprehensive and cover areas such as education, health, nutrition and environment. The pledges and promises in the G8NA reflect the need to address the current food crisis, which had become severe during that year. For example, “open trade flows and efficient markets” are attributed a positive role in strengthening food security. For example, “open trade flows and efficient markets” are attributed a positive role in strengthening food security. For example, “open trade flows and efficient markets” are attributed a positive role in strengthening food security. For example, “open trade flows and efficient markets” are attributed a positive role in strengthening food security.

7 In L’Aquila, G8 governments pledged to increase official development assistance (ODA) towards agriculture. At the same time, the joint statement on food security contains the pledge to support public-private partnerships, specifically in development of infrastructure. The L’Aquila statement emphasized market-based instruments as solutions to the food crisis, which had become severe during that year. For example, “open trade flows and efficient markets” are attributed a positive role in strengthening food security.
11 USAID (2012).
12 Unless specified otherwise, money values are given in US Dollars.
14 G8NA (2012e).
of the private sector are coordinated by the Grow Africa partnership, which also provides the monitoring mechanism for private pledges.

As of July 2014, the G8NA includes ten African partner countries for which CFAs have been published: Tanzania, Nigeria, Mozambique, Malawi, Ghana, Ethiopia, Côte d’Ivoire, Burkina Faso, Benin and Senegal. For these countries, more than 200 investment pledges by companies have been made,\(^{15}\) including by 55 internationally active companies or groups.\(^{16}\)

Most are active in just one of the cooperating countries; only eleven have operations or stated intentions to invest in more than two countries. Among these private sector partners are some of the largest corporate giants of the food and agriculture industries or their service providers: AGCO, Cargill, Export Trading Group, SABMiller, SwissRe, Syngenta, Unilever, United Phosphorus, and Yara. Additional international actors are the Competitive African Cotton Initiative, the African Cashew Partnership, and the World Cocoa Foundation (cf. Table 1).\(^{17}\)

For each of the CFAs one or more G8 countries and international organizations serve as interlocutors. The US, for example, serves as interlocutor for the cooperation in Tanzania, and the European Union in Malawi (for the other countries, cf. Table 2). In this role, G8 countries function as brokers between commitments by host governments and investment pledges by the private sector. Furthermore, G8 countries have indicated their intention to support infrastructure improvements and capacity-building on the part of the host governments and financial resources for investment credits through technical as well as financial cooperation.

So far, the G8 has served as the focal point for the New Alliance on the global level, while host governments and G8 interlocutors have shaped it in national contexts. The World Economic Forum and its Grow Africa partnership have also been substantially involved, mostly in a convening and reporting role.

At the G8 Summit at Camp David, New Alliance partners established a Leadership Council to drive and track implementation of New Alliance commitments. The Council “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.”\(^{18}\) In 2014, the Leadership Council is co-chaired by the African Union, the World Economic Forum, and the United States.

The Leadership Council, however, has very limited advisory functions with no tangible decision-making or oversight responsibilities. There are no terms of reference and no mandate outlining its roles and responsibilities or how the Council relates to the G8NA.\(^{19}\) Furthermore, neither its composition nor the minutes of its proceedings are made public.

From the beginning, the G8NA has been subject to severe criticism from farmers’ organizations, as well as from CSOs in particular, both in Africa and in the G8 countries. Altogether, several common critical arguments and recommendations or demands can be identified. In Africa, the Alliance for Food Sovereignty in Africa (AFSA) has been most vocal and comprehensive in its criticism of the G8NA.\(^{20}\) AFSA sees the G8NA as one of the biggest threats to reaching food sovereignty in Africa. Further assessments of G8NA range from denouncing the New Alliance altogether (e.g. CIDSE/EAA) to proposals for reform (e.g. ONE) – and of course, everything in between. The network of Catholic development CSOs CIDSE, together with the Ecumenical Advocacy Alliance (EEA), for example, lists eight overall risks entailed by the policies of the G8NA:

- Increasing the concentration of land and land grabbing;
- Encouraging the pursuit of large-scale models of production, which are focused on monocultures and pose severe environmental consequences, including soil degradation, amongst other issues;
- Focusing on export-oriented crops or most lucrative markets which could leave farmers at the mercy of volatile international commodity prices;
- Facilitating unpredictable and poorly remunerated seasonal labour through contract farming schemes;
- Encouraging the consolidation of power in input markets;
- Propagating a loss of agro-biodiversity, particularly where seeds are concerned; and
- Reducing impetus from States to act on public commitments to food and nutrition security, in that way re-legating the task to corporate actors.\(^{21}\)

This paper will not repeat or add further concerns about the expected material impacts of the private investments and the public policy commitments listed in the CFAs. Instead, it focuses on the governance model of the G8NA and on the contradictions it contains.

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\(^{15}\) According to the CFAs. The number of companies involved is lower, since some of the pledges relate to several countries at once. One pledge relating to e.g. three countries is counted thrice.

\(^{16}\) Counting only individual companies/groups. Some companies are active on their own and as part of groups; here only the individual pledge is being counted.


\(^{18}\) Oxfam International (2013), p. 4. Oxfam currently serves on this body on an interim basis.

\(^{19}\) Ibid., pp. 4 and 8.

\(^{20}\) African Centre for Biosafety (2013) and AFSA (2014).

