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Statement by the Spokesperson of the Private Sector

THIRD AFRICA AGRIBUSINESS LEADERSHIP DIALOGUE (AALD3)

March 12, 2024

On March 12, 2024, the Third African Agribusiness Leadership Dialogue (AALD3) convened in a hybrid format, centring on the theme "Inclusive Transformation of Agrifood Systems in Africa: Unlocking Trade and Business Opportunities."

With 26 business leaders gathered in person in Accra, Ghana, and over 120 virtual attendees from nearly 30 African countries, AALD3 addressed two critical Sub-themes: "Breaking trade barriers to expand markets", and "Bridging finance gaps to develop agribusiness". Additionally, the event explored the Cross-cutting Theme: "Fostering innovations that transform agrifood systems".

DECLARATION OF THE PRIVATE SECTOR

As business and industry leaders, united in our commitment to advancing the inclusive transformation of Africa's agrifood systems, we recognize the critical role of collaborative frameworks that leverage trade, investments, and innovation to foster responsible investments, break down trade barriers, and promote sustainable growth across the continent.

With the goal of unlocking trade, investment opportunities, and innovation in the agrifood sector, we present the following recommendations to all stakeholders convening at the 33rd session of the FAO Regional Conference for Africa (ARC33).

This document can be consulted at www.fao.org

Sub-theme 1: Breaking Trade Barriers to Expand Markets

- a. Encourage mutual recognition of Quality and Sanitary and Phytosanitary (SPS) standards and other aspects related to regulations and licences, to make cross-border trade of agricultural products more competitive across Africa;
- b. Foster evidence-based advocacy, experience sharing and cross-country learning, and showcase success stories to demonstrate how Public-Private Partnerships (PPPs) and policy dialogues between business and Governments can solve trade challenges in Africa;
- c. Promote and support more accelerator programs for agribusiness that are modelled after private sector's business development services and can provide tailored advisory services to the specific needs of local agribusinesses, thus facilitating women and youth engagement.

Sub-theme 2: Bridging Finance Gaps to Develop Agribusiness

- a. Enhance financing mechanisms and tools for Micro, Small and Medium Enterprises (MSMEs), including risk mitigation measures, micro-insurance, adapted guarantee schemes, patient capital, blended finance, matching grants, and other innovative financial instruments that will improve their business capacity;
- b. Harmonise/ enforce key policies (tax, agricultural insurance, etc.) and strengthen existing financial ecosystems for MSMEs, by promoting innovation in financial products, facilitating access to seed funding in local currencies, and fostering information sharing to enable data-driven decision-making and support to policymakers and businesses;
- c. Invest in strategic public infrastructure development and evaluate the use of policy instruments/ policy actions including targeted subsidies to address specific market failures and reduce risks and transaction costs, as well as the development of private sector-led infrastructure like warehousing and (physical and virtual) marketplaces.

Cross-cutting Theme: Fostering Innovations that Transform Agrifood Systems

- a. Promote adoption of renewable energy technologies (solar, wind, and biomass energy), to power innovative solutions that can reduce environmental footprint and drive efficiency improvements, in agricultural production and agro-processing;
- b. Establish innovation centres in rural areas, fostering local entrepreneurship and digital skills development, to democratise access to technology and empower communities to drive innovation to scale in the agrifood sector in Africa;
- c. Encourage private sector expansion into remote areas, through strategic infrastructure development - for example, agro-processing zones/clusters, and the cold chain - and by reducing risks and transaction costs as well as operational costs and logistical barriers for agribusinesses;
- d. Develop and implement a continental agribusiness dashboard to centralise data on market trends, supply chains, and policy developments to enable informed decisions, to enhance public-private collaboration, and to drive innovation across the continent.

Private Sector Call to Action

We are steadfast in our commitment to collaborate with governments, development partners, and all other stakeholders, to unlock the transformative potential of Africa's agrifood sector. We pledge to prioritise collaborative efforts aimed at breaking trade barriers, bridging finance gaps, and fostering innovations that drive positive change across the African continent.

We are committed to leveraging our resources, expertise, and networks to actively engage with Governments, development partners, and other stakeholders in implementing initiatives that promote resilient agrifood systems, enhance food security, and create shared prosperity for all Africans.

We advocate for initiatives promoting local sourcing, bolstering local economies, fortifying food security, and advancing sustainable agricultural practices. We urge Governments to foster an enabling environment that nurtures innovation, incentivizes investment, and fosters inclusive growth.

We hope that policymakers will prioritise policies supporting the adoption of digital technologies, streamlining trade processes, and enhancing infrastructure to facilitate market access and efficiency along the entire value chain. We call for improved access to finance for smallholder farmers and agri-MSMEs, through supportive lending practices and strategic partnerships with financial institutions.

Conclusion

The Africa Continental Free Trade Area (AfCFTA) agreement presents an unparalleled opportunity for collaboration, between Governments and Africa's private sector, to revolutionise the continent's agrifood systems, aligning policies and investments to unlock its full potential. This collaboration will drive economic growth, spur job creation, and alleviate poverty across the Continent.

FAO can serve as a catalyst for innovation, investment, and sustainable growth, contributing to the advancement of Africa's agrifood systems. Therefore, we call on FAO to play a pivotal role as a facilitator and enabler, providing crucial policy support and technical assistance, particularly in the realm of financial instruments, facilitation of PPPs and dialogues, and creation of platforms for meaningful collaboration and exchange of ideas and information between stakeholders.

To conclude, by collectively addressing challenges, embracing technology, and fostering inclusive growth, we can establish resilient agrifood systems that meet present needs and secure prosperity for future generations. Let us unite to seize this historic opportunity, catalysing positive change, and unleashing the boundless potential of Africa's agrifood sector.

THANK YOU