

# AU-EU Investing in a Food Secure Future

Noordwijk, The Netherlands, 4-6 July 2016

## CHAIR'S SUMMARY



## **I. Introduction**

The global conference *AU-EU Investing in a Food Secure Future* was held in Noordwijk, The Netherlands, from 4 to 6 July, 2016. The conference, organized by the Government of the Netherlands, the African Union and European Commission, brought together participants from governments, international organizations, businesses, investment groups, research institutions and civil society to share their experiences and expertise and to partner in efforts to sustainably transform agriculture in order to achieve food security, improved nutrition, and rural growth.

## **II. Background**

In a world of plenty, one in nine people lacks adequate food and nutrition to lead healthy and productive lives. The world today faces one of the biggest challenges of the 21<sup>st</sup> century: how to feed 9 billion people in 2050. The African population is expected to double in the same period of time. Current patterns of consumption and production will only increase pressure on already scarce natural resources. Climate change represents an additional threat, already undermining agriculture and food systems in many regions, making it more difficult to achieve food security and nutrition goals and reduce poverty. In the context of food security and the right to food, the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) finds that all aspects of food security will be threatened, including production, access, and price stability. Smallholder farmers, providing up to 80% of the global food supply, including livestock keepers, fishers and foresters and especially women and indigenous people, are the most vulnerable to the various impacts of climate change.

The agreed Sustainable Development Goals give a fresh chance to demonstrate political leadership, strengthen international food security policy and will be at the top of the international political agenda for the coming years, notably achieving zero hunger by 2030. Alignment with the African Union's Agenda 2063 vision and priorities must also be an essential part of the agricultural cooperation between the AU and EU. With almost 800 million people suffering from hunger and four-fifths of the extreme poor living in rural areas, it is necessary to raise agricultural incomes. To do so, there is a need to foster innovative partnerships, boost both private and public investments in the agri-food sector and rural areas in order to raise agricultural and rural productivity and incomes and promote more productive, sustainable and inclusive food systems, critical to human dignity.

Another win-win opportunity arises from the intended Nationally Determined Contributions to Climate action (INDCs), for which many countries have included activities in the agricultural sector. As countries develop climate policies in response to the Paris agreement, and develop their plans to implement the SDG's and the AU Agenda 2063 there will be opportunities to integrate food security and nutrition into climate action.

To enable people to achieve global food security and improved nutrition, and for food producers to improve their livelihoods, there is a need for sustainable increases in agricultural productivity by an estimated 60%; and at the same time this calls for reducing food losses and food waste; for strengthening the social and economic structure of rural areas; for empowering women and girls; for all food systems to be more resilient and able to adapt to climate change; and for enabling agriculture to contribute to the reduction and removal of greenhouse gas emissions, where possible. These challenges and opportunities are particularly pertinent to the African continent.

## **Purpose and Objectives: AU-EU Conference of Ministers of Agriculture**

Recognizing these challenges, the Government of the Netherlands, in its role as EU Presidency 2016, has taken the initiative to advance AU - EU cooperation in the field of agriculture, and place special emphasis on the role of agricultural policy cooperation in food security and nutrition improvement.

Acknowledging considerable challenges and achievements within Africa to end hunger, achieve food security and improvement in nutrition, the Conference will build on the commitment of African leaders as expressed at the June 2014 AU Summit in Malabo, Equatorial Guinea. With acceleration of agricultural growth and transformation as the primary strategy to end poverty in Africa and reducing vulnerability to climate and weather related risk, the Conference will explore options for the contribution of agriculture policy cooperation between the AU and EU, including for SDG2 and AU Agenda 2063 implementation, and in alignment with the commitments of the Malabo declaration.

This agricultural policy cooperation seeks to support governments, farmers, private sector, scientists, businesses, and civil society, as well as regional blocs and international organizations, in adjusting agricultural, forestry and fisheries practices, food systems and social and economic policies in order to reach these goals.

### **Themes of cooperation**

- Climate smart agriculture
- Fighting Food Losses and Waste
- Improved Market Access
- Responsible Private Sector Investment
- Science and Innovation for Agricultural Development

This cooperation should also be region and/or country-owned and region and/or country-specific. The Comprehensive African Agriculture Development Programme constitute the framework for AU agriculture policy, complementing on the EU-side national cooperation-strategies of EU-Member-States with African countries or regions and EU strategies.

### **Action-oriented cooperation**

The focus of cooperation should be action-oriented and could incorporate the following overarching concepts, paying specific attention to the crucial role of women and youth, building on lessons learned, responding to today's reality and the challenges of the future:

- **Farmers first:** there is a need of putting farmers (in particular small-scale farmers focusing on women and youth) in the drivers' seat by strengthening their position in the agricultural value chain;
- **Chain approach:** improving and strengthening the value chain will be the cornerstone for this regional cooperation;
- **Entrepreneurs as drivers of change:** there is a need for a paradigm shift in the role of the private sector, scaling-up of private sector involvement/responsible investment in the agricultural value chain;
- **Private-public partnerships as a change agent:** rolling out of this model and building on the recent successes in various areas of agricultural development, notably in Africa.

### III. Opening Sessions

#### Plenary Opening Session

**Martijn van Dam, Minister for Agriculture of the Netherlands**, opened the Conference and described the technological partnership between Tanzania and the Netherlands to develop varietal improvements on crops grown in Tanzania, using this partnership as an example of the possible beneficial outcomes of an AU-EU partnership for a food secure future. The challenge in the coming decades, as global populations continue to grow exponentially, will be to produce more food in better, smarter ways, while also taking into account Earth's finite resources. Added to this challenge is the threat of climate change, highlighting the need for more resilient rural and urban communities. The Netherlands has made agricultural growth a key focus of its EU presidency and has specifically given priority to the issue of food loss and waste, along with an emphasis on developing capacity for knowledge, innovation, and knowledge-sharing. Mr. van Dam concluded by invoking a Swahili proverb: "Haba na haba hujaza kibaba," which means "Little by little fills the measure."

**Ms. Rhoda Peace Tumusiime, the Commissioner for Agricultural and Rural Development of the African Union**, began by thanking the representatives of IFAD, the European Commission, the host government of the Netherlands and conference staff for their work in organizing the conference. She reiterated the additional challenge posed by climate change, coupled with already scarce resources, to a growing population, a challenge which will be felt even more acutely by the rural poor. Noting the development goals of reducing poverty and ending hunger, Ms. Tumusiime argued that it will be critical to accelerate implementation of international agreements. Finally, she spoke of the need for more strategic focus in discussions to target concrete recommendations that can be brought to the high-level segment of the conference.

**Mr. Kanayo F. Nwanze**, President of the International Fund for Agricultural Development, incited a call to action for African leaders to take ownership and leadership for implementing policies that will lead to rural development. It is a bitter irony that Africa spends annually \$35 billion to import food, when African countries collectively have 25% of the most arable land but generate only 10% of the world's agricultural output. Mr. Nwanze emphasized the importance of Africa's ability to feed itself, a goal also noted by the president of the African Development Bank. Investment in this agricultural transformation makes both economic and moral sense. Economically, the agricultural landscape of Africa is amenable to production, but resources need to be properly managed to provide both for the poor and the expanding middle class. Agriculture has heretofore been treated as a poor man's occupation, rather than as a business venture, but this perspective needs to change to ensure that talented farmers and entrepreneurs do not migrate to other sectors. Mr. Nwanze, in making the moral argument, cited the working and living conditions of many rural farmers, noting a lack of roads and basic utilities, high costs of inputs, and diminished access to markets. Africa needs policies that encourage inclusive business models to give farmers access to better technologies. However, the biggest challenge to achieving food security will be engendering the African ownership and political will necessary to fully develop an agricultural sector that can drive structural transformation.

#### *Setting the Scene*

**Diana Ogwal Akullo**, Policy Officer for the African Union Commission, offered a perspective from the African Union, noting that the AU's major objectives are to support a policy organization and harmonization framework, mobilize resources, and advocate key issues. Ms. Diana also noted the demand prospects of the African food market, incorporating the logistical challenge of moving

commodities to demand centers coupled with a growing population and increasing urbanization. In order to meet this demand, the agribusiness sector—which has the potential to create jobs, boost incomes, and attract investments—will need to tackle these challenges in an environment with lower than targeted growth rates and changing perceptions of African opportunities for growth. Further issues to consider are the need to include vulnerable populations in agricultural programs, shifting away from the subsistence approach, the so far limited value-add opportunities along the value chain for African producers, and significant leakages at all points of supply. If business continues as usual, then African countries will produce only 13% of Africa’s food needs, far below desired targets.

