Transforming Africa’s Agriculture for Shared Prosperity and Improved Livelihoods

through Capturing Opportunities for Inclusive Growth and Sustainable Development

23rd Ordinary Session of the AU Assembly Summit of Heads of State and Government
26-27 June 2014, Malabo, Equatorial Guinea
Presentation Outline

1. The Context: Opportunities & Challenges

2. The Issues

3. CAADP 10 Years on and the inclusive consultative process

4. Towards Setting 2025 3AGTGs

5. The AU Assembly Declaration (Assembly/AU/Dec.1(XXIII))
1. The Context: Opportunities
Opportunities: Demand Prospects

2030 Outlook:

- African urban food markets are set to increase 4X to exceed US$400 billion (World Bank Projections)

  • Significant rise in demand for:
    • processed foods and
    • market logistics.

  • Transformation of the food markets offers immense opportunities
Opportunities: Supply Prospects

2030 Outlook

• Africa has the potential to increase the value of its annual agricultural output by 3X:
  – from $280 billion today
  – to around $800 billion by 2030.
Opportunities: Business Prospects

2030 Outlook:

- Agriculture and Agri-business are projected to become a multi trillion dollar business in Africa
  - Estimated to be between 1 & 3 trillion depending on source
  - Impact on jobs, incomes,
Opportunities: Reality Check

Agricultural growth performance:

• Average growth: 4% per annum, is less than desired 6%

Agriculture is the priority sector

• Public expenditure grows by about 7% per annum, is less than the growth in total public expenditure.

• This is double the level of pre 2003 levels.
March 2000

• African agriculture, and indeed Africa itself – was taken as a basket case in previous decades!

• Few believed in the transformative power of agricultural growth
Opportunities: Reality Check

March 2013, Africa is the world’s fastest-growing continent,
1. The Context:

Challenges
Crop land use has been increasing at the expense of others (forests, grazing, etc.).

Increase in production came from expansion of cultivated land.
Challenges: Yield Gap

Yield Levels have been stagnant and are still low!

2014 Year of AGRICULTURE & FOOD SECURITY
Challenges:

a) Concerns over Impacts of growth
   - not inclusive of the vulnerable and the disadvantaged;
   - prevalence of hunger & malnutrition, despite registered growth

b) Production is largely subsistence

c) Lack of product transformation (value-added)

d) Huge leakages: post harvest losses, etc.
Challenges: Dependence on Imports

Excessive dependence

- on rainfall, which is unreliable, forcing operation below capacity (one season only)
- Food Imports (aid and commercial)
Africa’s Paradox and the Outlook

Africa is among the fastest growing regions in the world – agriculture also growing

Africa is the most food insecure continent with a quarter of its population categorized as undernourished

The Outlook:
Africa is at the center of the ‘Mega’ Global Trends agenda: demography, urbanisation, technology, climate change, etc.
Agriculture at the nexus of these Agenda
Challenges:

2050 projections:
• Under business as usual scenario, what Africa produces can only cover 13% of its needs

Bottom Line:
• Current production trend is not sustainable!
The theme:

- Transformation
- Shared Prosperity
- Improved livelihoods
- Opportunities for inclusive growth & SD
2. The Issues
Issue 1: Accelerated Growth

Africa’s transformation agenda must facilitate accelerated growth of agricultural production and productivity.
Africa’s transformation agenda must take advantage of market regional trade opportunities!
Issue 3: Food and Nutrition & Security

Pledge!
To end Hunger & Malnutrition!

Africa’s Transformation agenda must address the challenges of ending hunger & malnutrition!
Transformation Agenda must address the challenges of vulnerability of agriculture and rural livelihoods to shocks!
All of the above cannot be realized without enhancing investment financing (public & private) along the agricultural value chains!
3. CAADP 10 Years on...
CAADP 10 Years on…

• CAADP as a powerful tool of advocacy asserting the strategic importance of agricultural transformation in Africa
  • now thanks largely due to the instrumentality of CAADP, it is fashionable to talk of agricultural development as a priority; it wasn’t the case before.

• CAADP as African owned and led strategic agenda (40 countries compacts, 32 NAFSIP)
CAADP 10 Years on…

• CAADP has been promoting evidence based planning and stakeholders engagement as well as mutual accountability around change and development.

