Brussels Policy Briefing no.39

Global food systems, local impact: the role of agribusiness and development partnerships in advancing African agriculture

Organised by CTA, the ACP Secretariat, the European Commission (DG DEVCO/DGAGRI), Concord, AUC/CAADP, BMZ/GIZ

25th November 2014, Brussels
ACP Secretariat, 451 Avenue Georges Henri, 1200 Brussels, Room C
http://brusselsbriefings.net

1. Background

2014 was designated Africa's Year of Agriculture and Food Security. The continent's leaders have renewed their commitment to transforming agriculture as a driver of job creation, improved incomes, and access to nutritious food. The Heads of State and Government of the African Union met at the 23rd Ordinary Session of the AU Assembly in Malabo, Equatorial Guinea, from 26-27 June 2014, on the Theme of the African Year of Agriculture and Food Security: *"Transforming Africa's Agriculture for Shared Prosperity and Improved Livelihoods through Harnessing Opportunities for Inclusive Growth and Sustainable Development, also marking the tenth Anniversary of the Adoption of the Comprehensive Africa Agriculture Development Programme (CAADP)*". The **Malabo Declaration**[1] highlights **Commitment to Enhancing Investment Finance,** both public and private, to agriculture, and creates and enhances necessary appropriate policy and institutional conditions and support systems for **facilitation of private investment in agriculture, agri-business and agro-industries**, by giving priority to local investors.

2. Africa's agricultural transformation through innovative business models

Africa has to transform its agriculture and agroindustry to feed itself. Therefore agribusiness is strategically placed to drive Africa's future economic development.
The need to **transform the African agri-business sector** is a development challenge as it involves small-scale and family farmers who are the largest private investors into African agriculture.
The CAADP process initiated by NEPAD and the African Union creates a framework for coordinating strategies and instruments in the agricultural sector. The third CAADP pillar includes **domestic production and marketing** and **trade-related capacity development** as key elements.

Promoting **innovative business models** in African countries opens up new business opportunities, helps raise efficiency and advances national economic development. However, only a few agribusiness companies pursue the goal of sustainable agriculture, with a view to improving local and regional food production and trade. More analysis needs to be carried out into the successes on the ground of those companies, and into ways of upscaling them through new transformative partnerships.

The potential of **Africa-EU business cooperation** to support the development of agri-food enterprises in Africa and regional trade is not yet fully exploited[2]. The strong commitment from the EU to increase its support[3] for local private sector development in partner countries through regional blending facilities, use of grants and guarantees to facilitate access to finance for micro, small and medium sized enterprises offers an opportunity for strategic partnerships. There is also an important future role for the EIB in this area.

[1] Actions include: the AU Commission and NEPAD Planning and Coordinating Agency (NPCA) to develop an implementation strategy and roadmap that facilitates translation of the 2025 vision and goals of Africa Accelerated Agricultural Growth and Transformation into concrete results and impacts, and report to the January 2015 Ordinary Session of the Executive Council for its consideration; the AU Commission and RECs to facilitate the acceleration of economic integration to boost intra-Africa trade in food and agriculture.
[2] This potential was acknowledged at the April 2014 EU Africa Business Forum held in in Brussels.
[3] See EU Communication on *A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries.* http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX%3A52014DC0263&qid=1400681732387&from=EN

There is a need to **increase impact investment** made into companies, organizations, and funds with the intention of generating measurable social and environmental impact at the local level alongside a financial return. This investment aims to enhance the livelihoods of smallholder farmers and boost local agroindustry and local /regional trade.

3. The key role of transformative partnerships

A **differentiated approach to partnerships** is key to boosting agricultural development in Africa. This approach should focus on the development of competitive local private sectors including through building local institutional and business capacity, promoting SMEs and cooperatives, supporting reforms to and enforcement of legislative and regulatory frameworks, facilitating access to business and financial services, and promoting agricultural, industrial and innovation policies. To achieve this, private public partnerships (PPPs) which implement sector-wide and strategic approaches and that include several partners are required; moreover lessons learned from best practices should be discussed and shared.

4. Objective

The objective of this meeting is to discuss strategies and approaches for harnessing the potential of development partnerships with the private sector to catalyse market development and productivity in partner countries.

5. Outcomes of the Meeting

- The outcome of this meeting should be a **better understanding of the needs and constraints of the local agricultural sector**, and the potential of global, European and African private sector to strengthen agribusinesses in African regions with a view to upscaling or replicating successes in different parts of the continent.
- The meeting should also inform major stakeholders about existing **frameworks for structured dialogue and joint actions** with the private sector and **strengthen linkages between private sector and development cooperation,** including in the context of G7/G20 processes.
- At the European level, the meeting would contribute to the development of a **framework for dialogue and effective joint action with the private sector**, building to the extent possible on existing initiatives, with a view to enhancing coordination among individual European platforms and programmes and taking into account the conclusions of the 4th EU Africa Summit.

6. Target group

Around 120 ACP-EU policy-makers, civil society groups, research networks, development practitioners and international organisations based in Brussels.

7. Outputs

Input and comments before, during and after the meetings will be included in the Briefings Website: http://brusselsbriefings.net.
A short report and a Reader in printed and electronic format will be produced shortly after the meeting.

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Programme

8h00-8h45 Registration
9h00-9h15 Introduction and Opening of the Briefing
Introductory remarks: *ACP Secretariat, European Commission, BMZ, CTA*

9h15-11h00 Panel 1: Setting the scene: agribusiness and PPPs in Africa
This panel will review sharing of experiences and lessons learned from public-private partnerships (PPPs) and multi-stakeholder alliances that aim at accelerating investments and transformative change in African agriculture based on national and regional agricultural and trade priorities.
Panelists:

- Overview of agribusiness in Africa: trends, new opportunities & alternative investment models
  Hafiz Mirza, Chief, Investment Issues Section, UNCTAD
- EU Development Cooperation models with the private sector: An overview
  Wilhelm Elfring, Consultant to the EU-working group private sector development in agriculture
- Agribusiness in Africa: following in Malabo's engagements
  Komla Bissi, CAADP Pillar II Adviser, DREA, African Union Commission
- Main financing mechanisms which strengthen local/regional production and trade
  Heike Rüttgers, Head of Division Portfolio Management & Policy ACP, Investment Facility, European Investment Bank
- Increased role for farmer's organizations on agribusiness and PPPs
  Theo de Jager, President, Southern African Confederation of Agricultural Unions (*SACAU)*

11h00-11h15 Coffee break

11h15-13h00 Panel 2: Scaling up successes through transformative partnerships
This panel will look at specific examples of inclusive business models in specific sectors and value chains where significant successes have happened and analysis of drivers of success
Panelists:

- Inclusive partnerships to be scaled up in *post-2015 agenda*
  Eugenia Serova, Director, Rural Infrastructure and Agro-Industries Division, FAO
- Innovative platform to advance agribusiness in the development of African agriculture
  Henri A. Minnaar, Senior Programme Advisor: NEPAD Business Foundation, Agriculture & Food Security Programme
- Successes from the African private sector in the development of agribusiness
  Daniel Gad, Managing Director, Omega Farms & Ethiopian Horticulture Co-operative
- Linking agribusiness and supporting sustainable development partnerships in Africa
  Martin Märkl, Senior Sustainable Development Manager, BayerCropScience

Conclusion

Networking Lunch