**Mr. Mamadou Biteye**, the Managing Director of the Rockefeller Foundation in Africa, focused on the challenge of food loss and waste to ensuring a food secure future, calling it a “trillion-dollar crisis quietly brewing” as a third of food is wasted across the global food supply system, food which could feed all the world’s hungry. The Rockefeller approach is four-fold: fixing broken links in the chain from farm to market, helping farmers access technologies, enhancing farmers’ access to finance and credit, and helping farmers effectively use proven technologies for harvest, storage, and transportation. This approach focuses on behavior change; in other words, how farmers grow and store their crops but also how companies respond to waste and loss. Speaking personally, Mr. Biteye has seen a small but significant increase in the number of smallholder farmers using post-harvest loss mitigation technologies. He concluded by defining food loss and waste as a moral issue, urging participants to “work with me” to fix the problem.

As a full-time farmer in Botswana, **Ms. Beauty Morukana Manake** of Kungo Farms spoke passionately about the potential to reconcile agribusiness with environmentally friendly production practices, citing “green diamonds” as an example. She stressed the importance of continued investment in the agricultural sector, including access to land and financing, particularly for women and youth. Ms. Manake also noted that 80% of food in Africa is imported and that the problem stems from a lack of understanding of agriculture as a business. The first solution, according to Ms. Manake, should be capacity building, which would include the provision of market information—including major market trends—and climate-smart technologies to workers. Yet both technologies require people capable of using them.

**Mr. Daniel Gad**, Managing Director of Omega Farms in Ethiopia, described the challenge of bringing investments into agriculture from a private-sector perspective. He used the example of the Dutch-Ethiopian floriculture partnership to illustrate the value of an AU-EU partnership for agricultural investment, but he also noted the mismatch in perceptions of what kinds of returns can be expected from investments. Returns for many agricultural projects are generated only in the long term, and investors need to be able to provide this kind of slow capital. Furthermore, many smallholder farmers are limited by small land plots, often only one hectare, and Mr. Gad argued that land in Africa is not being used to its full potential. Farmers need more land, but they also need to be able to respond to a globally competitive marketplace. There also need to be more land grants to women. If agricultural investments generate a returns, these returns can be reinvested in land or utilities investments in local communities. Additionally, the investment environment around agriculture needs to change; at present, wealthy Africans are not investing in agriculture, yet agriculture shows the largest potential for returns. The challenge will be creating funds able to directly invest in domestic opportunities.

#### **IV. Working Group Sessions**

In five thematic working group sessions the participants focused on Challenges and Commitments.

## **1. Climate Smart Agriculture**

Globally improving sustainable agriculture has to take into account the effect of a changing climate. Populations in Africa, where many are already vulnerable and food insecure, are likely to be the most seriously affected by the impacts of climate change. The concept of climate-smart agriculture will be at the heart of increasing agricultural production by 60 % in the year 2050. This was further underlined at the COP21 Paris climate summit. Climate smart agriculture (CSA) will be pivotal not only to increasing agricultural production to meet the food security needs, but also promote adaptation to climate change and reduce greenhouse gas emission from the agricultural sector, contributing to the implementation of global agreements. Responsible investment in CSA should enhance sustainable agricultural practices, including soil and water conservation, improved irrigation systems, greater water efficiency, locally adapted seed systems and preservation of biodiversity as well as generic improvements in agriculture, fisheries and forestry. Identified collaborative actions:

### **Galvanizing Political Commitment to CSA as a transformative way of agricultural development in a changing climate, through:**

- Integrating production and markets;
- Managing risks – Insurance; Social safety nets;
- Developing metrics for measuring performance and impacts, including environmental and social safeguards;
- Managing agricultural and natural resource management interface.

### **Capacity development along the value chain with a specific focus on:**

- Building resilience, minimizing food loss and waste and greenhouse gas emission removals, where applicable;
- Agribusiness Mentorship Program.

### **Innovations, Knowledge and Technology, with private sector involved as key actors:**

- Improving existing and develop new area specific CSA technologies incl. harnessing indigenous knowledge;
- Using improved seeds varieties and efficient water management;
- Linking with the Climate Technology Centre and Network (CTCN) of UNFCCC;
- Education and information (curriculum, extension service, incl. climate information).

### **Access to innovative financing to catalyze private sector investments, by:**

- Creating guarantees to loans and agricultural insurance by governments;
- Facilitating commitments to Climate finance for CSA.

### **Establish a Climate Smart Agriculture Programme connecting both regions for:**

- Mobilizing investments into CSA;
- Capacity development;
- Sharing innovations, technologies and information;
- Developing metrics for measuring performance and impacts, including environmental safeguards;
- Extent Agro-business mentorship with a.o. banks and financial institutions.

This proposal complements existing CSA initiatives, fills the implementation gap to overcome obstacles/barriers to scaling of CSA, reinforces mainstreaming of CSA into national development plans (national and sectoral development plans), and is of high relevance for both continents.

## 2. Reducing Food Losses and Waste

Reducing food losses and waste can add to 30% of the aimed increase of production. Currently around one third of the food produced is being lost or wasted. This huge level of inefficiency has economic, social, and environmental impacts. Reducing food loss and waste can be a “triple win” opportunity: it saves money for farmers, companies, and households; wasting less means helping feed more; alleviates pressure on climate, water, and land resources. Investments in agro-processing operations, such as milling cereals, extracting oil and (cold) storage and marketing facilities should help reduce food losses and waste across the food system, and in turn, increase quality and food safety. Identified collaborative actions:

**Measure to Manage** - Establish technical collaboration—involving countries, companies, and other institutions—on quantifying food loss and waste (FLW) at national level to empower countries to set baselines and monitor progress over time, through.

- Sharing quantification methods;
- Building national capacity to conduct FLW inventories in conformance with global best practices, and align FLW reduction targets.
- Giving particular attention to filling data gaps.
- Monitoring progress toward FLW targets, monitoring funding for FLW reduction (since funding for post-harvest activities is current very low).

**The FLW Innovation Challenge** - Launch a “Food Loss and Waste Innovation Challenge” wherein funders/financiers offer financing to farmers, entrepreneurs, small/medium-sized enterprises, or others in both AU and EU on a competitive basis for most promising innovative proposals for FLW reduction.

- Forming an “umbrella” consisting of more focused challenges (i.e., calls for proposals) tackling “hotspots of FLW”, of importance to AU and EU;
- Concentrating on specific food commodity (e.g., maize, cassava, rice), in defined geography.
- Solutions supported include those preventing FLW and those that transform FLW into something of value, achieve significant benefits for stakeholders.
- Include financing (via grants), the innovation’s design, farmer pilots, and early rollout, and preparing the innovation for becoming “bankable” by development finance or private capital—ultimately bridging it to equity financiers;
- Move solutions from the idea stage (grants) toward scale-up (e.g., development finance) and ultimately private market finance.

**FLW Technology Incubator** - Roll out the use of transportable units enabling on-site, rapid, experimental testing of FLW-reduction technologies and approaches for perishable foods.

- Containing small cold-storage facilities and basic research equipment (e.g., quality and safety testing, spectrometers), enabling local university researchers, farmers, and companies to rapidly conduct state-of-the-art experiments, supporting the development of innovations and solutions that work in local context for any food product;
- Enabling on-site researchers to connect via wireless with researchers anywhere on the planet;
- Shortening time gap between inception and implementation phases. (Two per country could dramatically increase the pace of technology and capacity development).

**Private Sector “Anchor Buyers”** - Develop a scaled-up “anchor buyer” initiative wherein companies active in food supply chains contract to purchase foodstuffs from farmers agreeing to implement practices or technologies that reduce FLW.