Table 1: Foreign Corporations with pledges under the G8NA (according to CFAs)

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<th>Corporation</th>
<th>Headquarters</th>
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<th>Burkina Faso</th>
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<td>4. Armajaro Trading Ltd.</td>
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<td>11. Compagnie fruitière</td>
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<td>15. Diageo</td>
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<td>18. Ecobank Group</td>
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<td>19. Export Trading Group</td>
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i This international company is part of Alliance One International.
ii This is a joint venture between Sofiproteol and Group Castel.
iii Subsidiary of Dominion Group.
iv Subsidiary of Green Seed Group.
v Joint venture consisting of PZ Cussons PLC and Wilmar International.
<table>
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<th>Corporation</th>
<th>Headquarters</th>
<th>Benin</th>
<th>Burkina Faso</th>
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Sources: G8NA (2012a-f) and G8NA (2013a-d).

**Table 2: Interlocutors for CFAs**

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<th>Cooperating Country</th>
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<td>United States</td>
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<td>Mozambique</td>
<td>Japan and United States</td>
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<td>Nigeria</td>
<td>United Kingdom</td>
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<td>Benin</td>
<td>Germany</td>
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<td>Ethiopia</td>
<td>Chair of RED-FS (agriculture sector donor working group)</td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>European Union</td>
</tr>
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<td>Burkina Faso</td>
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<td>Ghana</td>
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<td>Senegal</td>
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Sources: G8NA (2012a-f) and G8NA (2013a-d).
II. The G8 New Alliance as a new governance model

The G8NA serves as an excellent example for a fairly new form of governance that is increasingly gaining importance on a global scale. The apparent lack of government resources to provide essential services and public goods has led to the perception that bringing on board financially potent new actors is the only solution to closing this financial gap. Other common arguments by proponents of this new approach focus on the inefficiency of the traditional multilateral governance model, framed as taking too long and showing too little tangible results in the end.

The solution proposed for this is flexible, focused partnerships that tackle one problem at a time and have no need for institutionalization in the traditional sense, with bureaucracies or detailed regulatory or legal settings. The G8NA has many of those characteristics. It was established precisely to create spaces for lean but efficient decision-making and implementation. Instead of holding yearlong deliberations and consultations, the G8 takes informal decisions based not on international law, but on behind-closed-doors agreements between public and powerful private actors. The New Alliance, rather than creating a new apparatus, uses existing institutions towards its ends.

1. Building on existing initiatives

The G8NA did not formulate new policies or concepts, but rather built on existing initiatives and ideas. The overall rhetoric of the New Alliance suggests alignment with different national agricultural investment plans like CAADP, meaning that private sector investment would conform to national priorities. In practice, however, this confluence of agendas is dubious at best. Oxfam International explains:

“In Tanzania, New Alliance activities are aligned with the Southern Growth Corridor of Tanzania (SAGCOT) strategy, rather than with the country’s CAADP plan. […] In Ghana, there appear[s] better alignment between New Alliance activities and the country’s CAADP plan. However, representatives of [producer organizations] and CSOs have raised concern 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 […].”

Additionally, the G8NA mentions the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGTs) only in name, without specifying instructions for its implementation. Human rights standards are missing completely from the G8NA. Instead, its program has other determinants, inter alia, the New Vision for Agriculture and the Grow Africa initiative of the World Economic Forum. The WEF has influenced the New Alliance not only through participation but also by providing conceptual inputs, as have the New Alliance for a Green Revolution in Africa, the Scaling Up Nutrition initiative, and the World Bank with its “Doing Business in Agriculture” project. The G8NA can be understood as a “bracket” and even an enforcing mechanism that binds these mechanisms together.

World Economic Forum

The World Economic Forum (WEF) is one of the decisive actors within the G8NA. It serves as the main convener for private participants in the New Alliance and is also a member of the Leadership Council. As mentioned above, the New Vision for Agriculture, an initiative originating from the WEF, has outlined general principles of agricultural policy that resonate well with the G8NA. The New Vision is intended to work on a common agenda for collaboration between various stakeholders with the specific aim at achieving “sustainable agricultural growth through market-based solutions.”

The initiative, which is led by a group of 33 companies (whose names read like a who’s-who of businesses in agriculture and food, from AGCO to BASF, to Coke to Monsanto and Yara), has produced a series of reports (coordinated by McKinsey and Co.) outlining its agenda and has spawned a series of public-private partnerships, one of them being the Grow Africa partnership (cf. below).

The New Vision bases its analysis on identifying three challenges for global agriculture: the limits of environmental resources, growing demand through population growth, and a “vicious cycle of deprivation” formed by poverty, malnutrition, low productivity and lack of capital, and physical and cognitive underdevelopment. From this, the New Vision derives a threefold challenge of increasing productivity and reducing waste, while at the same time reducing emissions from

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23 www.weforum.org/issues/agriculture-and-food-security#nva
production and water use, generating economic growth, and reducing poverty. For this ambitious agenda, the New Vision prescribes roles to three societal sectors. The public sector is tasked with establishing regulation to attract investors, increasing funding for agricultural development (especially infrastructure and social services for rural areas and research), and ensuring market access for developing countries. For civil society, the New Vision outlines a role of representing citizens and communities, along with providing trainings and leveraging capital to bridge gaps in the value chain. The private sector, finally, is supposed to "innovate and invest" and target the nutritional, environmental and economic needs of consumers.29

Grow Africa

One of the partnerships that has emerged from the New Vision for Agriculture of the WEF is Grow Africa. The Grow Africa partnership is important because it serves as the rallying point for private actors in the G8NA. Pledges by businesses and corporations as well as the progress they make in fulfilling those pledges is documented in the Grow Africa reports and added to the progress report of the G8NA.30 Beyond its activities in the G8NA, Grow Africa has set three goals for itself: increasing private-sector investments in African agriculture; enabling multi-stakeholder partnerships; and expanding the knowledge of best practices and existing initiatives. The partnership is co-convened by the African Union Commission, the New Partnership for Africa’s Development (NEPAD) and the WEF. A steering committee exists that provides strategic direction. It consists of "high-level cross-sector leaders", who are not named individually. The Grow Africa secretariat is hosted in South Africa.

