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BY

H.E. TUMUSIIME RHODA PEACE

COMMISSIONER, DEPARTMENT FOR RURAL ECONOMY AND AGRICULTURE

AT THE

**RESOURCE MOBILISING ROUNDTABLE TO SUPPORT OPERATIONALISATION
OF AFRICA'S AGENDA ON ACCELERATED AGRICULTURAL GROWTH AND
TRANSFORMATION**

**AUCC, MULTI-PURPOSE HALL, ADDIS ABABA,
JULY 15**

H.E Dr. Ibrahim Assane Mayaki, Chief Executive Officer, NEPAD Planning and Coordinating Agency

H.E Dr. Agnes Kalibata, President, Alliance for a Green Revolution in Africa (AGRA)

H.E Mr. Laurent Thomas, Assistant Director-General, Food and Agriculture Organisation (FAO)

Stephane Roberge, First Secretary (Development - Pan Africa Regional Program), Government of Canada

Mr. Kiyoshi Kodera, Vice President, Japanese International Cooperation Agency (JICA)

Mr. Mark Cackler, Global Practice Manager for Agriculture, World Bank

H.E Amb.Reuben E. Brigety, U.S. Ambassador to the AU, US Government

Mr. Klaus Rudischhauser, Deputy Director-General, European Commission

Dr. James Mwangi, Managing Director, Equity Bank Holding

Distinguished participants; Ladies and Gentlemen:

It is with great honor that I welcome you all to this important event that aims at strengthening our partnerships in support of advancing Africa's Accelerated Agriculture Growth and Transformation agenda -our vision for achieving the goals that we set for ourselves in the June 2014 African Union Malabo Declaration.

Agriculture continues to play a pivotal role in African economies, as the livelihoods and businesses of the majority of the population depend on the sector directly or indirectly. It is obvious that the rising demand for food and other agricultural products, hence the fast-growing domestic market, induced by high population growth, rapid urbanization and income growth should continue to spur fast agricultural growth in Africa.

As such this dynamic market presents itself as a huge and unique opportunity for transforming African agriculture from a subsistence-oriented towards a more market-oriented sector, propelled by high productivity along the whole agricultural value chains – through the development and expansion of agro-industries and agribusinesses in Africa – with positive impacts on jobs, incomes and quality of life. This is consistent with our vision as enshrined in Agenda 2063 for inclusive growth, sustainable development and shared prosperity.

Dear Participants, Ladies and Gentlemen:

It was in recognition of the strategic position of agriculture that African leaders adopted CAADP in 2003. An important feature of CAADP has been its emphasis on African

leadership and ownership and on sustainable and inclusive agricultural development as a key to economic growth and shared prosperity. A decade of CAADP implementation realised a number of encouraging successes as agricultural transformation is increasingly put high on the development policy agenda in most AU Member States. Guided and informed by CAADP principles and practices, the majority of Member States have been formulating and implementing National agriculture and food security investment plans (NAFSIPs). It is not by coincidence that the performance of Africa's agriculture over the last decade or so, estimated to have grown by 4-5% per annum, has been quite encouraging in spite of the low base. Such progress required deliberate and persistent leadership and commitment for the noble cause.

Evidences indicate that agricultural growth has been largely responsible for the relatively fast and equitable economic growth that many African countries have registered over the last decade. It is now evident that inclusive and sustained agricultural growth has the most direct and consequential impact on overall economic progress as well as on poverty reduction. A recent FAO report indicates, for example, that Africa has made significant strides in terms of improving food availability by nearly 12% over the past two decades, as well as in declining poverty rate by 23% between 1993 and 2011.

However, the encouraging progresses notwithstanding, the challenges still remain. The total number of undernourished people continues to increase in Africa, despite the decline in the prevalence of undernourishment. And, despite certain improvements, productivity levels are still the lowest in the world. External dependence on food imports is rising, which is unsustainable. Despite the huge potential of African markets, African countries trade less amongst themselves and more with the rest of the world. And, because agriculture is one of the most climate sensitive sectors, vulnerability to climate variability and other related risks has been on the rise. It is, therefore, our considered view that the manner in which these are adequately addressed would define the extent to which agriculture can grow sustainably and continues to positively impact overall economic transformation in Africa.