- Supporting development of local alternative markets that could take excess production that anchor buyers cannot absorb;
- Creating form of purchase guarantee giving farmers (and their financiers) confidence to implement FLW-reducing practices;
- Candidate companies to approach include members of the Consumer Goods Forum active in Europe and Africa, members of African-based agribusiness associations, and leading local businesses.

**Global Community of Practice on Food Waste** - Establish a “Global Community of Practice on Food Waste”, a public-private partnership that facilitates exchange of information and best practices, enables access to practitioners, promotes networking around mutual interests, identifies food waste hotspots, and promotes solutions.

- Include farmers, farmer cooperatives, agribusiness (both global and local), government agencies, research institutions, and others involved in food supply chains;
- Complement and collaborate with the Global Community of Practice on Food Loss being hosted by FAO, IFAD, and WFP.

**Roundtables on Food Security and Nutrition** - Establish annual, national, multi-stakeholder roundtables on food security and nutrition across both regions.

- Connect in-country farmers, local businesses, and relevant government agencies to share challenges, highlight successful local solutions, articulate the business case for action, accelerate knowledge transfer, build capacity, catalyze local partnerships for action, and strengthen market connectivity;
- Cover the themes highlighted during the “AU-EU Investing in a Food Secure Future”: climate smart agriculture, food loss and waste, improved market access, private sector investment, and science & innovation for agricultural development, as well as nutrition and sustainable diets;
- Serve as a concrete way of building integrated policy-making and collaboration around these themes in country;
- Build on existing pilot roundtables in e.g. South Africa, which could be the basis for scaling up.

### **3. Improving Market Access, regionally and internationally**

Looking into accelerating growth by raising the capacities of private entrepreneurs (including commercial and small-holders) to meet the increasingly complex quality and logistic requirements of markets; creating regulatory and policy frameworks to facilitate the emergence of regional economic spaces that will spur the expansion of regional trade and cross country investments; improving competitiveness, removing trade barriers; creating regional internal markets. This would also require improving food inspection services with trained staff, upgraded laboratories and expertise to design and monitor food safety standards. Identified collaborative actions:

- Explore opportunities to set up an entrepreneurship development fund;
- Set up an Africa-EU multistakeholder agricultural business platform;
- Develop a programme for trade data and information to promote coherence between agricultural and trade policies and to reinforce activities for agricultural policy monitoring to feed into the Malabo review and mutual accountability report;
- Invest in structured trade facilitation infrastructure (commodity exchanges, warehouses systems, ICT-based marketing);

- Develop a programme for building private sector (SMEs) capacity on standards;
- Explore common position in WTO on fisheries and cotton and tariff escalation for processed agrifood products;
- EU-AU to foster priority regional value chains and agro industrial clusters development in support of fast tracking construction of African common market in quality agricultural and food products.

#### 4. **Increasing Responsible Private Investment**

Investing responsibly in agriculture can effectively increase the productivity of agricultural labor and land, and boost rural businesses. Productivity is a major determinant of farm incomes. Especially private investments will boost agricultural business operations and value chain approaches. Strengthening of the food supply chain by, inter alia, encouraging small farmers to organize themselves and to diversify and upscale their marketing; investments in transportation, food industries and packaging industries, awareness raising among food industries, retailers and consumers, strengthening knowledge and capacity of food chain operators, including safe food handling practices, marketing cooperation and improved market facilities. Furthermore those investments should enhance sustainable agricultural practices, including soil and water conservation, improved irrigation systems, greater water efficiency and preservation of biodiversity as well as generic improvements in agriculture, fisheries and forestry. In order to attract an enhanced flow of private investment in the agricultural sector challenges in the area of the enabling environment for investment have to be overcome. A number of these issues have been discussed during the AU-EU agribusiness conference in EXPO Milano in October 2015. Furthermore extra emphasis was given in the Valletta action plan 4th priority initiative on facilitating private investment. Identified collaborative actions:

**Call for Ministers to adopt the right policies.** Need for visionary leadership to create the enabling business environment. More AU EU **cooperation on agriculture policy**, particularly to promote investments. Exchange of best practices and dialogue through platforms. Better communicate about policy and engage stakeholders in policy making process.

**Promote AU EU partnerships.** Set up an **AU EU Business Forum / Forum for investment in the agrifood sector** involving government, private sector (incl. farmers organisation and cooperatives) and financing institutions. Facilitation of joint ventures (incl. SME and larger corporations). Matchmaking event (needs of each country to be matched) + web platform + exchange programs for producers and processors. Example Ireland and African Agri Business. Identify and scale up successful models.

**Develop agriculture extension services and vocational training** (critical to make the theory become practice). Specific approach for Youth. Agriculture to be a profitable activity, invest in new technologies, communicate to potential young farmers using social marketing and promote business incubation.

**Build up "innovative" value chains which are critical to ensure better access to finance, risk sharing and transfer of technologies to farmers.** Focus on the development of a few value chains (targeting specific volunteering countries). Bring all stakeholders together. Exchange of information and best practices. Create a CSR transparency group for agriculture value chains.

#### 5. **Science and Innovation for Agricultural Development**

Institution building, capacity building and access to research and innovation determine the success of increasing agricultural productivity in a sustainable way. Enhanced instructional cooperation between universities and

research centers in both regions can lay a firm foundation for sustainable growth, and attract the interest of youth to work in the agricultural sector, as young entrepreneurs, the future farmers. The EU-Africa Research and Innovation Partnership on Food and Nutrition Security and Sustainable Agriculture, adopted on 4 April 2016 will inform the discussions. Identified collaborative actions:

- **1000 new African Ph.D. students begun by 2020.** The students would be from the African continent, trained on the African continent, and focused on themes that address public and private priorities for agricultural development.
- **Roundtable on innovative finance**, to address at country- and regional-level, innovative forms of finance.
- **Creation of two new research-industry-public partnership incubators.**
- **Roundtable on agricultural diversity for food security in a changing climate.** Note that diversity is of relevance at scales ranging from the plot to the African continent.
- **“e-capacities” usage pledge (10 countries in two years).** “e-capacities” is an information platform developed by FARA-AU to assist African nations to catalog their innovation ecosystem.
- **Private sector initiated training gap analysis for horticulture in East Africa.** Proposal is to better understand the knowledge gaps in the supply of technical workers. Need a bottom up approach in touch with daily situation.

## V. High Level Segment: From Vision to Action

The Conference was built around a two-day Experts’ segment followed by a High Level Ministerial segment on the third day, giving political orientations to improve AU-EU agricultural cooperation and build on previous international efforts and existing structures.

The Conference put forward partnerships on the main themes of AU-EU cooperation, in order to accelerate the implementation of relevant agreements and actions as well as to strengthen the cooperation with private sector, especially through public private partnerships. This will be a rolling agenda for the AU-EU cooperation the coming years.

### 1. Climate smart agriculture

Climate-smart agriculture (CSA) is an approach that helps to guide actions needed to transform and reorient agricultural systems to effectively support development and ensure food security in a changing climate. CSA aims to tackle three main objectives: sustainably increasing agricultural productivity and incomes; adapting and building resilience to climate change; and reducing and/or removing greenhouse gas emissions, where possible. Key actions areas identified:

1. **Galvanizing political commitment to CSA** as a transformative way of agricultural development in a changing climate;
2. **Innovations, knowledge and technology**, with private sector involved as key actors. Improving existing and develop new area specific CSA technologies incl. harnessing indigenous knowledge;

3. **Access to financing to catalyze private sector investments**, by creating guarantees to loans and agricultural insurance by governments;
4. **Establish a Climate Smart Agriculture Programme** connecting both regions for sharing innovations, technologies and information, and expanding Agri-business mentorship.

To this end partners committed themselves to the following:

- Rockefeller Foundation made a pledge to host country based Resilience Academies in any African countries that requests;
- The AU and EU agreed to collaborate on better clarifying, communicating and informing farmers, policy makers and others on the CSA approach;
- The AU and EU agree to jointly explore how to better engage the Green Climate Fund, to support enough support to CSA programs and strengthen capacity to win proposals;
- Nigeria committed to set up a large irrigation program to be less dependent on rain fed agriculture which can then be replicated in other countries;
- Germany will integrate water as a crucial issue within CSA in the upcoming G-20 and GFFA context.

