



**Statement for H.E Tumusiime Rhoda Peace
Commissioner for Rural Economy and Agriculture
at the African Agribusiness Forum
22 June 2014,
Malabo, Equatorial Guinea**

Excellency Fatima Acyl, The Commissioner Trade and Industry of the African Union
Excellency, The Commissioner Political Affairs
Representatives from our Regional Economic Communities,
Development Partners,
Representatives from the Private Sector,
Civil Society Organisations,
The Youth
Ladies and Gentlemen:

It is with honour and pleasure that I welcome you to the African Agribusiness Forum at Malabo, Republic of Equatorial Guinea.

We would like to salute the Government of Equatorial Guinea for the warm welcome and the good environment for this forum and the summit.

We consider the last decade to have been phenomenal in redefining and reshaping the critical path to the attainment of Africa's agricultural transformation objectives. Between 2002 and 2013, real GDP in Africa grew on average by more than 5 per cent annually, more than twice as much as the 80's and 90's. Never before has Africa experienced such rapid growth rates for an extended period. It is also evident that future growth on the continent will be supported by external trends such as the global scramble for commodities on account of rapid world population growth, fast urbanisation and accompanying consumption patterns. With world food production needing to rise by 40% over the next 30 years, Africa features as an indispensable part of the solution.

Excellencies,

The African Union has placed among its top priorities the improvement of the productive capacity of the agricultural sector. Studies have indicated that increasing agricultural production and productivity could boost Africa's overall GDP growth rate by 1 percentage point annually - generating a 6% increase in overall expenditure of the poorest 10% of the population and this augurs well for the pursuit of inclusiveness towards the attainment of the aspiration for prosperity. We are also aware that by 2050, Africa will be home to one-fifth of the world's population. Not only does the continent have the world's fastest growing population but also has the youngest. This rapid growth, combined with a strong trend towards urbanization, poses a huge challenge for peace and security, economic opportunity and food security. It is within our hands to harness these opportunities and overcome the challenges to propel the African continent forward in the context of Pan Africanism and African Renaissance.

Excellencies, Ladies and Gentlemen, while we recognise the pivotal position and role of smallholder farmers in African agriculture, we also note with concern that most small-scale farmers are more than 50 years old, many of them retirees and from salaried employment. At this rate we may not cope with the compelling continental and global megatrends that call for transformation of agriculture with well-designed and properly executed strategies to attract and retain youth in agriculture and farming. Also in the last 50 years, slow progress on agribusiness has been largely due to extremely low scale use of modern inputs, mechanization and irrigation. Additionally, there has been inadequate and often uncoordinated investment in agriculture and agribusiness by the private and public sector. Fortunately, there is momentum towards correcting this.

The recent AU Joint Conference of Ministers of Agriculture, Rural Development, Fisheries and Aquaculture, held in Addis Ababa, Ethiopia, from 1st to 2nd May 2014 adopted a Resolution endorsing seven Africa Accelerated Agricultural Growth and Transformation Goals (3AGTGs) to 2025 for consideration by the AU Heads of State Summit here in Malabo. The joint conference recommended among other things the need to *enhance Public-Private Partnerships and Investment Financing for African Agriculture and called on stakeholders to establish and/or strengthen inclusive public-private partnerships for at least five (5) priority agricultural commodity value chains with strong linkage to smallholder agriculture and strengthen the capacities of domestic apex private sector intermediary institutions for inclusive facilitation and coordination to ensure engagement of private sector in CAADP implementation.* The African Agribusiness Forum will, therefore, provide an opportunity for men, women and youth stakeholders in the agribusiness sector to discuss and develop concrete strategies for the realization of these recommendations.

