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Department of Rural Economy and Agriculture

**Presentation of the Theme of the Year of Agriculture and
Food Security in Africa**

by

**H.E. Mrs Tumusiime Rhoda Peace
Commissioner for Rural Economy and Agriculture**

on

**“Transforming Africa’s Agriculture for Shared Prosperity and
Improved Livelihoods through Harnessing Opportunities for
Inclusive Growth and Sustainable Development”**

**at the 23rd Ordinary Session of the Assembly of Heads of
State and Government of the African Union**

26 June 2014

Malabo, Equatorial Guinea

Excellency, Teodoro Obiang Nguema Mbasogo, President of the Republic of Equatorial Guinea

Excellency, Mohamed Ould Abdel Aziz, President of the Islamic Republic of Mauritania, Chairperson of the African Union,

Excellences Heads of State and Government of the African Union,

Excellency Dr. Nkosazana Dlamini Zuma, Chairperson of the AU Commission

Excellency Banki Moon, Secretary General of the United Nations

Excellences, Colleagues Commissioners

Excellency, Dr. Ibrahim Essane Mayaki, Chief Executive Officer, NEPAD Planning and Coordinating Agency

Distinguished representatives of Regional Economic Communities,

Excellences, Members of the Diplomatic Corps,

Distinguished representatives of African and international organisations,

Distinguished representatives of Africa's development partner institutions,

Members of the Media,

Ladies and Gentlemen,

All protocols observed.

It is my singular honour to introduce, for Your Excellences' debate, the theme of the **Year of Agriculture and Food Security.**

Excellences, would recall that at the 22nd Ordinary Session of the AU Assembly on the 30th of January 2014, you formally launched the process and roadmap for this defining year under the theme ***"Transforming Africa's agriculture for shared prosperity and***

improved livelihoods through capturing opportunities for inclusive growth and sustainable development."

This theme echoes well with that of the just-concluded year-long commemoration of the 50th Anniversary of the OAU now AU, that is ***"Pan-Africanism and African Renaissance"*** as well as with the Vision of the pan-African transformative Agenda 2063 - ***"An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena."***

This is because ensuring an inclusive and transformative agricultural growth that builds self-reliance of the African citizenry, including for food and nutrition security is central to re-asserting African dignity.

Your Excellences' debate on this theme today is expected to provide strategic direction and guidance for renewed and heightened commitments on concrete goals and targets in advancing Africa's agricultural growth and transformation agenda for the next decade.

Excellences, my short presentation focuses on four interrelated aspects of the theme, notably the opportunities, taking stock of the progress made, the challenges, the vision and its realisation.

I will begin with the immense opportunities that the global and continental dynamics are presenting for Africa to harness as we embark upon a transformative agricultural development.

The best outlooks available today indicate that, the projected increase of global population from 7.2 billion today to 9.6 billion by 2050, necessitates an increment of food production globally by at least 60%. And since Africa is home to a population that is increasing the fastest, Africa's demand for food is projected to almost triple by 2050, increasing by 178% compared to 89% in India and 31% in China. These are triggered, in addition to population growth, by rapid urbanization and income growth.

Sources such as the World Bank projects that the African urban food market will grow 4-fold to exceed a total annual worth of US\$ 400 billion by 2030. The total value of the agri-food system business (from farm-to-table) that is required to meet Africa's booming demand is estimated at 1 trillion US dollars, including a potential for Africa to triple the value of its annual agricultural output from US\$ 280 billion today to some US\$ 800 billion by 2030.

Excellences, as you engage in today's debate, this snap-shot of figures is intended to provide a clearer sense of the magnitude of the considerable opportunities that exist for African to seize and facilitate actions for accelerating the structural transformation of Africa's agriculture for food and nutrition security, broad-based and inclusive economic growth and shared prosperity. We recognize that some AU Member States are already positioning themselves in this regard and tapping on these opportunities and we recommend that many more do so at a heightened scale.

Excellences, the second aspect of my presentation relates to stock-taking of the progress made on CAADP since its adoption in 2003 in Maputo, Mozambique.

With the benefit of hindsight, your decision to adopt the Comprehensive Africa Agriculture Development Programme (CAADP) at your 2nd Ordinary Session in 2003 in Maputo, Mozambique, as an Africa-owned and Africa-led framework to guide the agricultural development process, remains one of the monumental decisions to-date. Among other things, it has enabled agriculture to move to the centre of Africa's development agenda. Ten years on, most of the AU Member States have formally embraced the CAADP framework and used it while reviewing and refining their policies, strategies and investment plans. Similar progress is being made at the regional level, with RECs having been active in rolling out the CAADP. It is encouraging to note that these policy and institutional interventions have spurred agricultural growth, as growth in the agricultural sector increased, under CAADP, from the historical stagnation or even decline of the previous few decades to an average of 4% per year.