## 2. Reducing Food Losses and Waste

Currently around one third of the food produced is being lost or wasted. Reducing food loss and waste (FLW) can be a “triple win” opportunity: it saves money for farmers, companies, and households; wasting less means helping feed more; alleviates pressure on climate, water, and land resources. Key action areas identified:

1. **Measure to Manage** - Establish technical collaboration —involving countries, companies, and other institutions —on quantifying FLW at national level to empower countries to set baselines and monitor progress over time.
2. **The FLW Innovation Challenge** - Launch a “Food Loss and Waste Innovation Challenge” wherein funders/financiers offer financing to farmers, entrepreneurs, small/medium-sized enterprises, or others in both AU and EU on a competitive basis for the most promising innovative proposals for FLW reduction.
3. **FLW Technology Incubator** - Roll out the use of transportable units enabling on-site, rapid, experimental testing of FLW-reduction technologies and approaches for perishable foods. Containing small cold-storage facilities and basic research.
4. **Private Sector “Anchor Buyers”** - Develop a scaled-up “anchor buyer” initiative wherein companies active in food supply chains contract to purchase foodstuffs from farmers agreeing to implement practices or technologies that reduce FLW.
5. **Global Community of Practice on Food Waste** - Establish a “Global Community of Practice on Food Waste”, a public-private partnership that facilitates exchange of information and best practices, enables access to practitioners, promotes networking around mutual interests, identifies food waste hotspots, and promotes solutions.

- 6. Roundtables on Food Security and Nutrition** - Establish annual, national, multi-stakeholder roundtables on food security and nutrition across both regions. Connect in-country farmers, local businesses, and relevant government.

To this end partners committed themselves to the following:

- Support for developing technical collaboration between AU and EU on quantifying FLW at national level, WRI and UNEP volunteered technical assistance, with open invitation to FAO;
- Interest in participation in the FLW Challenge, and WRI volunteered to spearhead and engage Champions 12.3. With Rockefeller as a knowledge partner;
- Rabobank committed to intensify their commitment for the Patient Procurement Program;
- Zimbabwe is committed to further promote contract farming as a means of preventing FLW;
- UNEP offered to host and mobilize the Community of Practice on Food Waste;
- UNEP expressed interest in orchestrating the National Roundtables on Food Security and Nutrition, and FARA offered to help facilitate it.

### 3. Improving Market Access, regionally and internationally

While a majority of African countries face little tariffs on their products in European markets due to their participation in trade preferential schemes, they still face challenges with regards to Non-Tariff Barriers. These challenges include issues related to SPS regulations and certifications, quality assurance and conformity assessment, private sector setting and others, especially as they relate to agricultural products. Key action areas identified:

1. **Set up a Africa-EU multistakeholder agricultural business platform** focused on market access;
2. **Develop a dialogue** to promote coherence between agricultural and trade policies, within a regional free trade area;
3. **Build private sector capacity** in compliance with and enforcement of marketing and trading standards.

To this end partners committed to the following:

- UNECA, supported by various AU and countries agreed to set up a working group to harmonize the equivalence of standards;
- The AU and EU, together with key partners to explore the establishment of a Agricultural Trade Academy, to achieve the goals under CSA and FLW.

### 4. Increasing Responsible Private Investment

Investing responsibly in agriculture can effectively increase the productivity of agricultural labor and land, and boost rural businesses. Productivity is a major determinant of farm incomes, especially private investments will boost agricultural business operations and value chain approaches. Strengthening of the food supply chain by, inter alia, encouraging small farmers to organize themselves and diversify and upscale their marketing. Investments must take sufficient account of social and ecological impacts to prevent an erosion of community resilience by applying sustainable environmental and risk reduction approaches. Key action areas identified:

1. **Facilitate dialogue between private and public partners** to identify and adopt policies to create the enabling business environment for investment, including a CSR transparency group for agriculture value chains. Identify two partners to take the lead.
2. **Promote AU-EU Business partnerships** through matchmaking activities within existing agri-business platforms.
3. **Make feasibility assessment to develop agriculture extension services and vocational training**, in particular for youth, to attract agri-business investment.

To this end partners committed to the following:

- Germany to further explore to establish a platform for exchange of best practices of private investment in Africa;
- Grow-Africa commits to help realize all action under theme 4;
- The AU and EU member states agreed to further explore to strengthen the extension services, both public and private, with a particular focus on leveraging ICT and engaging youth;
- COLEACP is launching a new 25 million Euro "Competitiveness Through Sustainability"(Fit4Markets) programme, which is part-financed by the 11<sup>th</sup> EDF.

## 5. Science and Innovation for Agricultural Development

Institution building, capacity building and access to research and innovation determine the success of increasing agricultural productivity in a sustainable way. Enhanced instructional cooperation between universities and research centers in both regions can lay a firm foundation for sustainable growth, and attract the interest of youth to work in the agricultural sector, as young entrepreneurs, the future farmers. Key action areas that need to be scaled up are:

1. **1000 new African Ph.D. students by 2020.** With students from the African continent, trained on the African continent, focused on themes that address public and private priorities for agricultural development.
2. **Launch of Roundtables, on innovative finance**, to address at country- and regional-level, innovative forms of finance, **and on agricultural diversity for food security in a changing climate.**
3. **Creation of two new research-industry-public partnership incubators.**
4. **"E-capacities" usage pledge**, as an information platform developed by FARA-AU to assist African nations to catalogue their innovation ecosystem (10 countries in two years).
5. **Private sector initiated training gap analysis for horticulture in East Africa.**

To this end partners committed to the following:

- The Dutch Topsector Agri-food and Horticulture will support the set up of a AU-EU Business Forum involving Government, private sector, farmers organizations, and financial institutions;
- UNECA offered a platform for accelerating technology transfer on thematic issues, including on FLW.

## VI. The Way Forward

The Conference put forward key collaborative outcomes, to accelerate the implementation of relevant agreements and actions as well as to strengthen the cooperation with private sector. Solutions can emerge more quickly and efficiently through private public partnerships. In this light several partnerships were initiated during the Conference and are under construction (Gambia, Uganda, World Resources Institute, Rockefeller Foundation, the Netherlands, UNECA, COLEACP, ).

The Netherlands, as co-organizer of the AU-EU Investing in a Food Secure Future Conference, committed to funding two to four Agri-business incubators for Africa, and invited to further exploring this approach with other partners.

The European Commission committed to deepen their work in the five thematic areas, especially via EC Funds, mainly EDF, ENI for North Africa, the Global Public Goods Fund, Agrify, and Funds of the European Investment Bank.

And as a next step facilitate the continued dialogue called for by the Conference, by bringing a biennial Ministerial AU-EU 'Roundtable' focused on implementation to life, aimed at a strong and lasting partnership of AU and EU around the five main themes of cooperation.

## ANNEX I

Participants focused in working groups on 5 thematic areas. The proceeding of the working sessions are listed in this annex.

### **Working Session 1(a): Climate-Smart Agriculture**

Moderator: Dr. George Wamukoya, Policy and Institutional Adviser on Climate Smart Agriculture Programme, COMESA

Panelists: Dr. Todd Rosenstock, Environmental Scientist, World Agroforestry Centre (ICRAF)  
Mr. Jony Girma, GFAR YAP program

**Mr. George Wamukoya** opened the session by highlighting three important aspects of climate-smart agriculture (CSA): the inclusion of rural populations, the creation of knowledge- and technology-sharing platforms, and an understanding of finance and access barriers to improving knowledge and technology in the African context.

Next, **Dr. Todd Rosenstock** spoke about the “what” of CSA, including new developments, opportunities, and current needs. In terms of new developments, Dr. Rosenstock pointed out that climate-smart agriculture had become more outcome-oriented as well as more inclusive of multiple objectives, synergies and tradeoffs, noting the need now to weigh realistic outcomes against potential benefits. Opportunities for growth in CSA include bolstering the already existent alliances in a variety of sectors, further involving major funders and donors, such as the World Bank, as well as approaching CSA as a mechanism for achieving other goals, including those set out in CAADP, the SDGs and NDCs. Yet what is needed is a more holistic structure, that focuses on building up an enabling environment for new forms of agriculture to include improved extension services, early warning systems, and farm management practices that are not only sustainable but also practical.