Currently, Grow Africa is promoting initiatives in ten countries. So-called Agricultural Growth Corridors in Mozambique and Tanzania, which also play a prominent role in the G8NA, are probably the most prominent ones. In Mozambique, three growth corridors have been identified by the government and are now being developed, with the objective of catalyzing agricultural development and attracting increased investment. Governments are investing in infrastructure and capacity development to make the corridors more attractive for investors. Investments are also encouraged through brochures outlining opportunities: strong and growing domestic markets as well as a good environment for exporters with large tracts of unutilized land and a favorable geographic location.31

AGRA

Another important actor in the framework of the G8NA is the Alliance for a Green Revolution in Africa (AGRA). AGRA was launched in 2006 in partnership with the Rockefeller Foundation and the Bill and Melinda Gates Foundation (BMGF). It is currently funded by several development ministries, foundations and programs, including the UK Department for International Development (DFID), the International Fund for Agricultural Development (IFAD), and the Government of Kenya. One of AGRA’s programs, the “Scaling Seeds and Other Technologies Partnership”, has been founded to realize one of the G8NA commitments, “Taking innovations to scale”. It is not surprising, therefore, that elements of AGRA’s seed policies have appeared in the Cooperation Framework Agreements of the New Alliance.32

AGRA’s approach to seeds has repeatedly come under heavy criticism from CSOs. The African Centre for Biosafety (ACB), for example, raises concerns about AGRA’s push for the harmonization of African seed laws, which it considers “a strategy to fast-track the implementation of UPOV91 in Africa”, a highly disputed convention on the “Protection of New Varieties of Plants” regarded as “reducing farmer’s rights and intensifying intellectual property protection.”33 According to its own presentation in publications and on its website, AGRA’s aim is “a uniquely African Green Revolution [that] will transform smallholder agriculture into a highly productive, efficient, competitive and sustainable system that lifts millions out of poverty.”34 It would be too easy, however, to suggest that AGRA wanted to simply adopt the methods and programs of the Green Revolution of the 1960s onward, as it unfolded e.g. in Asia. Instead, AGRA’s approach focuses on the introduction of new technologies based on the Green Revolution model by working around some of its limits. AGRA emphasizes the importance of local adaptation and the blending of different technological approaches according to context. It considers hybrid seeds, biotechnology (including genetic modification), synthetic fertilizers, irrigation, credit provision and general commercialization of agricultural production as long-term objectives. To this end, an important focus of AGRA’s project is to work on building both institutional and regulatory systems that can support the introduction of these technologies.35

25 WEF (2010), p. 27.
30 www.agra.org/what-we-do/
AGRA’s programmatic approach consists of four focal areas: seeds, soil health, market access, and policy and partnership programs, with an overlying focus on “innovative financing”. Under seeds, AGRA works on the breeding, production and distribution of improved seeds through its Programme for Africa’s Seed Systems (PASS), which has offices in Accra and Nairobi. AGRA focuses on the development of the private sector and the limitation of public sector involvement in seed production and distribution. This approach is predominantly based on a positive reception of the South African seed market, which is dominated by two multinational companies. Its second focal area is the extension of locally appropriate soil nutrients and integrated soil and water management through the Soil Health Programme. Additionally, AGRA is considering ways to integrate livestock into their work, which is related to soil fertility. The third area is improved market access through trade and value chain development. The basic argument is that in some areas surpluses are produced but access to markets is non-existent, leading to local gluts and collapse in local prices in season, which acts against farmers adopting yield-improving technologies. Its fourth focus is financing for agriculture. AGRA’s Innovative Finance Program aims to provide loans for smallholder farmers and agribusinesses, using loan guarantee funds to leverage larger loans from commercial banks.

Scaling Up Nutrition

Another building block of the G8NA content is the Scaling Up Nutrition (SUN) initiative, which comprises governments, UN organizations, CSOs, transnational corporations (TNCs), and researchers. In order to achieve its mission of fulfilling the right to food and good nutrition for all, SUN follows a set of approaches: support for breastfeeding up to six months and continued up to two years of age (“together with appropriate and nutritious food”); the fortification of foods; micronutrient supplementation; treatment of severe malnutrition; making nutritious foods more accessible; clean water and sanitation; improving healthcare; support for resilience; and women’s empowerment. According to SUN, 53 countries have so far committed to measures improving nutrition.

SUN is supported by a “Multi-Partner Trust Fund” that provides resources for projects at the country level. It is managed by a committee consisting of representatives from participating UN organizations (e.g. WHO, UNOPS, FAO) and supported by the SUN secretariat. The fund has received contributions from DFID, Irish Aid and the Swiss Agency for Development. Strategic oversight is provided by the SUN Movement Lead Group, which formulates SUN’s objectives and ensures accountability within the movement. The Lead Group consists of 26 representatives from the different constituencies of the SUN movement, inter alia, two business representatives from Unilever and Britannia Industries, and a representative of the Bill and Melinda Gates Foundation.

In addition to encouraging governments to adopt national plans to improve nutrition in their various sectoral policies, SUN promotes the establishment of partnerships between business, civil society and government to foster increased nutrition levels through nutrition-sensitive interventions along the value chain within national settings.

Partnerships with the private sector are organized in the “SUN Business Network”, through which businesses develop market-led solutions to improve nutrition, such as “tax exemptions for food fortificants and premixes” and promote them among other stakeholders. Private-sector interventions include the production of fortified food, or the promotion of nutritionally healthy behavior. In order to ensure cohesion among the various actors collaborating with SUN, Principles of Engagement and a Conflict of Interest policy were developed, comprising e.g. the respect for human rights, transparency rules or even punitive measures in case of non-adherence.