• CAADP has also been promoting mutual learning, experience sharing and continuous improvement – through reinforcing African capacities for change and development.
2014 Year of Agriculture & Food Security provides opportunities for:

a) reflection on the past decade of experience with CAADP, highlight key lessons and acknowledge its value addition and its contributions thus far;

b) taking stock of the current situation, opportunities and challenges; and

c) establishing a precise agenda and work plan for achieving the vision of shared prosperity and ending hunger in Africa through agricultural growth and transformation in the next decade,

d) mobilizing effective partnerships in support of this vision – which has defined the inclusive processes of defining the issues and the vision.
Major Events

• Launch of 2014, January 2014 AU Summit in Addis Ababa, Ethiopia

• Meeting of ADWG leaders and Country Technical leaders 1st week of February

• The 10th CAADP Partnership Platform Meeting March, 2014 in Durban South Africa.

• The Joint AU Conference of Ministers responsible for Agriculture, Fisheries and Aquaculture, and Rural Development - May, 2014

• The June 2014 AU Summit whose theme will focus on the Year of Agriculture and Food Security in Africa and commemoration of CAADP@10 -
4. Towards setting 2025 Africa Accelerated Agricultural Growth and Transformation Goals (3AGTG)
5. Towards Setting the 2025 3AGTGs

Accelerated growth (production & Productivity)

Investment Finance

Markets & regional trade

Resilience & risk management

Food Security & Nutrition

2014 Year of AGRICULTURE & FOOD SECURITY
3AGTGs 2025: production & productivity

Production Index

Productivity Index: TFP

Agriculture Value-added Index

2014 Year of Agriculture & Food Security
3AGTGs 2025: Resilience & Dependency

Resilience Index, reduced vulnerability

Dependency Index

![Graph showing resiliency and dependency indices from 2013 to 2025]
3AGTGs 2025: Food & Nutrition

F&N Index - Stunting

2013

2025
Commitments to Africa’s Accelerated Agricultural Growth and Transformation Goals 2025 (3AGTGs 2025)

Adopted by 23rd Ordinary Session of the AU Assembly Summit of Heads of State and Government
26-27 June 2014, Malabo, Equatorial Guinea.
1. Recommitment to the Principles and Values of the CAADP Process

2. Recommitment to enhance investment finance in Agriculture
   - Uphold 10% public spending target
   - Operationalisation of Africa Investment Bank

3. Commitment to Zero hunger – Ending Hunger by 2025
   • At least double productivity (focusing on Inputs, irrigation, mechanization)
   • Reduce PHL at least by half
   • Nutrition: reduce stunting to 10%
4. **Commitment to Halving Poverty, by 2025, through inclusive Agricultural Growth and Transformation**

- Sustain Annual sector growth in Agricultural GDP at least 6%
- Establish and/or strengthen inclusive public-private partnerships for at least five (5) priority agricultural commodity value chains with strong linkage to smallholder agriculture.
- Create job opportunities for at least 30% of the youth in agricultural value chains.
- Preferential entry & participation by women and youth in gainful and attractive agribusness

5. **Commitment to Boosting Intra-African Trade in Agricultural Commodities & Services**

- Triple intra-Africa trade in agricultural commodities
- Fast track continental free trade area & transition to a continental Common External tariff scheme
6. **Commitment to Enhancing Resilience of Livelihoods & Production Systems to Climate Variability and Other Shocks**

   – Ensure that by 2025, at least 30% of farm/pastoral households are resilient to shocks

7. **Commitment to Mutual Accountability to Actions and Results**

   – Through the CAADP Result Framework – conduct a biennial Agricultural Review Process
NEPAD HOSOC Decisions

• recommitted to the 2003 Maputo Decision on CAADP and called on continued support to Member States to effectively monitor the 10% target in agriculture budget allocation.

• endorsed the CAADP Results Framework as a tool to enhance evidence-based planning, monitoring and learning by Member States in the pursuit of agriculture-led economic growth and inclusive development.
Two immediate actions for the AUC and NPCA.

• The commitment to the CAADP Results Framework as an instrument to measure, track and report progress on the commitments.

• The call for the preparation of an implementation strategy and roadmap, for the 2025 vision and goals of 3AGT.
Two immediate actions for Research and Development partners

• African Agricultural Research and Knowledge Institutions to vigorously support the realization of this agenda through an integrated and coherent manner, building on national systems and capacities

• Development Partners to rally and align their technical and financial support in a harmonized and coordinated manner to support the implementation of the provisions of this Declaration.
Thank You!