**Mr. Jony Girma**, the General Manager for Apis Agribusiness PLC—a smallholder-centered organic honey producer in Ethiopia—noted problems of incorporating youth into the agriculture industry as well as problems facing small farms. His business focuses on recruiting rural unemployed youth to work in groups as apiarists, and he focuses on youth as well as on preserving natural forested areas. He then detailed his business approach, which includes partnering unemployed youth with a graduate holding a degree in agriculture, providing business training, covering the cost of organic certification, and implementing a mobile-based information system.

The participants offered these insights:

- Agriculture and natural resource management cannot be separated.
- The process of applying for sustainable standards certification is often prohibitively costly, both in terms of money, time, and know-how, for small farmers. Need to help in reducing cost and assisting the transfer of technology to improve standards processes.
- There is often a disconnect between money that is available for projects and the needs of farmers and project managers.
- Similar to some organizations that aim to link African and European researchers, a similar program to bring together African and European businesses and business leaders may increase access to opportunities
- Invest in harvesting knowledge from farmers themselves
- International organizations should present a united front on research and industry best practices to respond to farmers on the ground
- A change of mindset of consumers to accept that some products grown using climate-smart methods

- may not conform to traditional standards of appearance, may also need a change in grading standards
- Problems associated with development bank investments are often associated with project size. Larger projects can be funded directly, but promoters of these projects often display insufficient experience to secure funding. Smaller projects have to be funded indirectly, via local financial sector or microfinance institutions, creating secondary or tertiary funding mechanisms. Need to teach entrepreneurs how to deal with investment and need to rethink what kinds of collateral they should be expected to offer
- Rethink models of land tenure
- Supporting trade should not be ignored
- Wildlife-farmer interactions are an important issue considering the increase in tourism investment and conservation efforts
- Need to support the modernization of agriculture, increasing farmers' access to inputs and bring agricultural markets forward into the value chain
- Focus on innovative ways of financing agriculture, considering social safety nets and ensuring farmers have requisite assets to cope with a changing climate
- The earliest stages of the value chain—including augmenting the provision of high quality seeds and water management technologies—should not be overlooked
- While partnerships with European governments and private firms is integral, the development of indigenous sources of technology matters in the African context

### **Working Session 1(b): Climate-Smart Agriculture**

Moderator: Dr. Misael Kokwe, Senior CSA Coordinator, FAO, Zambia

Panelists: Mr. Harry Palmier, Senior Partnership Advisor, Global Forum on Agricultural Research, GFAR  
Ms. Lillian Beuttah, Founder, Afrika Jilische, Youth Agripreneur, GFAR YAP Program

**Dr. Misael Kokwe**, of the UN Food and Agriculture Organization, began the session with a presentation on an evidence based mainstreaming pathway for Climate Smart Agriculture (CSA) in Zambia. He covered aspects of a CSA program that was integrated into the National Agricultural Plans of Zambia, Malawi and Vietnam. The presentation defined CSA as an approach to develop agricultural policy and investment conditions in order to achieve sustainable development and food security.

**Mr. Harry Palmier**, of the Global Forum on Agricultural Research (GFAR), gave a brief overview of GFAR and some of the CSA initiatives it was involved in. He described GFAR's process of change as about catalyzing partnerships towards collective action. He emphasized the importance of the participation of smallholder farmers to understand local knowledge.

**Ms. Lillian Beuttah**, of Afrika Jilische, then discussed the issue of food scarcity and the need to approach agriculture in a way that produces more with less. She explained the Young Agripreneurs Program (YAP) of GFAR and her experience with the program. Her business model aims to address resilience to climate change and economic empowerment. She described her business as using smart technology and a socially conscious online platform. She concluded by encouraging the audience to consider channeling monetary resources into funds that are able to provide seed or capital, create incubation and acceleration programs, and establish mentorship opportunities.

The participants offered these insights:

- There must be baseline indicators to measure impact of CSA
- Create incentives to improve uptake of CSA technologies and better behaviours
- There must be more research focused on developing technologies along with their socio economic impact

- Private sector investment is the way forward to increased adoption of CSA
- Ensure that academia is part of the discussion
- Young people need access to seed money to get to the next level.
- Galvanize African Partners to move processes forward rather than depending on outside investors. Make sure that these commitments be actually linked to Government budgets and ownership.
- Develop Agricultural Insurance product to minimize exposure to climate risks
- Majority of smallholder farmers are older with low literacy, must ensure that intervention being sent via mobile is useful to them

### **Working Session 2(a): Food Loss and Waste**

Moderator: Mr. Craig Hanson, Global Director of Food, Forests & Water, World Resources Institute (WRI)

Panelists: Mr. John Bee, Regional Head, Regulatory and Scientific Affairs, Nestlé

Ms. Uwase Larissa, Carl group, Kigali, Rwanda, WEF Innovation prize winner 2016

Mr. Mamadou Biteye, Managing Director, Africa, The Rockefeller Foundation

The moderator, **Mr. Craig Hanson**, opened the session by emphasizing the ultimate goal of the session: to generate three concrete recommendations for the high-level meeting on Wednesday. He also noted the differences between food loss and waste in Europe and in Africa, pointing out that both loss and waste occur at very different points in the supply chain within the two markets. Mr. Hanson then invited the three panelists, or “inspirational speakers,” to give a brief synopsis of a program implemented to address food loss and waste.

**Mr. John Bee**, Regional Head for Regulatory and Scientific Affairs for Nestlé, described Nestlé’s efforts to “Create Shared Value” between its shareholders and the societies and communities in which it works. To further illustrate these efforts, Mr. Bee described a specific approach Nestlé has taken to rural development. In West Africa, Nestlé produces a cereal from maize and attempts to source as much local maize as possible. Yet the company was rejecting significant percentages of local maize due to high levels of mycotoxin and aflatoxin contaminants, primarily due to poor storage practices. To address the problem, Nestlé partnered with local farmers and the International Institute of Tropical Agriculture to train farmers—half of whom were women—on good storage practices. Mr. Bee emphasized that such interventions need to be presented at the appropriate technological level for the context in which it is used. As a result of the program, rejection of local grain dropped from near 30% down to 3%, farmers’ income increased four-fold, and Nestlé’s import dependence fell from 80% to 20%, proving that value can be tangible both for a company like Nestlé and the local community.

Then, **Ms. Uwase Larissa**, a member of the Carl group in Kigali, Rwanda, and winner of a World Economic Forum Innovation prize for the Top Five Women Innovators in Africa (check this), highlighted her prize-winning program of transforming discarded sweet potatoes into inputs for a variety of other foodstuffs, including breads and cakes. Because sweet potatoes are high in vitamin A, a key nutrient for childhood development, incorporating sweet potatoes in other foods helps address the challenge of undernourished and underweight children in many African countries. Inspired by the unnecessary disposal of sweet potatoes, Ms. Uwase said that she wanted to transform sweet potatoes from a poor crop into a cash crop. Yet she also cited the need to improve technologies so would be discarded foods can instead be turned into usable inputs. Ms. Uwase concluded with three proposals, including fostering innovations in agricultural value chain, investing in domestic private sector in agriculture, and empowering youth by expanding access to funds.

The third presentation was given by **Mr. Mamadou Biteye**, Managing Director for the Rockefeller Foundation in Africa. Mr. Biteye outlined an initiative launched by the Rockefeller Foundation in January 2016 called Yieldwise. This initiative aims to address traditional barriers to yield potential in the African context, barriers

which include lack of access to financing, low capacity of farmers, broken distribution channels, and limited knowledge of food loss and solutions. Mr. Biteye also noted that in order to fully address the problem, multiple strategies—such as training of smallholder farmers, providing finance and strengthening market linkages—must be employed. The Yieldwise program also aims to work with local NGOs to aggregate farmers into centers to more competitively attract technologies like storage facilities or the supply of heavy plastic crates for shipping and to help secure financing by de-risking loans. The Foundation also works with technology manufacturers to increase affordability of technologies by employing novel approaches such as renting. Mr. Biteye similarly concluded with four priority areas: the synchronization of country-level policies with higher-level strategic goals like those detailed in the Malabo Declaration; investment in fundamental infrastructure; reduction of market access and trade barriers to move surpluses; and development of standard measurement and reporting tools to boost transparency and accountability.