It is in recognition of such trends and facts that the Malabo Declaration on Accelerated Agricultural Growth And Transformation for Shared Prosperity And Improved Livelihoods was adopted by AU Assembly of Heads of State and Government in June 2014. Anchored in the principles and values of CAADP, the *Malabo Declaration* contains specific commitments defining the 2025 vision and goals – which in effect also constitute the agricultural component of the 1st Ten Years Implementation Plan for Agenda 2063. The commitments are for:

1. Ending hunger in Africa by 2025;

2. Enhancing Agriculture's Contribution to Economic Growth and Significant Poverty Reduction (agriculture to contribute to at least half)
3. Boosting Intra-African Trade in Agricultural commodities and services
4. Commitment to Enhancing Resilience of Livelihoods and Production Systems to Climate Variability and other related risks
5. Enhancing Investment Finance in Agriculture, and
6. Enhancing Mutual Accountability to Actions and Results

Admittedly these are commitments of a tall order, but clearly they are achievable goals. No doubt, they require exceptional leadership qualities at all levels, in particular high public officials essentially leading the way in terms of ensuring that enabling conditions for effective implementation are put in place and sustained; effective participation of all stakeholders; and constructive engagement with the private sector and other significant actors with unity of purpose.

I am glad to inform you that the African Union Commission and the NEPAD Agency, in collaboration with the RECs, undertook an expedient process that translated the Malabo commitments into results-based Implementation *Strategy and Roadmap*, and developed a *Programme of Work* that broadly defines operational actions and guides implementation at multiple levels, and across sectors, thus building coherence and alignment of efforts that respond to the priorities identified.

Distinguished participants, ladies and gentlemen:

You will recall that CAADP was adopted against a backdrop of agricultural policy neglect in Africa. The most manifest form of that neglect had been the investment deprivation of agriculture. So, an important tenet defining CAADP has been the consensus to allocate an increasing proportion of national budgets to agriculture. The decision to allocate at least 10% of public budgetary expenditure was aimed at reversing the trend of the investment deprivation that characterized agriculture, but also as a demonstration of commitment to country ownership and leadership in this predominant sector.

With the benefit of hindsight, we can note with a sense of encouragement that government expenditure on agriculture in Africa had registered an increasing trend over the last decade. Average annual agricultural expenditures by African governments exceeded US\$ 10 billion in 2010-13 period, compared to an average of about US\$ 7 billion during 1995-2008. Cumulatively, agriculture expenditures have risen significantly from US\$ 55 billion in 2003-2008 to US\$ 65 billion in 2008-2013.

Since the Maputo Declaration in 2003, more and more countries have been making progress towards the 10% budget expenditure target, with at least 9 countries having annually achieved or surpassed the 10% budget targets, whilst an average of 15 countries had budget shares exceeding 5 percent during 2003–2013. This increased to 18 countries during 2008-2013 period.

Similarly, evidences suggest that the total Official Development Assistance (ODA) to agriculture in Africa increased from a little over 1 billion to close to \$ 2 billion in 2011. The growth of Agriculture ODA on average was 4.5% during 2003-2008 but increased to 6.7% in the 2008-2012 period. This period also demonstrates the positive response of the global community as many countries developed their CAADP based National Agriculture and Food Security Investment Plans (NAFSIPs).

Excellences, Ladies and Gentlemen

These are encouraging trends, but by no means adequate to respond to the enormous and growing challenges that we must meet through operationalization of the Malabo Commitments. We will continue to work with African governments and all relevant stakeholders and development partners towards ensuring that the Malabo commitment of “enhancing investment finance” both public and private is realized. It is at this juncture that I wish to call on our strategic partners to step up their efforts in terms of enhancing investment finance to support Africa achieve its goals.

It goes without saying that the transformational agenda – as part of Africa’s industrialization drive through development and expansion of agro-industries and agribusinesses propelled by high and sustained productivity along the whole value chain – cannot be achieved without the co-leadership, ownership and active participation of the private sector. To this effect, we have been working with African governments and business leaders, both African and foreign, to facilitate a constructive dialogue aimed at enhancing investment in agriculture. This engagement will continue.

You may have already noted that enhancing mutual accountability for results and impacts is one of the commitments of the Malabo Declarations. The African leaders expressed their readiness for a peer review to be conducted every two years, starting from 2017 on the progress made in the realization of those goals. Definitely, progress on achievement of the goal of enhancing investment finance shall be one of the parameters against which we will all be judged.

We, from the African Union Commission and NEPAD Agency are carrying out significant efforts to work with our Member States in creating the enabling conditions to sustain the current recovery, in addition to continuing to raise public and private financial resources for agriculture. Our efforts will continue to be guided by your evidence based policy

planning and implementation strategies in increasing the number of our countries that are subscribing to the more comprehensive, technically robust, and inclusive mutual accountability frameworks.

In summary, we will continue to create the conditions for even higher returns to investments in agriculture. We will continue to ensure that African countries continue to invest more responsibly in agriculture both from the private and public sources. We, therefore, call on our partners to work with us to sustain the growth that we have registered in the last decade in terms of significantly raising investment finances.

I thank you.