Moreover, a few AU Member States have registered remarkable agricultural growth rates, exceeding the CAADP target of 6%, thus attesting clearly that the rest of the AU Member States can do it as well.

Similarly, we have witnessed progress on the allocation of public expenditures to agriculture, which has been increasing at an average rate of 7.4% per year since the adoption of the CAADP. While such an increase suggests doubling in volume of expenditures compared to the pre-2003 levels, comparatively, however, it has been increasing at a lesser rate than gross public expenditure during the same time. Several Member States have been making efforts to meet the CAADP target of allocating at least 10% of public expenditure to agriculture; and most importantly they are seeing the benefits of according primacy to this strategic sector. This needs to be encouraged and sustained if we are to optimally exploit the opportunities I just hinted on.

Excellences, at this juncture, please permit me to highlight some of the structural challenges and issues that call for urgent action.

While we recognize the encouraging performance of the agricultural sector over the last few years, we are also faced with the realities that hunger and malnutrition have still been prevalent in Africa; that dependence and vulnerability of economies and livelihoods on factors outside Africa's control is increasing, seriously undermining our aspirations and efforts aimed at self-reliance. According to recent estimates, Africa's agri-food import bill has increased stubbornly to reach an average of 45-50 billion US\$ per year.

The fact that Africa is among the fastest growing regions in the world on the one hand, and, yet it is the most food insecure continent with more than a fifth of its population categorized as undernourished on the other hand, remains Africa's Paradox today. We know that the root cause of this is to be ascribed to the low level of agricultural productivity, organized around a subsistence mode, which is also hampering sustainable structural transformation of Africa's economies. Macroeconomic trends indicate that the share of agriculture in GDP has been declining and that of the service sector expanding in Africa, but with a stagnant or even declining share of industrial

particularly manufacturing sector, thus leading to a big number of people remaining in agriculture.

Such an imbalance has effectively delinked the productive sectors, i.e., agriculture and industry, with serious repercussions on job creation, productivity, value-addition, competitiveness, and self-reliance. In the process, Africa is being converted into a dumping ground for imported consumer items driven by speculative rent-seeking trade practices. It is also draining our scarce foreign exchange and overshadowing our potential to meet our needs.

Worse still, some projections tell us that, under a "business as usual scenario," Africa's agricultural production will cover only less than 15% of the continent's needs by 2050! Heavy dependence on increasing imports that are becoming expensive, unreliable and volatile, to feed the continent's fast-growing and urbanizing population in the face of considerable potential for increased production and intra-regional trade in food, can hardly be a sustainable food security strategy and, more so, in the context of climate change.

Excellences, if I may read your minds, the bottom line is that the current production trend is not sustainable at all! And clearly such a gloomy future can simply not be part of our Vision of the Africa future We Want!

The good news is that Africa can rise up to the challenges of realizing its potentials and its vision through harnessing the domestic and global opportunities, by embracing an Agenda for Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods – which is the theme of Your Excellence's debate today.

This brings me to the third aspect of my presentation: that is, our vision of the Agriculture Future We want for Africa to prevail in a decade's time (by 2025): a vision that is articulated through a series of broad-based consultations carried out by the AU Commission and the NEPAD Agency with key stakeholders and partners, as part of our commemoration of the Year of Agriculture and Food Security. I will sum it up in four aspirations: modernization, business, resilience and realization of potential.

First, we want a future Africa that has modernized its agricultural and food sector so that it becomes a highly productive, competitive, profitable, rewarding and, therefore, attractive to those who are engaged in it, in particular the youth and women. Clearly hand-hoe based agriculture is not compatible with the transformation agenda.

Second, we want a future Africa that has organized its agriculture as a viable business that is contributing to and benefiting from the industrialization and an economy-wide transformation agenda; which can be achieved through deliberate actions to develop agro-processing, agro-industries and agribusinesses. The agenda of agricultural transformation is about walking up the value-chain ladder along agro-industrial and agribusiness development patterns that contribute to further job-creation and income-generation and, therefore, shared prosperity, as these in turn catalyse production to greater heights. I have already mentioned the huge potential of these sub-sectors in revolutionising change and development in Africa.

Third, we want an Africa that has significantly built its resilience capacity to mitigate and adapt to shocks that prey on its high vulnerabilities to natural and human made risks, including climate change, and/or economic shocks, including unsustainable dependence on food imports.

Fourth, we want an Africa that harnesses its immense potentials, including its markets, the resourcefulness of its people, and its huge resource abundance, in driving its transformation agenda.

Excellences, now I turn to my fourth and last, but not least, aspect of my presentation: that is, on the crucial significance of translating the vision into reality, that of transforming potentials into possibilities. Yes, we can choose to realize our vision, and the extensive consultations conducted in the context of Africa Agenda 2063 have shown us that we know what it takes to get there! And most importantly, we believe that there is enough knowledge and experience around to capitalize on to realize our vision of the agriculture future we want.