Following these presentations, audience participants generated a stimulating discussion, offering these thoughts and recommendations:

1. In the case of food damaged by crop pests, there are still opportunities to repurpose damaged crops as inputs into fuel, feed, or fertilizer, but this requires innovation
2. There is notable fragmentation of initiatives to address problems related to food loss, including toxin contamination
3. Funding for infrastructure at the farm gate—especially roads—is lacking for most rural communities
4. Agricultural markets could benefit from the implementation of food banks, but storage needs to occur in tandem with increased transformation
5. There are problems with the anchor buyer framework, as farmers complain about exploitative tendencies of private sector and the private sector complains about the quality of commodities produced and the tendency of producers to side-sell
6. Need to better connect African universities with each other and with the private sector
7. Importance of supporting agribusiness innovation institutions, such as incubators, in order to promote creation and transfer of new technologies
8. One solution to the problem of technology access may be the deployment of container facilities to rural communities, each equipped with ICT-based access to knowledge and information
9. In terms of trade facilitation, the objective should be to expedite the clearance of goods, especially perishable goods in transit, at national borders. Some solutions may be proper storage at borders and releasing perishable goods outside of normal business hours
10. Innovations need to be marketable
11. Measurement of food loss and waste has yet to be implemented, but measurement needs also to be translated into a “scorecard”
12. There is an issue of absorption capacity of projects for very large grants, suggesting the need to include regional platforms to operationalize smaller funding opportunities

### **Working Session 2(b): Food Loss and Waste**

**Moderator:** Ms. Sithembile Ndema Mwamakamba, Program Manager, Women Accessing Realigned Markets (WARM), Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN)

**Panelists:** Mr. James Lomax, Programme Officer, Food Systems and Agriculture, UNEP  
Ms. Suzanne van Tilburg, Senior Strategy Manager, Rabobank

**Ms. Suzanne van Tilburg**, of Rabobank, began the session by describing Rabobank’s work with smallholder farmers and SMEs. She talked of how Rabobank gets people involved in finance by setting up cooperatives in Africa, providing access to finance for smallholders including young farmers, and coming at both a bottom up

approach empowering farmers through access to market and a top down approach through finance and small & medium sized enterprises. She noted the lack of private investment in Africa, then concluded with a call to bring together multinationals and bigger farmer organizations to discuss profit for companies investing in reducing food loss and waste.

**Mr. James Lomax**, of UNEP, then shared his experience in produce export from East Africa to Europe. Working with smallholder farmers, he recalled regularly throwing out up to 60% of his product partly due to European market requirements and partly due to the weather. He described a situation in which a farmer would see a bumper crop go to spoil when the planting was done while all other farmers were planting the same crop, leading to over saturation in the market and little demand. He suggested the audience commit to Sustainable Development Goal 12.3 “By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.” He requested better statistics about food loss and waste and potentially include private sector to help build the database. He asked the audience to consider how to better deal with seasonal gluts. Concluding his presentation, he suggested developing a community of practice bringing together public and private partnerships to share best practices.

After the presenters and participants offered their insights, **Sithembile Ndema Mwamakamba**, of FANRPAN, synthesized the thoughts into four needs:

- 1) We need a community of practice around food waste and food practice. The community must include the farmers;
- 2) We need targeted awareness raising, looking at existing platforms like SPS platform. Those platforms should come together to develop a targeted awareness campaign to make sure everyone understands the issue of food waste and loss and how it can be mitigated;
- 3) Bring players together at national level to make sure they have their priorities straight and are aware of the others. Connection across sectors;
- 4) Find a way to get our farmers to work together, because together they can be funded.

The participants offered these insights:

- We should look at the issue of post-harvest losses prior to the harvest. Focus on planning and infrastructure.
- Freely grown food is also going to waste and something should be done about that.
- We should equip farmers with foresight skills and capacity so they can participate in such a conference as this, so we can listen to them when making policy. Farmers must be part of the analysis of the problem and part of the solution.
- We have to work at the level of the farmer.
- We should support the private sector and extension services to make sure farmers have knowledge of the supply chain.
- Road networks are necessary for connecting food to market within a reasonable timeframe.
- We waste what we produce because we have not invested in proper storage. Loss due to poor storage facilities and loss due to lack of proper cold chain facilities in the process chain.
- Any proposal must meet at the level of the farmer; the people who will make the impact.
- Corporate regulations on food acceptance results in serious food loss at the cost of the producer.
- Production and storage depends on who you are trading with and how far away they are. Therefore, knowing who will be purchasing your crops is essential.
- One solution is a Mobile Container Lab that can be transported to areas that lack the proper facilities for post-harvest research. It would support farmers in deciphering when to harvest, how to better package, and consider ripening procedures. It can be a demonstration center and can be moved along the harvest.

### **Working Session 3(a): Improved Market Access**

Moderator: Mr. Josue Dione, Co-Chair Special Advisor, AUC

Panelists: Mr. Daniel Gad, Managing Director, Omega Farms, Ethiopia  
Mr. David Luke, Coordinator, UN Economic Commission for Africa, ECA  
Mr. Melvin Spreij, Counsellor & Secretary to the Standards and Trade Development Facility, WTO

**Mr. Josue Dione** opened the session with a brief biography of the panelists and the expectations of the session in relation to the conference.

Next, **Mr. Daniel Gad**, of Omega Farms, spoke to the relationship between the formal and informal sectors and market access. He then encouraged the audience to find more market relationship creating methods. He discussed the need to require an enabling environment from the regulatory side, pointing out that when the regulations reduce costs and make trade frictionless the markets grow. He concluded with stating the continent of Africa has a huge market potential, and therefore there is a huge need to make regulations that make it easy to have international trade within the continent of Africa.

**Mr. David Luke**, of the UN Economic Commission for Africa, then detailed the significant market developments for African agriculture, the importance of agriculture in diversifying African exports, and policy issues concerning trade and the environment. He pointed out that EU requirements on quality of imported products have the potential to hurt exports to the EU from Africa by increasing barriers to trade. He also showed that Africa's agricultural sector has the reach to empower individuals and women that resource extraction does not have. He concluded his remarks with a note on the potential impact of Brexit as the UK currently provides for 11% of the EU's total agricultural imports from Africa.

**Mr. Melvin Spreij**, of the World Trade Organization, detailed the status of various standards of trade. Emphasizing the Sanitary and Phytosanitary Measures (SPS), he discussed the harmonization of national and international standards, guidelines, and recommendations. He suggested the audience consider taking action to increase awareness about the benefits of investing in SPS capacity and expand the utility of SPS and other measures.

A lively discussion followed, eliciting these recommendations:

- The issue of aflatoxin and its implication on trade should be addressed.
- Governments need to engage actively with their central bank policies to create an environment for commodities trading to exist and take off. Allow farmers to store their grains in some silo somewhere to be sold there then to a commodities trader or give the farmer a slip to trade it in the future.
- Science-based and data based market interventions are necessary.
- Eurostat advantages should be made available to the African region.
- African countries need the same standards as European countries when it comes to food safety.
- African standards are pushed by the public sector, while European standards are pushed by the private sector.
- The EU has a moral responsibility to provide more training in terms of SPS responsibility to Africa as the largest trade partner with Africa.
- Need trained scientific risk assessors on the ground who can give wise risk opinions to policy makers, to governments, so that what is put in place increases food safety without killing trade.

- We need to have knowledge based responses for laboratory testing with very top level expertise. Whether it is domestic or export, we need to understand this and teach farmers in order to understand the impacts of spray programs, etc. in food safety and health loss.
- We need to have some kind of program based in Africa that will bring coherence to the standardization issue.
- In many African countries they do not meet the basic safety levels as determined by Codex. This is an opportunity for public private partnerships to bridge the gap.
- Risk based perspective is necessary. We should create levels of risk and have inspection according to risk level.

### **Working Session 3(b): Improved Market Access**

Moderator: Ms. Isolina Boto (**Moderator**) Manager, CTA Brussels Office

Panelists: Mr. Musa K. Muwanga

National Organic Agricultural Movement of Uganda (NOGAMU)

Mr. Thomas Allen

Sahel and West Africa Club Secretariat OECD

Ms. Teresa Babuscio Secretary General COCERAL

Mr. Ishmael Sunga, SACAU

**Ms. Isolina Boto** opened the session on the necessity of improved market access and to set regional integration and trade as the specific focus within the workshop.