National plans initiated by SUN feature quite prominently in the commitments published by G8NA host countries. Thus, SUN’s proposals are moving from voluntary to more binding commitments by countries – turning influence from various actors, including transnational corporations, into policy. SUN has been criticized from various sides. The Special Rapporteur on the Right to Food, Olivier de Schutter, calls for an explicit alignment of its initiatives with human rights, including the right to food. Schuftan and Holla raise concerns about corporations’ short- and medium-term impact on local nutrition systems by “the corporate takeover of nutrition systems by SUN.”

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34 Cf. AGRA (2010).
38 Cf. http://scalingupnutrition.org/
40 SUN (2012).
41 http://scalingupnutrition.org/principles-of-engagement
42 Global Social Observatory (2014).
43 UN Doc. AHRC/19/59, p. 10.
44 Ibid.
Doing Business in Agriculture

The last relevant initiative to be mentioned here is the annual "Doing Business" report published by the World Bank. It features an index of economies ranked by their business friendliness. For this index, the World Bank scrutinizes legal or regulatory frameworks, tax systems, infrastructure and service availability in countries. In 2012, the G8 asked the World Bank to adapt its overall methodology to agriculture. Subsequently, the World Bank department responsible for the Doing Business reports published a concept note on "Doing Business in Agriculture" (DBA).45

DBA is intended to develop a set of indicators of laws and regulations affecting agricultural business in countries around the world, to stimulate reforms in legal and regulatory environments. The concept note lists seven indicator areas that DBA proposes to measure, including exporting agricultural products; accessing land, water, agricultural inputs and credits; and encouragement of contract farming schemes.46 While the concept note mentions that this list was illustrative and preliminary and that the issues covered would be most important for smallholder farms, the impression remains that the choice of indicators is driven by a business view on agriculture – and not by concerns about food security and sovereignty. How important the DBA could possibly become is highlighted by the fact that the Doing Business Index, the overall study of business friendliness of countries, is already mentioned in most of the G8NA CFAs as an indicator for success of the initiative.47

Summary

These above listed initiatives and partnerships illustrate that the G8NA has not created anything new. It can rather be understood as a mechanism to enforce and strengthen this ensemble of initiatives oriented towards and driven by agribusiness. The G8NA decisively changes the character of initiatives it builds upon, however. Under the guise of introducing policy innovations, standards and self-regulations that so far have been voluntary or tailored towards very specific processes have become blueprints for legal or regulatory measures with binding force for governments and citizens. While the details vary from country to country, there are some consistencies in the policy areas identified for action – all of which can be traced back to one of the above-mentioned initiatives: “All CFAs include changes to land laws and policies”, explains Oxfam. “Reform of seed and input policies to promote greater private sector investment in production, marketing, and distribution is also a consistent theme. […] A number of CFAs commit countries to lowering tax and trade barriers or streamlining the licensing procedures needed to start up businesses.”48 Most impact can be expected from two of these areas, seed and nutrition policies. Countries that so far have not had binding regulations for the intellectual property attached to the production or development of seeds are now implementing seed legislation that is shaped by the interests of transnational corporations and according to the blueprint of the UPOV91 plant variety protection regime.49 Regarding nutrition, the SUN initiative that had been a voluntary exercise and received much criticism for being too close to corporate interests is now included in many of the CFAs of the G8NA – if not always in name (like in Mozambique), in content. This has given corporations active in SUN the opportunity to shape regulations along the whole value chain of fortified foods, from standard-setting and quality controls to the training of controllers.50

2. Aligning national policies to corporate interests

The basic assumption behind the G8NA is that "responsible private sector investment", i.e. technologies and capital brought by agribusiness and the food industry, are the key requirements of development. In line with the approach of the WEF, the G8NA rests on the idea that policies and action agendas for the development of agribusiness in Africa must extend well beyond "past fixation with macroeconomics". This implies that a strong macroeconomic platform is a necessary, but insufficient, condition for agribusiness. According to this view, the policy agenda should also focus on microeconomic, enterprise-level constraints that are "obstacles to progress": industry-specific, time-specific and above all institution-specific solutions to attract key investments from large scale companies.51 Accordingly, CFAs take very different forms, depending on the "supply" of investment intentions from businesses. These do not represent pre-existing government policies that "attract" private investment, but on the other hand contain private investment intentions that shape reforms and public investment. Mozambique is an excellent example for some of the policies that accompany implementation of the G8NA. Mozambique is home to several "growth corridors" that have been developed partly in the context of the Grow Africa initiative. The plan outlined in Mozambique’s CFA features these corridors prominently.52 Agricultural growth corridors are used by several African

45 World Bank (2012).
46 Ibid. p. 6ff.
47 Nigeria, Ethiopia, Malawi, Tanzania, Côte d’Ivoire, Ghana.
49 Cf. African Centre for Biosafety (2012b).
52 G8NA (2012e).
countries to increase agricultural production through facilitating complete value chains in specific geographic spaces. The government of Mozambique has committed to five activities in its CFA: regulation to promote competitive, private input markets; reform of land use rights systems to secure tenure for smallholders and to promote investment; liberalization and facilitation of trade; increasing the availability of credits; and implementation of a “Multi-Sectoral Nutrition Action Plan for the Reduction of Chronic Undernutrition”.

