

AFRICAN DEVELOPMENT BANK GROUP



WELCOME REMARKS BY
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Department
African Development Bank Group

at the

TECHNICAL MEETING BETWEEN THE AFDB AND WFP

20 January, 2010
Tunis, Tunisia

The Deputy Executive Director of WFP, Ms. Sheila Sisulu
Directors, Regional Directors and Deputy Regional Directors from WFP
Distinguished Colleagues from the Bank

Preamble

It is my singular honour and pleasure to welcome you to the first AfDB/WFP technical meeting in 2010. Let me assure the WFP delegation that the Bank deeply treasures the nineteen-year old and growing partnership with you, whose purpose remains to provide a framework of cooperation and facilitate collaboration in harmonizing food aid for development and promoting agricultural and rural development in client countries.

Today's meeting has been convened as a follow up to a recent meeting in Copenhagen between the President of the African Development Bank and the Executive Director of WFP during which they discussed the possibility of innovatively re-defining the orientation of the strategic partnership between our two institutions in light of the recent global food and financial crises, the state of continental agriculture and food security, as well as the reforms and current strategic directions of the Bank and WFP. Our meeting will, thus, reflect on the past and ongoing cooperation between both institutions and imaginatively forge a way forward in deepening the partnership between us.

The first presentation from the Bank's side that will be on the Agriculture and Agro-industry Department's new Strategy which covers the period 2010-14. The Strategy seeks to position the Bank to effectively contribute to transformation of the agriculture sector from subsistence to market-oriented production, consistent with the CAADP framework, through the broader development objectives of boosting agricultural productivity, and therefore, household income, with a view to contributing to sustainable food security in Africa. The Bank's second presentation will outline our annual and medium-term operational layout in agriculture and agro-industry. Both presentations should assist in highlighting options that can be considered for further collaboration between our institutions.

Agriculture and Food Security – Regional and Global Perspectives

Let me now speak briefly to some of the broader recent developments that, you will all agree, have a bearing on the important task that is before us today.

The global financial crisis had an impact on Africa, as manifested through the economic slowdown which affected most developing countries. As a result, many countries are experiencing a pull back in socio-economic progress. In a similar

manner, the global food crisis has posed a major threat to global food and nutrition security and caused a host of humanitarian, human rights, socio-economic, environmental, and developmental consequences.

Nevertheless, African agriculture today faces a context of general economic growth, and in the medium-term, a brighter market outlook in international, regional and domestic markets than any time in the recent past. In most countries, the institutional environment has also given local governments, communities and the private sector much more opportunities than in the past. And business climates are improving gradually. The smallholder dominated agricultural sectors of Africa are gradually responding to this. Improved market opportunities will arise in traditional, as well as non-traditional agricultural exports. Domestic and regional markets will present a promising area for medium-to-long-term agricultural growth and small farmers will be well placed to seize them.

While climate change is likely to affect most regions in Africa negatively, it will also open new opportunities in some regions where rainfall and other climate parameters will improve. Population growth is not yet slowing fast enough to provide for a population dividend. HIV and AIDS have led to an enormous human tragedy and a reduction in growth prospects in hard hit countries. The most neglected aspect of the agricultural agenda in Africa is agricultural technology.

More than ever before, it is clearer today that Africa's agricultural development and food security efforts require leadership, ambition and an appropriate scale of resources. The international community also needs a fully coordinated response and a comprehensive strategy to tackle this issue in an integrated fashion from short to medium and long-term. This is particularly why the growing global commitments in supporting global and continental agriculture are of paramount significance and have the overwhelming support of the Bank.

The Bank Group and Agriculture and Food Security

The Bank is concerned that the rise in global food prices and availability problems in some developing countries is affecting regional food security.

We are determined to take all possible measures in a coordinated manner to support agricultural development and food security output in our client countries. To this end, we are committed to the Global Partnership for Agriculture and Food Security.

The Bank recognizes the need for a wide range of mid- to long-term measures to tackle food security and poverty.

The Bank believes that balancing food aid issues with long-term and strategic considerations requires a multifaceted approach covering political, economic, social and environmental factors.

Our food security and poverty reduction efforts comply with country-led plans and programmes that build on existing platforms consistent with the Accra Agenda for Action. The Bank also endorses the Comprehensive Africa Agriculture Development Programme (CAADP) as a framework for coordinating international support for African agriculture and food security.

Since 1964, the Bank Group has provided over 3,000 agricultural loans and grants to its client countries amounting to US\$ 62.0 billion. Between 1980 and 2000, over 40% of the Bank Group's concessional resources supported agricultural development. Through its public sector window, the Bank manages a portfolio of 226 operations, with commitments valued at US\$ 3.72 billion in 30 RMCs. Since 2004, humanitarian support amounted to about US\$ 36.45 million. Since 2000, the Bank Group has approved about 70 emergency humanitarian relief assistance operations, for a total grant value exceeding US\$ 45 million in 45 countries. About 60% of these operations have been executed by WFP for food distribution.

Through the African Food Crisis Response (AFCR) initiative, the Bank, over a three-year period from 2008, added US\$1 billion to its agriculture sector portfolio, raising it to US\$ 4.8 billion. The AFCR is projected to inject about US\$780 million in the short-term and US\$ 2.19 million in the medium-to-long-term into Africa's agriculture.

The Bank is also developing various targeted initiatives in a number of agricultural sub-sectors including agricultural water management and storage, post-harvest losses reduction, and continental agricultural capacity building. An ongoing operation aims to promote the use of the New Rice for Africa (NERICA) in seven African countries and is valued at US\$ 33 million. The programme to build the capacity of national agricultural research institutions in Africa is valued at US\$ 293 million. The Africa Fertilizer Financing Mechanism will increase fertilizer use as set up by the Abuja Summit.

With these words, I thank you all for coming and wish you frank and fruitful deliberations.