Next, **Mr. Musa K. Muwanga from the National Organic Agricultural Movement of Uganda (NOGAMU)** began his presentation with an overview of the state of incomes within the agricultural sector in Uganda and the necessity to shift focus from agriculture's ability to increase food supplies to its ability to increase incomes for food security. However, there are currently several challenges to enhancing market access such as a lack of mobilization of smallholder farmers, insufficient capacity to comply to standards and certifications, limited investments in post harvest infrastructure, scarce research into processing and product development and limited promotion and marketing of African food produce.

Then, **Ms. Teresa Babuscio, the Secretary General of COCERAL**, spoke of the benefits of the common market and how countries rallying behind a singular vision of trade and agricultural policies enabled stronger regional integration.

**Mr. Thomas Allen from the OECD** highlighted three areas of transformation in the agricultural sector – urbanization, rural agriculture and complex food systems. His presentation provided significant data on demographic trends and how 80% of rural population living within an urban catchment area had enabled much closer market access to farmers across West Africa. Additionally, Mr. Allen spoke of complex food systems and changing diets –39% of the monetary value of household consumption is now spent on processed foods. It is therefore crucial to address these shifts in production and consumption behavior in food security strategies.

**Mr. Ishmael Sunga, SACAU** emphasized the importance of attracting young entrepreneurs into agriculture and the crucial role that the digital revolution would play in enhancing competitiveness and creating worldwide alliances. His key message was to create entrepreneurship development funds and special purpose arrangements to be able to support youth entrepreneurs + ICT investments.

The participants offered these insights:

- Important to not ignore indigenous varieties of crops to maintain biodiversity (i.e. crops that were not commodities)

- Need a holistic approach for regional integration so that individual players are not working in silos. Isolation and chaotic demand of the buyers only creates inefficiencies in the market
- Strengthen the demand for good sustainable practices
- Important to ensure that the “mistakes” such as unsustainable production practices by OECD are not repeated in Africa
- International standards must be designed from scientific evidence and to reduce political and economic pressures from acting out of national interests.
- An assessment of development models is necessary to convert subsistence farmers into commercial farmers
- Policies ought to be production driven rather than market driven and must provide for more budgetary allowances.
- Regional trade policies should be compatible to enable greater regional integration
- Create metrics that also measure nutritional information rather than just production yields.

#### **Working Session 4(a): Responsible Private-Sector Investment**

Moderator: Mr. Cris Muyunda, Chairman, Strategy and Partnerships PAANAC

Panelists: Mr. Nana Osei Bonsu

Private Enterprise Federation, Ghana

Mr. Jean Bakole, UNIDO

Mr. Odongo Ogwal Walter Regional Investment Director, East Africa GroFin

**Mr. Cris Muyunda** opened the session on responsible private sector investment by highlighting the potential of the private sector to transform agricultural development in Africa.

Next, **Mr. Jean Bakole from UNIDO** emphasized the importance of the role of state in creating a fertile environment for the private sector to flourish. Starting from the importance of setting responsible and inclusive regulations to providing access to finance and skill building, governments play a crucial role in building capacities for small scale farmers. In addition to public involvement, Mr. Jean Bakole also stressed building clusters to allow exchange of ideas and expertise as a way to counteract the inefficiencies and lack of trust brought about by producers working in isolation. Clusters would enable sharing competencies and promote alliances to develop exports as well. To conclude, Mr. Jean Bakole also spoke of the dire need for small and medium enterprises (SME) in the agricultural sector. As a way of comparison, there are 26 million SMEs in the EU – which generate significant economic activity. Growth of SMEs in Africa is crucial to transforming the nature of the agricultural sector in Africa.

**Mr. Nana Osei Bonsu**, from the Private Enterprise Federation in Ghana—spoke of the importance of “inward investment” in Africa. He highlighted the benefits that private sector can bring such as inclusive economic growth and poverty reduction – but that these benefits would only be possible if the private sector had access to financial capital and human capital. Human capital was defined to include smallholder farmers, women and the youth – who need to be empowered so that they are not left out from the growth process. Mr Bonsu stressed the need to look inward and strengthen domestic sectors – to avoid overreliance on FDI and to be able to mobilize capital from domestic sources.

**Mr. Odongo Ogwal Walter**, the Regional Investment Director from GroFin presented a shining example of the transformational effect of building capacities of small scale businesses by providing much needed finance and business expertise. He stressed the importance of targeted interventions to the production and processing

segments of the agricultural value chain. Most SMEs do not have accounting records or business plans. Thus there is a dire need to provide business support so that SMEs can reach their full potential. This includes pre-investment support, developing business plans as well as advising their clients on how to upgrade their value additions to the final product.

The participants offered these insights:

- There is a symbiotic relationship between doing business and supporting the communities that they operate in.
- Importance of long term training and mentorship required to build capacities of farmers.
- Importance of sustainable land and water use and the need to balance development with responsible growth and provide
- The “project” way of a piecemeal, small-scale approach to development needs to be altered into the “systems” way of working.
- Create a land bank – as a first step to providing land title to farmers. However, there is a way to keep and use land in trust so as to bypass the cumbersome process of providing title.
- Current technology on farms requires upgrading – more mechanization is required.
- Ireland has been able to leverage its expertise in farmers’ cooperatives to collaborate with the SMEs in Africa
- There need to be more SME-specific clusters to promote inclusiveness
- Joint ventures are key to development of SMEs on the ground
- Need targeted interventions for production and processing segments of the value chain that provide business support
- Organic growth of innovative financiers
- Potential for mobilization of local financial resources
- Exchange programs for producers and processors is one way to pair specific success and needs of each country

#### **Working Session 4(b): Responsible Private-Sector Investment**

Moderator: Mr. Jo Swinnen, Leuven University

Panelists: Ms. Jennifer Abuah, Head of Cocoa Sustainability, Olam, Nigeria.

Mr. Morgan Tinnberg, Project Development Manager, Food for Development Office, Tetra Laval

Mr. Mark Abani, Country Director for Nigeria, Crow Agent, Nigeria

Mr. Franz Eversheim, Director Public & Government Affairs Europe, Bayer CropScience

Ms. Elies Fongers, Senior Project Manager, Rabobank

Mr. Daniel Gad, Managing Director, Omega Farms, Ethiopia

**Mr. Jo Swinnen** opened the session with a brief biography of the panelists and the expectations of the session in relation to the conference.

Next, **Ms. Jennifer Abuah** spoke about the practice of Corporate Responsibility and Sustainability (CR&S) her company Olam follows. Olam has replaced Corporate Social Responsibility (CSR) with CR&S to ensure sustainability throughout the company’s supply chain. Ms. Abuah suggested CR&S be used as a way to integrate sustainability into business.

**Mr. Morgan Tinnberg**, the Project Development Manager for Tetra Pak shared how CSR plays an important role at Tetra Pak in ensuring good corporate practice in ethical sourcing. He noted that thanks to the company’s

commitment to CSR, Tetra Pak focuses on sustainability in their packing materials, manufacturing sites, capital equipment, and spare parts. He concluded his remarks by suggesting the audience consider a private/public partnership in corporate standard making for CSR practices.

**Mr. Mark Abani**, the country director for Nigeria for Crow Agent, then discussed governments collaborating with the private sector, the use of technology, and co-operatives. Mr. Abani suggested private public collaboration requires participation. Land tenure needs clarity in order to make large investments over time. Farmers and distributors should utilize time-stamped geographic chips to locate where bottlenecks and potential corruption occurs during transport. Farmers should form co-operatives to place bulk orders for packaging.

**Mr. Franz Eversheim**, of Bayer Crop Science, pointed out that the business of providing agricultural tools to farmers has changed with the growing sophistication of tools to ensure the safe and proper use of products through trainings. He also highlighted the issue of farmers lacking a unifying organization which disconnects them from the value chain. He stated that though his company invests 2/3 of its business in larger companies, it is important to invest in smallholder farmers as well.