The main focus of the G8NA activities in Nigeria revolves around overcoming structural deficits through new regulatory measures. The CFA envisions reforms on input markets as well as the creation of a conducive environment for private investments, including the availability of funds as well as regulatory initiatives in fields such as land tenures. The Nigerian CFA emphasizes the need to take into account previous policy pronouncements, including “(i) zero percent duty on agricultural machinery and equipment imports; (ii) removal of restrictions on areas of investment and maximum equity ownership by foreign investors; (iii) free repatriation of capital and returns; (iv) constitutional guarantees against nationalization/expropriation; (v) Pioneer Tax Holiday for agricultural investments; and (vi) infrastructure support, with a focus on Staple Crop Processing Zones.”

The CFA lists pledges by 28 companies, 11 of which are transnational corporations. The large number of pledges by Nigerian companies is notable, especially in comparison with other countries, like Mozambique, where most pledges stem from TNCs. Actions envisaged by Nigerian companies are rather diverse and range from investments in agribusiness value chains (by Asset & Resource Management Company Ltd.) to expanding the number of locations for fast food restaurants of the brand Chicken Republic (by Food Concepts). More investments are planned in production, from cassava plantations and processing (by e.g. Crest Agro Products Ltd) to the production of sugar (Sunti Farms Ltd.).

While these plans by local or national producers and suppliers are very concrete, international actors seem to be more reluctant to specify their pledges. AGCO, for example, announced its plan to invest 100 million dollars “in the next 3-5 years in Africa”. This includes a few smaller but more tangible activities, like enlarging the AGCO Future Farms and training centers in Nigeria. The US company Sunbird Bioenergy is planning to invest into a bio refinery to convert cassava into bioethanol. The Swiss company Syngenta announced only that it “plans to expand its activities in Nigeria”.

Ethiopia’s CFA emphasizes increasing stability and transparency in trade policy as its top priority – an area that at first glance seems to be targeted at transnational corporations predominantly. Accordingly, Ethiopia, like Nigeria, names as one indicator for the success of the CFA an improved score on the Doing Business Index (cf. above). Pledges by the Ethiopian government can be summarized in four issue areas: (i) increase private sector participation in seed development, multiplication, and distribution; (ii) increase the ability of the private sector to access markets by reducing barriers to competitiveness and increasing transparency of requirements; (iii) strengthen land use rights to stimulate investment in agriculture; and (iv) increase the availability of credit to the agricultural sector.

Among the policy actions planned by the Ethiopian government are measures to establish market mechanisms, e.g. in the area of seed pricing. Furthermore, it intends to better protect the interests of agricultural investors through secure land access, measures to secure ownership and crop trading rights for commercial farms, and strengthened contract enforcement for commercial farms. On the other hand, the Ethiopian government commits “not to impose export quotas on commercial farm output and processed goods” – an instrument countries in the global South have used repeatedly to promote food security for their citizens.

Fourteen companies (six domestic and eight foreign) have signed so-called letters of intent pledging to invest in Ethiopia. As in other cases, the plans of Ethiopian companies are more specific than those of TNCs. They range from expansions in fortified blended foods (by Guts Agro Industries) to increased production of foods and commodities like coffee for national as well as global markets. Also, increasing the availability of financial resources is envisaged, e.g. by Zemen Bank and the Bank of Abyssinia.

The CFA for Benin differs from many of the others in that it places its efforts under the framework of the Millennium Development Goals. Rather than focusing on fostering investments, it emphasizes the need to “ensure food sovereignty for the population and to contribute to the economic and social development of Benin”.

The case of Benin is also remarkable regarding the letters of intent signed by businesses. Of the 24 pledges included in the CFA, only two come from internationally active actors, both of which are public-private initiatives with bases in Africa: the African Cashew Initiative (ACI) and the Competitive African Cotton Initiative (COMPACI). The other 22 companies with intentions of investing in Benin are domestic businesses. Of those, most are planning to expand their operations in areas where they are already active, e.g. Agrisatch in poultry farming, AGRO Espace in the production of juices or Antemana S.A.R.L. in the production of eco-friendly shea butter. Actors like ETD, a CSO promoting entrepreneurship in agriculture, complement the list.

54 G8NA (2013c), p. 15.  
56 G8NA (2012c).  
Overall, a study of G8NA Cooperation Framework Agreements reveals that attracting foreign investors and shaping a regulatory environment towards their needs guide most of the commitments made by governments. This is substantiated by the far-reaching commitments made by several countries when it comes to liberalizing input markets and formalizing access to land and water. Other goals, like empowering women farmers or achieving food security, rank much lower in the number and depth of policies entered into under the G8NA.\(^{59}\) This is also illustrated by the type of indicators proposed in CFAs to measure the success of the G8NA on a country level.

### 3. A reductionist approach to development

The terms “inclusive economic growth” and “responsible agricultural investment” play a central role in the CFAs, but are not explained in greater detail. What is meant by these expressions? In the cooperation frameworks of Ghana and Ethiopia, for example, among the various goals set for government commitments, no mention is made of either smallholder farmers or women.\(^{60}\) The framework agreement for Mozambique contains only one objective with respect to smallholder farmers (increasing availability and access to credit). Even here, the commitments made are rather weak. They include, for example, a decree allowing the setup of private credit information bureaus and enacting mobile risk-based finance regulations. The re-regulation of input markets in Mozambique on the other hand is spelled out in detail and with very specific dates for completion. The only CFA that includes specific provisions for women and that mentions environmentally friendly investments is that of Benin (cf. above).

