

# **AEC 2016 High Level Plenary Session 1:**

## **Reflections and perspectives on Achieving an Inclusive Agro-Allied Industrialization in Africa (AfDB)**

### ***Guidelines for Panel Discussion***

#### **Introduction:**

Agriculture remains vital for Africa's economy, contributing to around 15 percent of its GDP on average. The sector employs 60 percent of the African labor force, 47 percent of which are women, and is the main source of income for Africa's rural population. However, this sector is not performing to its fullest potential due to low productivity and limited value addition of the agricultural production. 80 percent of the farmers in Africa still are smallholders, cultivating low-yield staple food crops on small plots with a minimal use of inputs and depending on rainwater rather than irrigation, thereby subjecting production to the vagaries of the weather. The poor performance of agriculture undermines food security, with Africa recording the highest incidence of undernourishment in the World; prevents labor from moving out of that sector into manufacturing and services thereby hindering Africa's structural transformation and economic development; and results in significant imports of agricultural products, putting additional strain on scarce foreign exchange reserves.

Africa needs to increase agricultural and food production. There is little justification that Africa, which has about 2/3 of all the arable land left in the world, is unable to feed herself; spending around US\$ 35 billion per year on food imports. In addition to increasing food supplies, Africa needs to better manage and integrate the entire food chain from the farm to storage, transport, processing and marketing. In the current policy and research environment, there is significant momentum behind developing and promoting the agricultural sector as a catalyst to industrialization.

A comprehensive transformation of the agriculture sector towards agro-allied industrialization in Africa needs to be conducted in an inclusive way and avoid eviction of small farmers in the process. Small farmers should be given incentives to raise their productivity and expand their output. This includes incentives to invest in technology and innovation in order to improve the productivity of land and labor (e.g. new tools, improved seed, water control, fertilizers). Land reforms are needed to enhance security of tenure and thus encourage investments. Adequate insurance and financial instruments suited to the agricultural production cycle should also be considered for protecting small farmers against shocks and climate change.

#### **Key questions to be addressed by the panel:**

Developing an inclusive agro-allied industrialization in Africa raises a number of vital questions that panelists shall address:

1. What are the best practices and success stories of agribusiness development in Africa? What were the success factors?
2. The agriculture sector in Africa suffers from under-investment. The share of public expenditure in agriculture has started declining since 2008 across the continent and only

12 African countries have reached or surpassed the 10 percent allocation target set in the June 2014 Malabo Declaration. What recommendation would you put on the table to promote responsible public investments in agriculture in Africa and how can governments contribute to rising agricultural productivity in an inclusive way on the continent, concretely? Any best practices and success stories from Africa to share on this?

3. How would you describe the regulatory and de facto distribution of arable land in Africa? What policy and institutional reforms are needed to promote an inclusive distribution of land while supporting the development of large commercial land holders?
4. What budgetary, policy, institutional reforms should be created to improve farmers' access to inputs, price information and credit? Any best practices and success stories from African countries to share on this?
5. What other actors (e.g. non-public) could support the development of an inclusive agribusiness in Africa? What would their roles?

**Format:**

The Plenary Session of the Conference will last **1.5 hours** and will be addressed by a maximum of 5 panelists. The Moderator of the session will introduce each panelist and provide a contextual briefing with guiding questions to focus the interventions of the panelists.

After the panelists' interventions, the Moderator will invite succinct interventions from the participants and then permit panelists to wrap-up with responses to matters arising.

**The Moderator will allot time following these guidelines:**

<b>Roles and Activities</b>	
Moderator – Introductions and Briefing	6 minutes
Moderator - Transition between panelists	2 minutes
Panelists – Each panelist presents (7 mins/10 mins)	30 minutes
Moderator (Summary of panelists' interventions)	5 minutes
Open Discussion	25 minutes
Response by Panelists (5 minutes each)	20 minutes
Moderator Closing Remarks	2 minutes
<b>Total</b>	<b>1.5 hours</b>

The Moderator should ensure that these time limits are respected and not exceeded as it is important for the smooth progression of the Conference agenda. Finally, Moderators should ensure that the key issues of the sessions are captured by the rapporteurs.