

Workshop 3: Agroindustry in Africa and Asia

This workshop will bring together key stakeholders to discuss how African and Asian agribusiness leaders could join their efforts in the near future to unlock Africa's agricultural potential.

The objectives of the workshop are to increase participants understanding of what has already been done in that field on recent years, to introduce some fruitful initiatives and experiences, to highlight success factors and to formulate broad recommendations.

A combination of presentations and highly interactive working sessions will promote dialogue and knowledge sharing. The workshop is organized in three parts.

First part: Introducing the topic

The agriculture sector plays a vital role in the Asian economy providing livelihood to more than 2.2 billion people and a Gross Production Value of around US \$ 1.2 billion. As in Asian countries, agriculture is the backbone of most African countries as well. 60% of the labor force is employed in agriculture which contributes to about 25% to GDP. Total commercial food import of Africa is around US \$ 3 billion and apart from this, Africa receives food aid close to US \$ 3 billion. Still, 265 million people - i.e. one third of the total population - suffer from chronic hunger. During the last decades, there has not been an impressive growth in the agriculture sector in the region due to many reasons such as lack of access to land and resources accompanied by high cost of agricultural inputs, degradation of natural resources, poor access to markets and poor distribution systems, low investments in agricultural research, training and extension, climate change and conflicts etc.

Agricultural production in Africa has huge potential, but it needs interventions in several spheres. Science, technology and innovation is a major area as the continent has been witnessing low and declining crop yields owing to low investments in agricultural research and technologies. Another problem is weak land tenure systems. Among other farm inputs the seed sector in Africa is highly underdeveloped with farmer- saved seed accounting for approximately 80% of planted seed. Farmers have not been able to take advantage of new crop varieties and modern mineral fertilizers. Hence, there is an immediate need to improve the seed and the fertilizer sectors. Like their Asian counterparts, lack of access to credit is preventing farmers from investing in agricultural technology and limiting their participation in agricultural markets. Post-harvest management and marketing of agricultural produce also require emphasis. There is limited access to suitable physical infrastructure such as rural roads, irrigation technology and post-harvest storage structures in the continent.

Although many reforms have been implemented in the past up to remove restrictions on private player involvement, a lot still needs to be done. For example, constraints in trade (high distribution margins, underdeveloped agro-processing capacities, weak transport and storage infrastructures and slow progress in developing market supporting institutions) remain strong.

With respect to agricultural development, Asia has made considerable headway on many fronts that are relevant to Africa, including agro-processing, drought and famine management, irrigation management, access to inputs, agricultural research and technology transfer, the establishment of rural knowledge centres and the setting up of micro credit and financing systems. Africa can also draw lessons from Asian countries on how to make sure that their development programmes reflect their own priorities and cultures.

By 2030, the World Bank estimates that Africa's agriculture sector would be a \$ 1 trillion opportunity. There is a lot of untapped potential in Africa which can be unlocked by a comprehensive approach. The continent has 50% of the world's uncultivated yet arable land. The youth population (less than 25 years of age) in the region accounts for around 60% of the total which paves the future for agricultural growth. A strong Asia-Africa relation would help in leveraging these opportunities. There exists an immense investment opportunity in enhancing the productivity of the continent, research and development, infrastructure development,

knowledge dissemination, providing agro-inputs and credit provision to farmers and other value chain stakeholders. Agriculture in the continent is in an urgent need of strong innovative and technological development, which calls for a Public Private Partnership approach. This underlines the need for African governments to open up to the contribution of private and corporate firms in the development of agriculture. This could ultimately lead to a transformed agricultural system and higher incomes and more jobs in the continent. At the same time, investments in Africa can lead to geographic expansion of the agribusiness domain of Asia. The combined efforts of the two continents will help accomplish the vision of global food security.