Another potential problem with the G8NA approach is its core assumption that investments will benefit food security and the interests of small-scale producers and women. The information given in CFAs on investment intentions by companies provides little or no evidence for how they will engage or benefit small-scale producers. According to Oxfam:

> 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).\(^{61}\)

FIAN et al. add that even “in case of an actual increase of food production, there are no mechanisms to ensure that such increase would benefit the hungry and malnourished.” Rather, evidence indicates that “investors predominantly produce for lucrative markets, thus implying that food will likely be exported and that the ‘additionally produced food’ could even have a negative impact on the local food situation, if it results in the displacement of local food cultivation.”\(^{62}\)

Another hint at the narrow focus of G8NA is apparent through the indicators that are specified in the CFAs for the success of government commitments. The Ethiopia framework agreement, for example, mentions an “improved score on Doing Business Index”, “increased $ value of new private-sector investment in the agricultural sector” and “% increase in private investment in commercial production and sale of seeds” as indicators for the achievement of its policy goals.\(^{63}\) Almost identical indicators can be found in the CFAs of Nigeria, Tanzania, Malawi, Ghana and Côte d’Ivoire. In the other framework agreements, while the increase in private investments is always mentioned, these indicators are supplemented or replaced by indicators more in line with a human rights approach to agriculture and nutrition. The Benin CFA, for instance, mentions “the percentage of women with access to factors of production and involve in decision making […]”\(^{64}\) Among the indicators of Senegal’s CFA are “child malnutrition prevalence” and “reduce the gender gap in access and control over productive assets and resources.”\(^{65}\)

Nevertheless, one can follow CIDSE/EAA in their general assessment of the indicators:

> We consider these measures problematic, since they fail to account for real progress in Food and Nutrition Security. The World Bank’s Doing Business Index as a measure of progress is particularly problematic. The Bank’s own Independent Evaluation Group (IEG) stated in a 2008 report that the Doing Business survey is prejudiced in favour of deregulation, overstates its conclusions, and shows “no statistically significant relationship” between its indicators and broader economic growth, much less improvements in national well being.\(^{66}\)

Some of the proposed measures listed in CFAs are certainly helpful, such as improvements in infrastructure for the use of small-scale farmers. But when the overall focus on technical and short-term fixes leads to a distraction from underlying and sometimes very fundamental structural problems, this can divert scarce resources from sustainable solutions.\(^{67}\)

The development concept behind the G8NA is based on a simplistic concept of “farming as business.” This ignores today’s

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59 For a good overview of commitments under G8NA-CFAs, see Provest/Harris/Dzimwasha (2014).
63 G8NA (2012c), p. 5.
64 G8NA (2013a), p. 6.
67 For a more comprehensive critique of G8NA policies, cf. German NGO Forum on Environment & Development (2013), and FIAN et al. (2014), which specifically deals with gaps in the G8NA’s approach from a human rights perspective.
realities of the majority of family farms in Africa (partial market integration, diversification strategies, vulnerability vis-à-vis ecological and market shocks, etc.) and the need for policy strategies that respond to these realities. This becomes clear if we compare the G8NA approach with the recommendations of the Committee on World Food Security’s (CFS) High Level Panel of Experts (HLPE). The HLPE formulated the following demands for pro-active policies to support smallholder farming:

» Recognition of the diversity of smallholder farming as a core step to define adequate and adapted policy orientations, depending on different realities in different countries and national policy strategies;

» Strategies not only to focus on formalizing markets, land tenure and seed systems, but to strengthen both formal and informal markets and secure land access to and control over land and existing informal seed systems;

» Public investments that strengthen smallholder organizations and their capacities for political representation and for organization of collective actions;

» Increase public sector capacities to support investment in smallholder farming.68

In contrast to the G8NA approach, the CFS promotes people-centered objectives targeting the priorities of small-holder farmers, rather than corporations and their host countries.

4. Overreliance on partnerships

The G8NA is commonly called a “partnership initiative”, a term with a typically positive connotation, as it conveys the picture of equal partners working together towards a common goal. But the notion of “partnership” can be misleading. First of all, it may hide underlying conflicts of interest among the actors in markets and within food systems. Strategic interests of corporations (access to natural resources, access to agricultural commodities, expansion of markets and profit) and the risks that come with them are completely ignored in each of the initiatives listed above. Daily realities in which the interests of big, export-oriented production and small-scale local production collide when it comes to influencing prices, access to resources, or the type and the way food is produced and handled are also excluded from G8NA considerations. This is especially true where oligopolies or highly integrated value chains exist that transform market prices into internal operating costs.69

The notion of partnerships can also be misleading at the level of negotiation between governments and powerful corporations – or local communities and big investors. Local communities too often lack the political power and voice 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.70 Similarly, arguing that there are no differences in power between the G8 members and G8NA host countries is simply ludicrous.

In fact, the CFAs primarily represent partnerships between agribusiness and food companies on the one hand and African governments on the other. These partnerships provide two unique advantages to the corporations involved. First, instead of lobbying individually, companies that intend to invest in a certain country can count on a package of policy reforms tailored to their needs. By May 2013 (after one year in existence) the first six G8NA host governments had already completed 27 out of 97 reform commitments and had made at least some progress in 55 of them. Second, apart from reforms, African governments are ready to provide so-called patient capital (invested with no prospect of the kind of quick return companies generally expect), especially for developing infrastructure.71 Additionally, looking at the locations of international investors’ headquarters hints at another aim of the G8NA: strengthening business opportunities of TNCs from certain countries and thereby profiting those national economies. Of the 55 corporations or investor groups having made pledges under the G8NA, 25 have their headquarters in G8 countries, 11 more in other OECD countries, only 14 in Africa and 3 in a country outside these clubs or regions.72

Furthermore, the G8NA’s partnership approach purports a problematic view of the role of the state, which is not limited to the host governments of the New Alliance. The G8 countries interpret their role in the New Alliance mainly as brokers between businesses and host governments, simply watching over otherwise free market processes. This is not just a case of self-inflicted reluctance, but of ignorance of the obligations of states. In particular, this structure ignores states’ obligation to respect, protect, and fulfill human rights (in this case the right to adequate food and nutrition), which includes not only direct action by governments, but also the obligation to ensure that the activities of third parties – including private corporations – do not violate the rights of individuals. As FIAN et al. explain, the structure of the G8NA raises “[s]pecific concerns and potential conflicts of interests between profit maximisation and combating hunger, abuse of market power, dominance in price formation, land grabbing, poor working conditions, application of agro-industrial toxins, and influencing of policy processes.”73

The G8NA by design leads to increased influence of the business sector in political discourse and agenda-setting. As some of its “partnerships” combine policy with financing instruments to implement them, governments may be steered towards ‘package deals’ instead of formulating policies and tackling implementation themselves.

