Transforming Africa’s Agriculture for Inclusive Growth and Sustainable Development

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Opening Statement at the Commemoration of the Africa Year of Agriculture and Food Security
Abidjan, Côte d’Ivoire
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Hon. Sangafowa Coulibaly,

Minister of Agriculture and Livestock of Côte d’Ivoire

Prof. Wiseman L. Nkuhlu, Chancellor, University of Pretoria

Dr. Nteranya Sanginga, Director General, International Institute of Tropical Agriculture

Executive Directors and Staff of the Bank

Distinguished Ladies and Gentlemen

I would like to first, welcome Professor Nkuhlu, Dr Sanginga and the representative of Minister Coulibaly to the Bank.

And to also present the regrets of President Kaberuka and First Vice-President Mbi for not being able to be present in person due to unforeseen circumstances.

In January this year, H.E. Mohamed Ould Abdel Aziz, President of the Islamic Republic of Mauritania, launched the 2014 Year of Agriculture and Food Security. That event also marked the 10th Anniversary of the Comprehensive African Agricultural Development Program (CAADP). The African Heads of States also in June this year in Malabo reiterated the call for greater investments in agriculture. The Bank takes this call seriously.

The theme for the 2014 Africa Year of Agriculture is “Transforming Africa’s Agriculture for Shared Prosperity and Improved Livelihoods through Harnessing Opportunities for Inclusive Growth and Sustainable Development”. This is a fitting theme given agriculture’s potential, progress made and remaining challenges in transforming the sector.

To further accelerate agricultural growth, African countries should, over the next decade, address the concerns of:
• Increased agricultural production, productivity and value-addition;

• Functioning agricultural and rural markets including underdeveloped intra-African trade in agriculture;

• Price volatility in food and agricultural markets;

• Increased investment financing along the value chain;

• Ending hunger by 2025; and

• Building resilience to help our RMCs withstand the growing negative impacts of CC.

Today, we have the opportunity of hearing from Professor Nkuhlu on the theme – Agriculture: The Green Gold of Africa. Later, we will have a recorded statement from the Director General of the International Food Policy Research Institute, as we jointly launch the publication “State of Affairs on Genetically Modified Agricultural Technologies in Africa”.

Africa’s farm yields are low and the agriculture sector records an average productivity rate of 36 percent. We need to reverse this statistic!

Geraldine Fraser-Moleketi, our Gender Envoy, will speak on the very important topic of Gender and Agriculture. Women’s access to land on average has been less than half that of men. Generally, title and inheritance rights across Africa are bestowed to male family members. Yet women remain the primary users of agricultural land in most African communities. Gender inclusiveness not only corrects social injustice, but also maximizes
economic growth. Gender inequality has a high economic cost, leads to wasted human resources and overlooks opportunities for innovation.

We will also hear from Dr. Sanginga, Director General, International Institute of Tropical Agriculture, on the subject of Promoting Youth Employment in African Agriculture and Agri-business. Many young people are migrating to cities in search of opportunities, leaving behind an increasingly ageing population. The challenge is to create employment opportunities for productive activity of the 70-80% of workers in agriculture and informal non-farm enterprises.

These topics speak directly to the goals elaborated by the African Union and should inspire deep reflection here in the Bank as we finalize our new Agriculture and Agribusiness Policy and Strategy 2015–2019.

Ladies and Gentlemen,

To unlock the true potential of the agriculture sector, Africa’s farmers and businesses must be empowered through good policies, increased public and private investments, improved technology and stronger public-private partnerships.

The Bank’s growing assistance to the RMCs through promotion of integrated agricultural value chains, improving market linkages and agri-business, supporting youth entrepreneurship in agriculture, encouraging a paradigm shift towards engaging in agriculture as a business, etc., are not only vital for achieving the objective of the Bank’s Ten-Year Strategy, but also for driving long-term agricultural competitiveness and
transformation. This presents a genuine case for enhanced and long-term resource commitment to the sector. Let me touch on four quick points:

First, agriculture has been and continues to be important for the Bank. It is an area of special emphasis in our Ten-Year strategy. However, we have to do business differently – we need to focus on those areas and activities that can lead to the transformation of our economies. We need to practice agriculture as a business. Our investments in our five core operational areas should be complemented by parallel investments in agriculture, not only to maximise the benefits of these investments, but also to achieve broader inclusiveness.

For example, our support for rural energy should directly link to enhancement of rural agro-production and processing. We shall use new information technology for improved market channels. Our investments in roads should lead to improving agriculture in the roads’ zone of influence.

The Bank will invest heavily in irrigation. 40 million hectares of agricultural land in Africa is physically suitable for irrigation, yet the percentage of irrigated arable land is 7% (barely 3.7% in Sub-Saharan Africa). An annual increase in irrigation investment of 3.6% would triple the irrigated area to 22 million hectares by 2050.

In addition, the Bank will support regional integration that facilitates trade in agricultural produce on the continent. In an increasingly globalized environment, Africa’s participation in the global agricultural market remains limited, at only 2%. We must strive to improve Africa’s share of the global market.
Second, there are compelling reasons to scale up investment in youth employment in agriculture. Of Africa’s unemployed, 60% are young people, only 2% of Africa's graduates are employed in agriculture, 40% of Africa’s population already lives in cities, and by 2100, almost 50% of the world’s youth will be African. Working with partners, especially IFAD, AGRA, Bill and Melinda Gates Foundation and the IITA, the Bank will invest in a flagship programme that supports graduate youth engagement in agriculture and agro-business. The program aims to empower over 800,000 youths in 20 African countries through training in proven agricultural technologies, among other things. I am sure our good friend Dr. Sanginga, the DG of IITA, will elaborate on this later.

Third, the Bank will support African countries to improve governance of the agriculture sector, especially on land reforms. We plan to hold a Board Seminar soon to discuss Africa’s land issues, including direct foreign investments in agriculture that may impact on land use.

Lastly, we must acknowledge that no one institution can meet the expanding investment needs for agricultural development on the continent. We will continue to reach out to both traditional and new partners and sources of finance for innovative solutions.

For example, we have established, with support from USAID, DAINDA and SIDA, an Agriculture Fast-Track Fund that provides grant funds for project development costs. This will increase the number of investment-ready agriculture infrastructure projects. A modest amount of targeted funding can unlock hundreds of millions of dollars in concessional and commercial financing for agriculture infrastructure needs in rural Africa.

The Bank continues to lead regional investments through Special Programmes for strengthening resilience in water stressed areas such as in the Horn of Africa and the Sahel,
as well as minimizing conflicts and conserving resources, such as in the Lake Chad, Lake Tanganyika and the Lakes Edwards and Albert, and supporting roles to transboundary water issues in the Nile and the Niger Basins.

As we design a new Agriculture Sector Policy and Strategy (2015–2019), we will continue to be guided by our experiences in the global value chain, as well as strengthening partnerships and complementarity with others.

I thank you for your attention and now declare this event open.