After introducing the context in which Asian-African Partnerships are built and launched, the workshop will focus on two major topics. The first one will be an introduction and a discussion of some of the main initiatives that has been implemented in recent years by Asian actors and their African partners to increase agricultural production and support local farmers. The second one will be a discussion on how Asian and African agribusiness stakeholders could improve their actions to get better results in the near future. This last part will discuss important issues such as: How can Asian stakeholders better assist their African partners in adapting and adopting the strategies that propel agricultural production and productivity? How can Asia's increased investment in Africa be structured so as to maximize benefits with regards to: human capital development for Africa, farm technology development and the transfer of skills and technology to African farmers? How can this partnership help African agriculture to attain sustainability of growth through product diversification, value addition and better access to markets?

Second part: what is already being implemented?

Different important initiatives and interregional programs are already being implemented. In recent years, there have been growing efforts to reinforce the economic partnership between the two continents on agricultural development and food production. The second part of the workshop will be dedicated to the presentation of different Asia-Africa partnerships in the fields of technologies and expertise for agricultural growth, food security and rural development in areas of common interest. The panel will highlight some of the most relevant initiatives taken during the last 15 years by stakeholders from Asian countries that play a very important role in the support of agriculture in different African countries. Three Asian countries could be selected for this second part of the workshop: India, Japan and the People Republic of China.

Japan

Japan's scientific support and its funding for the African initiative to develop the 'New Rice for Africa' (NERICA) are remarkable examples of Asian-African collaboration building on African and Asian partners' strengths. By putting their technical know-how and funds together they came up with a new rice that has put many rice-growing areas in Africa well on the way to becoming as productive as rice-growing areas in Asia. African and Asian scientists were keys to the assembling of a critical mass of expertise in the global consortium that developed the cross of Asian and African rice varieties called NERICA. This New Rice for Africa combines the hardiness of West African rice and the high yields of Asian rice. NERICA yields up to 50 percent more grain than traditional African varieties and a whopping 200 percent more when farmers apply fertilizer and use better methods of cultivation. Not only does NERICA rice give higher yields but it saves on imports and has more protein. Just developing NERICA though is only part of the story. The African Rice Initiative (ARI), launched in 2002 in Côte d'Ivoire, played a crucial role in helping to spread NERICA, in finding ways to produce more and better quality seed and in sharing the best ways to grow it. Now Japan is helping spread NERICA to East African countries such as Uganda, Rwanda and Tanzania and is capitalizing on the success of the NERICA experience to support agricultural research and policy development for other crops important to Africa.

India

The Government of India is playing the role of a catalyst in assisting its food and agriculture companies to boost their presence in Africa. India is working to increase Foreign Direct Investments (FDI) in Africa which will not only permit fund infusion but bring enhanced technology from India to Africa. The India-Africa Partnership in Agriculture, a new initiative, was very recently launched by the Indian Council of Agriculture Research (ICAR), the International Crops Research Institute for Semi-Arid Tropics (ICRISAT) and the International Agriculture Consulting Group (ICAG). This platform will make available expertise and experience to support

African countries in discovering answers to their food, agriculture and development challenges. Another example of Indian cooperation with African countries in the field of agriculture is the Cotton Technical Assistance Programme (TAP). The Cotton Technical Assistance Program was designed with a focus on what the West African countries (Benin, Burkina Faso, Chad, Mali, Nigeria, Malawi and Uganda) need and what India can offer considering its strengths and experience.

In the private sector, there is a noteworthy presence of Indian agricultural firms and food processing companies in Africa. According to a survey published in 2013, there were over 70 Indian companies, which were preparing to enter Africa to establish farming activities, as there is enormous room for growth in Ethiopia, Malawi, Kenya, Uganda, Liberia, Ghana, Congo and Rwanda. There is huge scope for Indian companies to build forward linkages like contract farming helping the agricultural sector in Africa to link agricultural supply chains with processing plants or retailing businesses.