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68 CFS/HLPE (2013).
69 Luig (2013b).
72 Cf. Table 1. Two companies/groups are of unknown origin.
73 FIAN et al. (2014), p. 3.
Additionally, while the term “partnership” suggests a level playing field for all actors involved, these relationships embed structural power differences between the different “partners”. Both the ability to take decisions and the experience of the results of these “partnerships” impact the different actors to different degrees; only some members of the “partnership” are in a position to take independent decisions. Beyond that, if a given “partnership” between civil society, agri-business and government fails to produce a solution, the foreign investors risk far less than the host government or civil society.

5. Voluntarism and the lack of transparency, accountability, and participation

The flexible, ad hoc nature of the New Alliance may signify an advantage in terms of efficiency, but also entails huge gaps in terms of transparency, accountability and participation.

Transparency

The lack of a proper institutional setting for the New Alliance makes it extremely difficult to assess what it truly does, who the participating partners actually are (especially from the private sector) and even what the goals of the initiative really are. The G8NA does not even provide a website with basic information. Material has to be collected from the internet presences of participating governments and corporations and the Grow Africa Partnership, which interpret some of the traits of the New Alliance differently. The US government, for example, which provided the first materials on the G8NA in 2012, only mentions the pledges for contributions of the private sector. The WEF calls the G8NA a collaborative effort between its Grow Africa partnership and the G8. One would expect that “collaboration” means more than pledging vague investments.

The pledges by the private sector are another conundrum. While the African governments that are part of the New Alliance have formulated detailed reform agendas, the role of businesses remains unclear. The letters of intent that form the base for a corporation or company to become part of the G8NA have never been published. Business pledges are only available in aggregated form in the CFAs and the progress report provided by Grow Africa.

Accountability

While all CFAs contain provisions on the mutual accountability of the partners and a progress report of the New Alliance will likely be produced every year, assessing the impact of the G8NA remains a difficult task. One of the main problems is that no independent oversight mechanism exists: “The Grow Africa review was based on self-reporting by companies,” according to the 2013 progress report. This makes it extremely difficult to assess the impact and effectiveness of the G8NA activities on the ground. There is a complete lack of accountability to human rights mechanisms or any other kind of reporting other than informal consultations.

Most importantly, however, citizens in the partner countries of the G8NA seem to be left out of the scope of the New Alliance. Governments have committed to severe changes in their policies; and while these may be formally legitimized through the regular law-making procedures in parliaments, politics can be estranged from citizens who may not have had enough time and information to participate in deliberations. The 2013 G8NA progress report, for example, lists 25 commitments by governments of the then six participating countries that were due by May 2013, of which 16 had shown progress and eight had been completed. These include, inter alia, regulations to implement the new seed law in Ghana or the adoption of procedures for obtaining rural land use rights in Mozambique. The speediness of the completion and implementation of these various commitments indicates little time allocated for citizen consultation or popular votes on the new measures.

Participation

One of the greatest shortcomings of the governance model of the G8NA is the lack of participation by stakeholders other than business and government. “Small-scale farmers, pastoralists, fisher-folk, indigenous people, women, and other marginalised groups who are mostly affected by hunger and malnutrition were excluded from the elaboration of Cooperation Frameworks at international level, nor were the negotiation processes between concerned governments and private corporations open to public scrutiny,” explain FIAN et al.

Civil society voices and interests are hardly present in the official process. While two CSOs (one each from the North and the South) and farmer’s organizations have a seat in the Leadership Council, real decisions are taken at a country level.

Footnotes:

74 G8NA (2013e), p. 5.
75 FIAN et al. (2014), p. 2.
76 G8NA (2013e), Annex 1.
77 Ibid.
in highly opaque processes. In its report on the G8NA, Oxfam International emphasizes this:

[T]he participation of [producer organizations] and CSOs has so far been ad hoc and inadequate. […] [T]hey 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.\(^79\)

Even where civil society groups reported participating, this was usually the case in information meetings after CFAs had been passed and key decisions regarding the G8NA had been made.\(^80\)

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\(^80\) Ibid., p. 6.
Corporate influence through the G8 New Alliance for Food Security and Nutrition in Africa

III. Conclusions and recommendations

Unlike intergovernmental processes, the G8NA does not take place exclusively among governments and is being influenced by corporate actors from the outside. Rather, it is a political process designed to reserve corporate actors a seat at the table. Business is not only attributed a specific role in the enactment of politically decided programs, but it becomes an actor almost equal to governments.

Conclusions

For at least four reasons the G8NA can be regarded as a problematic initiative:

» The G8NA is building on corporate-led programs and initiatives, such as the Grow Africa partnership of the World Economic Forum, and in fact serves as an enforcing mechanism for them. While approaches outlined in national plans and international guidelines are occasionally mentioned, these initiatives actually function as political and economic blueprints for G8NA activities.

» The G8NA is dominated by and tailored towards the interests of big corporate actors. While its rhetoric suggests that it is all about profiting small-scale farmers, women, and possibly other marginalized groups, in actuality it features programs that in the end mainly profit corporations while risking people’s livelihoods.