As I mentioned above, the elements of what it takes to realize our vision have also been

subject to scrutiny at different levels of stakeholders' consultations, involving experts from AU Member States, the private sector, civil society, farmers organisations, women and youth, as well as our partners. The key issues that have been formulated and examined at several fora, including the 10th CAADP Partnership Platform meeting that was held in March 2014 in Durban, South Africa, a forum of over 650 participants from all categories of key stakeholders of Africa's agri-food system, were considered by your ministers at the AU Joint Conference of Ministers of Agriculture, Rural Development, Fisheries and Aquaculture held on 1st and 2nd of May 2014 at the AU Headquarters in Addis Ababa. The said Ministers adopted Resolutions and Key messages for Your Excellences' consideration, as you debate on the theme here in Malabo.

Excellences, an important aspect of our knowledge of what it takes to realize the potentials and the vision relates to the most fundamental driver of change and development in Africa; that is political determination, for which we are confident that it exists right here. Your Excellences have the political will accompanying your sense of mission. And, therefore,, as you debate on the theme, I wish to draw Your Excellence's consideration to the clarion calls for your exceptional leadership and guidance on the following six (6) set of commitments that are absolutely necessary in our collective struggle to realize our visions and goals.

1. Agricultural growth and transformation, first and foremost, must address the challenges of hunger and malnutrition. To this end, we need the actualization of Your Excellences commitment to Ending Hunger in Africa by 2025, which can be achieved through several interventions pertaining to accelerating productivity growth, reducing post-harvest losses and enhancing nutrition, among others.
2. It is inconceivable that most value-added in African global agricultural value chains occur outside of Africa, effectively forcing Africa to lose from foregone employment, skills and incomes opportunities. Yet, these have the most profound impact on the largest number of people. Your Excellences, we seek your commitment to an inclusive Agricultural Growth and Transformation that can contribute to poverty

reduction by at least half, by the year 2025, through various actions in the areas of commodity value chains and empowerment of women and youth.

3. Africa's agri-food systems need to become not only more productive, but also competitive, with a view to stemming the continent's heavy dependence on food imports, meeting the fast-growing and diversifying demands of intra-African local, national and regional markets and beyond, responding to the demands of a growing and exigent global market. We need Your Excellences demonstration of commitment to boost intra-African Trade through: tripling, by the year 2025, intra-African trade in agricultural commodities and services; and creating and enhancing policies and institutional conditions and support systems especially those related to agribusiness and agro-industries.
4. Africa's agricultural transformation should aim at enhancing the resilience of the livelihoods and production systems of rural households (including farmers, pastoralists and fisher folks) to climate and other related risks. To this end, we need Your Excellences' heightened commitment towards building resilience and reducing vulnerability.
5. We strongly believe that Africa's agricultural transformation must rest first and foremost on Africa's own resources and resourcefulness as Pan Africanism and African Renaissance has at its core not only self-determination but also self-reliance. This is the most powerful and candid way to demonstrate not only our resolve but also our ownership and leadership of the African agricultural transformation agenda. As Africans, we must first look within ourselves, mobilise and harness public and private domestic resources, before seeking external help. To this end, we seek Your Excellences' renewed commitment to enhance Investment Finance, both public and private, in Agriculture through upholding earlier commitments but also through creating and enhancing necessary appropriate policy and institutional conditions and support systems for the facilitation of private investment in agriculture, agri-business and agro-industries. This will be instrumental in leveraging private sector investment finance, through effective public-private partnerships, well beyond the current low

level of 5.8% of total commercial lending to agriculture -- to a scale that is commensurate with the wealth and job creation potential of transformed agri-food systems that Africa cannot afford to miss in the next 10 years.

Your Excellences' leadership and guidance on actions in the five areas I just outlined are definitely key for realizing our vision of the agriculture future we want. However, effective delivery on such commitments will require improved sector governance, coordination and capacity strengthening, which in turn entail several actions.

To this end, therefore we need Your Excellences' commitment towards Mutual Accountability to Actions and Results through a periodic, possibly biennial Agricultural Review Process akin to the existing African Peer Review Mechanism; fostering alignment, harmonisation and coordination among multi-sectorial efforts and multi-institutional platforms for peer review, mutual learning and mutual accountability; and strengthening national and regional institutional capacities for knowledge and data generation and management that support evidence based planning, implementation, monitoring and evaluation.

And finally, in recognition of the instrumentality and the added value that CAADP has been demonstrating over the last decade of experience, we need Your Excellences' recommitment to the Principles and Values of the CAADP Process and for sustaining the momentum.

Once again, Your Excellences, Distinguished Ladies and Gentlemen, it has been a singular honour for me to highlight key outcomes and messages of a highly inclusive consultative process on sustaining the momentum of Africa's agricultural transformation agenda for your highest consideration, deliberations and strategic guidance.

I thank Your Excellences for your kind attention.