**Elies Fongers**, of Rabobank, then showed the perspective of a financial institution in determining if a business project is bankable. She explained how warehoused produce can replace land as collateral and emphasized the importance of banks having agribusiness expertise when financing the agriculture.

**Daniel Gad**, of Omega Farms, spoke to the importance of revolutionizing the financial model and business model. He used the example of Google as a startup receiving \$500,000,000 in venture capital funds with no collateral as a possibility for the future of agribusiness startups. He emphasized that the model of attempting to empower a smallholder farmer with land too small to sustain even the inputs is a broken model. He called the community to take action to revolutionize the models, implement ICT advancements, fund women and youth agribusiness with venture capital funds, and de-risk agriculture by managing the risk through blended funds.

The participants joined the conversation by offering these insights:

- Some African companies are looking for more affordable packaging than Tetra Pak's products but with a similar commitment to sustainability.
  - The private sector should engage in encouraging youth to play a larger role in agriculture.
  - Investment should have some exclusivity at times. Some farmers are not ready for market development and would not respond to market instruments designed for development. Therefore, it is not necessary to include everyone.
  - Company claims should be externally verified by an independent entity.
1. Avoiding investment in conflict ridden areas is not inclusive. We must create work opportunities in conflict ridden areas by investing in those areas.
  2. Governments attempting to reach youth must utilize social marketing to meet youth where they are. Bringing youth into agriculture requires shifting the attitude toward agriculture and showing it is a profitable, respectable, and desirable occupation.
  3. Governments must strengthen cross-departmental collaboration.
  4. The private sector must be involved in policy formulation.
  5. Predictability and transparency in regulatory formation is necessary for to make a conducive environment for investment.
  6. Agricultural extension services need agriculture to be reviewed and revitalized.
  7. Farming can be made more attractive to youth by giving land or guaranteeing an income.
  8. Provide the extension services with clear monitoring indicators and make sure they have the resources necessary for their work.

9. Invest in agricultural internship programs. These programs show promise in catalyzing youth to start their own farms.
10. We must change the criteria used for picking agricultural entrepreneurs. GFAR's YAP program shows the potential of supporting non-traditionally funded agricultural entrepreneurs.
  - 10% of government budgets should be earmarked for agricultural development.
  - We need to further develop the funding schemes for smaller farmers who cannot afford high interest rates.
  - Farmers need to be aggregated as it gains them bargaining power in the value chain and gives them access to finance.
  - We need innovative funding instruments to respond to the gap between the larger corporate loans and the microloans for entrepreneurs.
  - We need a platform which brings together businesses, the development industry, and the financial sector.

### **Working Session 5: Science and Innovation**

**Moderator:** Dr. Avery Cohn, Assistant Professor of Environment and Resource Policy, the Fletcher School of Law and Diplomacy, Tufts University

**Panelists:** Mr. Loek Hermans, Dutch Topsector Approach  
 Mr. Stephan Weise, Deputy Director General Bioversity International  
 Dr. Mahama Ouedraogo, Head of Division, Human Resources, Science and Technology Department, AUC  
 Mrs. Irene Annor-Frempong, Director of Resources and Innovation, FARA  
 Harry Palmier, Senior Partnership Advisor, Global Forum on Agricultural Research (GFAR)  
 Vinny Pillay, Senior Science and Technology Representative, South African Mission to the European Union

**Dr. Avery Cohn** introduced the topic of the last working session by noting that research and innovation have a role to play in all other aspects of food security. He then introduced the panelists and explained the session format.

**Harry Palmier**, Senior Partnership Advisor for GFAR, presented the first proposal, which is to substantially increase the number of African PhD students earning degrees from African universities. The proposal originated from the Global Conference on Agricultural Research for Development, which occurs every three years, but Mr. Palmier made the suggestion that the AU-EU Partnership should target an additional 1,000 new PhDs, specifically in agricultural areas of study, across the continent over the next five years. He added that this is not a silver bullet but is an important step in responding to the need for capacity development in food security. Agriculture is an aging sector, and needs to attract a new generation of technologists, scientists, and researchers. What is more, Africa also needs to pursue greater autonomy in its own thinking and in formulating its own agenda, which requires a certain level of intelligence of the population.

**Mr. Mahama Ouedragou**, Head of Human Resources for the Science and Technology Department of the AU Commission, then presented the second proposal, a roundtable to address at country and regional levels innovative forms of finance. This roundtable would involve higher education institutions, farmer, banking sector, young entrepreneurs, and policymakers. In all frameworks the issue of funding, particularly innovative funding, is a crucial issue for properly addressing food security, yet there has not been an appropriate answer. Ensuring the best options will require the need for a public-private partnership model of finance, to take into account concerns of different stakeholders. There are challenges to current models, and there needs to be a dialogue to take up best practices to arrive at the most functional model.

The third proposal was presented by **Ms. Irene Annor-Frempong**, Director of Resources and Innovation for FARA. This proposal involves establishing two new incubator programs in each of the 54 countries. A science-driven approach is the only way to transform agricultural markets quickly enough. In order to achieve this transformation, there needs to be a new paradigm for commercializing science to address critical questions asked of scientists. Innovation systems require bringing relevant actors together to achieve the kind of big impact Africa is looking for. While a number of models have already been tested, only one of those models is implementing innovation platforms. Furthermore, there is a need to engage the private sector, research universities, and policymakers in most effectively designing incubation programs. Currently, there are a number of incubators around a variety of value chains, including coffee, banana, livestock, vegetables, and agroforestry products. These incubators are creating direct jobs, supporting SMEs, and are often the basis for developing agribusiness curricula.

**Mr. Stephan Weise**, Deputy Director General of Bioversity International, proposed another roundtable framework focusing on the importance of agricultural biodiversity. While biodiversity is often considered only in terms of breeding, it can also be used as an important touchstone for developing farming systems that are diverse in the way that an investment portfolio might be diverse, to address the ups and downs of markets and climate. There needs to be a creative dialogue from a business point of view—one that is linked to entrepreneurship—on how best to diversify. The role for policymakers is to provide farmers with diversity options so farmers can make more rational investment decisions.

Finally, **Mr. Loek Hermans**, a representative of the Dutch Topsector Approach, began by noting that very few young people are interested in joining the agricultural sector. Therefore, his proposal is to better understand the knowledge gaps in the supply of technical workers. There needs to be a bottom-up approach—one that is in touch with daily situation—in addition to the creation of jobs at higher levels of the human capital pyramid. The Netherlands is a leader in applied research and can give ideas to practitioners and companies in the African context. The Netherlands may also be a useful model of agricultural production—that is, high production on a small amount of land limited by water consumption—which may offer important insights for agricultural development in Africa. Put succinctly, fundamental research needs to be translated into applied research.

Insights from the participants:

- Need to think of this offer in terms of educational business, and how can this be taken up by entrepreneurs in the area of education. Initiatives already exist to create entrepreneurs, especially in education.
- Need to take into account bottom-up approach together with top-down
- Innovation needs to be key, but a lot already exists. There are platforms for high-level policy dialogue around building capacity for innovation
- Need new financial instruments to accommodate new challenges in agricultural sector, including SMEs and rural poor
- Sustainability needs to be taken into account
- Big changes only happen if there is a clear imperative for change. Policy frameworks need to be looked at, private sector markets need to drive the discussion, technologies need to be available, researchers need to be at the table as well.
- In terms of increased crop biodiversity, a lot of these “niche” crops are endangered, in demand by diaspora community.
- Costs of incubators reduce over time, as pilot projects mature and lessons are absorbed in subsequent projects
- Top-down approach not the most efficient, nor does it tap into local economy and local labor supply.

- Genetic diversity is an insurance, but countries produce seeds at different costs, which may weaken seed as insurance. Big seed companies also produce seeds at lower costs, have the potential to crowd out local, more diverse seeds.
- Developing capacity of farmers to make well-informed decisions is also important.
- The issue is about ensuring that each country has a healthy mix of human capital, at the top levels, change agents, vocational workers, and SMEs.
- Need to take advantage of ICT to analyze which competencies are actually needed in a country.
- Importance of multidisciplinary education for PhD candidates, to account for a need for socioeconomic understanding, something beyond the technical. May also need a rebranding of “agricultural education” to attract more students.