» The G8NA is based on a reductionist approach of "development". It does not call into question its core assumption – that investment will create food security through increased production per se, and ignores possible negative side effects of the proposed policies and programs, as in seed and land policies. Hence, CFAs are dominated by measuring its success against indicators like the Doing Business Index of the World Bank. This approach most certainly leads to misappropriations and deviations from a people-centered and human rights based development and towards the prioritization of corporate investor interests in G8NA countries.

» The G8NA is poorly institutionalized and not well integrated into existing international processes and agreements. This comes with severe shortcomings in terms of its governance structure, which not only has internal weaknesses, but also disregards fundamental principles of participation and accountability to human rights.

For these reasons, and for others to do with the "business model" attributed to the New Alliance, a coalition of CSOs had already warned in 2013 that the "G8NA has to be either radically changed or stopped altogether. In no circumstances must the initiative be extended to further African states in its present form."81 Since then, no substantial change in policy and only marginal adjustments in rhetoric have taken place. Thus, the demand for radical change of this initiative – or in case of inaction its complete stop – is still valid.

Recommendations

» Since its inception, the G8NA has never met minimum standards of transparency. As a first immediate step, governments and businesses should provide the full picture to African small-scale food producers’ organizations and civil society by disclosing the corporate letters of intent. Secondly, governments should make deliberations and decisions in the Leadership Council and the negotiations over CFAs public and open to scrutiny by CSOs and the media. Even ex post, this could help to identify conflicts of interest and make it possible to draw conclusions for the future. This is true for host countries as well as for G8 members and could determine, for example, whether pledges by donors actually provide new and additional resources.

» The overarching frameworks for policy reform commitments within the CFAs should be changed radically. Initiatives at country level with guaranteed participation of civil society should redevelop indicators with the objective to promote investment by and for small-scale food producers as set out by the CFS in 2013.82

» Many policy changes have already been set in place by governments as part of their obligations under the Cooperation Framework Agreements. Where these changes have – or are likely to have – effects that are contrary to the goals of achieving the human right to food, they should immediately be revisited and changed. This particularly concerns seed law reforms that threaten to prevent small-scale food producers from conserving and exchanging local seed varieties as well as large-scale land transactions.

82 CFS (2013).
Instead of following a path of partnering with corporate interests, governments should focus their attention on processes that do not show many of the weaknesses of the G8NA and similar initiatives. At a multilateral level, the Committee on World Food Security (CFS) is the inclusive, universal, internationally recognized body that is credible to make strategic decisions regarding agricultural issues. The G8 should not just vaguely refer to the forthcoming Principles for Responsible Agricultural Investments (CFS-RAI) but should accept them as an absolute frame that sets minimum standards for any of their food security initiatives. This also means that the FAO Right to Food Guidelines and the FAO Land Tenure Guidelines have to be the basis of the indicators for policy reforms and not just be quoted vaguely in the introduction of the CFAs.

Finally, governments should remind themselves of international commitments they entered into, long before the G8NA originated, especially under the human rights framework. Under no circumstances should they enter into activities that potentially undermine their obligations to respect, protect, and fulfill human rights. This includes their obligation to ensure that third parties, like companies and corporations, do not violate people’s rights, which is true of corporations active in the territory of a state as well as of corporations that have their headquarters in one state but do business elsewhere.\(^83\)

All of these recommendations are grounded in the call for a strengthened role of the state. Governments should not let themselves be reduced to representatives of business interests or brokers between corporations and society. When they relinquish their role as principle agents of public interest, they give up much of their credibility towards their citizens. Private investor interests must not play an institutionalized and privileged role in the development of political regulations.

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\(^83\) Cf. the Maastricht Principles on Extraterritorial Obligations of States in the area of Economic, Social and Cultural Rights. Maastricht University (2012).
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## Acronyms

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<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACB</td>
<td>African Centre for Biosafety</td>
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<tr>
<td>ACI</td>
<td>African Cashew Initiative</td>
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<tr>
<td>AFSA</td>
<td>Alliance for Food Sovereignty in Africa</td>
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<td>AGRA</td>
<td>Alliance for a Green Revolution in Africa</td>
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<td>CAADP</td>
<td>Comprehensive Africa Agriculture Development Programme</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CFA</td>
<td>Cooperation Framework Agreement</td>
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<td>CFS</td>
<td>Committee on World Food Security</td>
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<td>CFS-RAI</td>
<td>Principles for Responsible Agricultural Investments</td>
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<td>CIDSE</td>
<td>Coopération Internationale pour le Développement et la Solidarité</td>
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<td>COMPACI</td>
<td>Competitive African Cotton Initiative</td>
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<td>CSO</td>
<td>Civil Society Organization</td>
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<td>DBA</td>
<td>Doing Business in Agriculture</td>
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<td>DFID</td>
<td>Department for International Development</td>
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<td>Ecumenical Advocacy Alliance</td>
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<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
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<td>FIAN</td>
<td>FoodFirst Information and Action Network</td>
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<td>G8NA</td>
<td>G8 New Alliance for Food Security and Nutrition</td>
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<td>HLPE</td>
<td>High Level Panel of Experts</td>
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<td>IBFAN</td>
<td>International Baby Food Action Network</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>MPTF</td>
<td>Multi-Partner Trust Fund</td>
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<td>NEPAD</td>
<td>New Partnership for Africa’s Development</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>PARM</td>
<td>Agricultural Risk Management Platform</td>
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<td>PASS</td>
<td>Programme for Africa’s Seed Systems</td>
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<td>VGGT</td>
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<td>WEF</td>
<td>World Economic Forum</td>
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