The purpose of this forum is, therefore, to enable stakeholders in the agribusiness sector to discuss and develop concrete strategies for the realization of the recommendations by the AU Joint Conference of Ministers of Agriculture, Rural Development, Fisheries and Aquaculture on *Enhancing Public-Private Partnerships and Investment Financing for African Agriculture*

The implementation of the Ministerial Commitments and later those of Heads of State and Government, will require policies and strategies that place the development of agriculture and agribusiness at the centre of economic and social development. Learning levels and scaling out of best practices need to be increased. If these trends continue, Africa will be playing an increasingly important role in the global economy by 2050 and that again is one of the aspirations of the AU for Africa to become a dynamic force in the global

arena. With a predicted labour force size of 1.1 billion, the size of Africa's labour force will overtake China and India to become the largest worldwide. But we do not want to only be bypassed by numbers but also by skills in science, technology and innovation – and, here, the role of the private sector is critical in partnership with government and other stakeholders. We also still note that the risks and costs of African agriculture are still too high for farmers, SMEs, and investors to be globally competitive. The good news is that we see AU Member States' Government keen on accelerating action to improve the enabling environment in response to market priorities. We would like to see the private sector seize the opportunity presented by this paradigm.

We further recognise that enhanced agricultural performance is key to growth and poverty reduction through its direct impact on job creation, especially for women and youth; on food security and improved nutrition. Therefore, the year **2014, the year of Agriculture and Food Security and the marking 10th Anniversary CAADP is an important milestone and an opportunity to be seized by leaders and partners in the resolve to transform agriculture and advance food and nutrition security as a priority for policy and actions to generate concrete results and impacts in terms of health, jobs and incomes.**

In order to bring the almost 600 million hectares of cropland into cultivation in an environmentally sustainable way, Africa's increased access to capital and its ability to form new types of economic partnerships with investors will aid further growth. Hence, Africa's agricultural growth will continue to be about government actions as our governments continue to increase their investment in agriculture - the catalytic investments by the private sector and development partners will continue to be critical in advancing the development of the value chain.

Therefore, the private sector must uphold their defining character of innovativeness and willingness to take on and share risk. The quality, focus and scale of collaboration must improve across all partners if we are to truly unlock sustainable investment in agriculture.

Again, the good news is that investment is starting to move, operations are growing, and, encouragingly, companies, finance institutions and investors are all demonstrating a serious strategic intent to work with smallholders and SMEs to expand economic and business opportunities in agriculture. Innovations on business models, finance, technology and public sector interests are combining to improve the commercial equation for investments along agricultural value chains from family farms to processing facilities and service providers. Further improvement in post-harvest management and processing of agricultural commodities is critical in expanding the regional agricultural trade that underpins wealth creation and food security.

On the private sector front, coordinated efforts through Public Private Partnerships (PPPs) should receive the highest priority and has the power to transform the continent through long-term capital investments, creating both economic prosperity and social wealth. Similarly, we have noted from best practices and success stories in a number of AU Member States that a strong and visionary public and private leadership committed to the implementation of consistent policies, strategy and regulatory frameworks is a factor in the successful transformation of the agriculture sector. However, industrialization of agriculture remains critical to drive growth. Lessons from agricultural development achieved in emerging economies show that integration needs to go beyond the agriculture sector to build synergies with other sectors of the economy including both soft and hard infrastructure such as transport, ICT, intra-African trade and related financial services. The importance of a

symbiotic relationship between agriculture industry and services cannot be overemphasised.

We should, therefore, set ourselves the goal of making 2014 a milestone year, a tipping point where we convert our commitments to deliver outcomes on the ground. This is the essence of Africa's Year of Agriculture and Food Security.

These experiences are strong indicators that inclusive growth as advocated under CAADP is a process requiring sustained and concerted actions and efforts in application of quality policies, strategies, programmes, and investments driven by strong political commitment and leadership and fostering effective partnerships.

It is, therefore, desirable that in the next decade we together build on this momentum to deliver in an accelerated manner, positive changes towards prosperity that directly impacts on livelihoods of African citizens through an inclusive agricultural transformation process.

For us at the AU with the leadership of the AUC under the stewardship of H.E Dr Nkosazana Dlamini Zuma, Chairperson of the AU Commission, remain committed to working with you in moving the African agricultural transformation agenda forward.

It is my expectation that the outcomes of today's deliberations will input in the debate on Agriculture on the 26th June 2014 at the 23rd Ordinary Session of the African Union Heads of State and Government here in Malabo.

Thank you and I wish you fruitful deliberations.