China (PRC)

China's involvement in African agriculture, similar to its general economic engagement in Africa, has surged in recent years. Since the 1960s, China has implemented approximately 220 agricultural aid projects in Africa. Investment increased rapidly after the Forum on China-Africa Cooperation (FOFAC) Beijing summit in November 2006. The terms of the summit promoted the establishment of 14 distinctive agricultural centres in 33 countries, the dispatch of 100 senior agricultural experts, and training of 15,000 experts across various fields (including 1,500 agricultural technology professionals). These initial investments illustrate both China's commitment to the agricultural sector and the diversity of Chinese investment in Africa. In 2009, at the 4th FOCAC ministerial meeting, the RPC central government further announced eight new measures in increasing Chinese investments in African agriculture. These measures entailed the establishment of twenty demonstration centres and fifty agricultural technology groups in Africa to take part in the training of up to 2,000 agricultural technical personnel.

China has become one the key players in African agriculture through a series of agreements in various African states. Chinese scientists, agricultural experts and farmers are increasingly a common sight in Africa. For example, China has pledged US\$ 800 million to modernize Mozambique's agricultural infrastructure through the dispatch of 100 Chinese agricultural experts stationed in several research stations within Mozambique. These experts work with local groups to increase crop yield and find other methods to improve overall performance in the agricultural sector. China even plans to build an agricultural demonstration centre in Mozambique that will test the viability of various crops that could be introduced to help feed the Mozambican population. China's involvement in Mozambique serves as an example of the degree of Chinese involvement in Africa and demonstrates the various methods used to drive and improve African agricultural production.

Yet questions remain not only concerning China's motives, but also the effectiveness of current Chinese agricultural projects in Africa. Regional stakeholders continually cite lack of coordination and poor governance systems in the projects financed by the Chinese all over Africa; as these loose arrangements almost never account for the needs of poorer Africans subsisting on the land prior to sale. Even though Chinese investments in agriculture seem to directly address Africa's hunger problems, many still view China as engaged in a quest for resources to feed its fast-paced growth.

Third part: what should be improved?

This third and last part is designed as a contribution to the debate on strategies, achievements and challenges of Asian and African agribusiness partnership. Asian countries' engagement with African agriculture represents an opportunity for African states to build partnerships for development, an approach that promises mutual benefit.

Many studies have shown that African stakeholders believe and share the sentiment that Asian public and private actors have done more to alleviate poverty in Africa than may have been attempted by traditional donors. African actors also believe that Asian governments and investors engagement might be more meaningful if it included a form of governance system which monitors Asian investments and enables African partners to measure the impact on rural development and livelihoods.

African leaders and stakeholders also express their concern with some other key aspects of Asian Investments in agriculture. They do consider these investments should be carefully evaluated to measure gains that such ventures bring. Some African voices raise the concern that some of the projects do not benefit poorer individuals as expected, and that most of the projects are not planned with beneficiaries in the decision making process.

African policymakers and corporate leaders insist that Asian investment plans must be articulated, with clearer definitions of their objectives and terms of engagement. African partners should be better informed on what is being done and why, who is doing what and how to draw lessons for future engagements. They also expressed concern on the need for Asian countries to effectively co-ordinate their efforts with African initiatives such as the African Union's Comprehensive African Agriculture Development Program (CAADP).

Regional stakeholders maintain that Asian investments have the potential to change agriculture permanently on the continent; as investing in agriculture presents a more feasible path to reducing poverty and hunger in Africa. Africa needs to exploit this opportunity. Although claims on Asian investors' land leases or purchases are overstated, policies should be drafted for these new levels of engagement that protect people from any process that would alienate and/or displace them from their own land. The legal infrastructure around property rights and land titles should be better defined and more clearly established. Major positive changes to Africa's agriculture must begin with a comprehensive review of land ownerships, rights and titles.

The discussion could also include other topics such as triangular cooperation between the private sector, academic and research institutions and NGOs that also has lots of potential for productive partnerships.