

African and Global Leaders Rally Private Sector Investment to Accelerate Agricultural Transformation

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- Grow Africa Agricultural Investment Forum convenes 270 high-level leaders at the African Union Conference Centre, Addis Ababa, 9 May 2012
- Seven countries showcase investment opportunities aligned to national plans for agricultural transformation; generating strong private sector interest
- Event attended by 116 African, global and other companies; plus leaders of government, international organizations, civil society and farmers' organizations
- For more information about Grow Africa: www.growafrica.com

Addis Ababa, Ethiopia, 10 May 2012 – African agriculture is undergoing a transformation, creating a new era of opportunity for both farmers and investors, according to African and global leaders at the World Economic Forum on Africa.

The Grow Africa Investment Forum, convened jointly by the African Union, NEPAD and the World Economic Forum, engaged over 270 leaders including heads of state and government from Ethiopia, Rwanda and Tanzania, as well as leaders of African and global business, international and donor agencies and farmer organizations.

Participants noted that African agriculture offers tremendous growth potential to investors which can strengthen food security and economic opportunity on the continent. Greater private-sector investment and improvements to the business enabling environment are needed to capture that potential.

Leaders noted that much of agriculture's potential remains untapped. Meles Zenawi, Prime Minister of Ethiopia, said "we have scratched the surface, but we haven't yet broken the mould. When we do that, you will see the explosion of development in Africa."

Seven countries showcased specific investment and partnership opportunities aligned to their national priorities for agricultural transformation. Jakaya Kikwete, President of Tanzania, said: "We are ready to do business, that's why we came to this meeting." He noted that Tanzania's agriculture investment strategy prioritizes groups that can most benefit from new market opportunities. "When we bring in the private sector, it is to benefit the smallholder farmers. We need to modernize agriculture and make it more attractive to youth." Paul Kagame, President of Rwanda, noted that "we can mobilize farmers into an entrepreneurial mindset and create new opportunities for women, youth and rural entrepreneurs."

The Grow Africa partnership has developed significant momentum since it was catalysed by African and global leaders at the 2011 World Economic Forum on Africa. Jean Ping, Chairperson of the African Union, said "the Grow Africa platform is open to all countries, and can accelerate the implementation of national investment plans developed through the Comprehensive African Agricultural Development Programme (CAADP)."

The potential seen in African agriculture presents a transformational opportunity, according to Josette Sheeran, Vice-Chairman of the World Economic Forum. "We're at a tipping point," she said. "Working together, we can ensure that when we meet in 10 years, it will be in an Africa that is not only feeding itself, but helping to feed the world."

A total of 116 companies participated in the Grow Africa Investment Forum, including 49 African and 47 multinational companies, plus 20 from other regions such as Asia and the Middle East. Jean-Louis Ekra, President and Chairman of the Board of Directors, African Export-Import Bank, said “ much of the investment in Africa can come from Africa if we provide the right financing mechanisms and policy environment. ”

Frank Braeken, Executive Vice-President, Unilever, said “ African leaders are defining new ways to leverage the agriculture sector as a driver of inclusive and sustainable growth. This offers new agribusiness opportunities that are increasingly attractive to investors. ”

Participants agreed that empowering African farmers will be central to success. “ Smallholder farmers are a sleeping giant in Africa. That sleeping giant needs to be mobilized into collective action groups, ” said Dyborn Chibonga, Chief Executive Officer of the National Smallholder Farmers' Association of Malawi.

The Grow Africa partnership is coordinated by the African Union, NEPAD and the World Economic Forum with a goal of galvanizing sustainable investment into African agriculture, based on country-led priorities. Grow Africa builds upon the CAADP, which works to boost African agricultural productivity through sector development plans. Rwanda, Burkina Faso, Tanzania, Mozambique, Ghana, Kenya and Ethiopia are the first countries to engage with Grow Africa.

At the World Economic Forum on Africa in Addis Ababa, which followed the Grow Africa Investment Forum, Prime Minister Zenawi said Africa has a key role to play in meeting world food demand. The way to realize this is through a transformation of small-scale farming on the continent. Increasing the productivity of small farmers and having them well organized and collaborative, to take advantage of supply chains and investments, will bring the best results, said Zenawi. Ethiopia has achieved commendable gains in agricultural productivity using this model in recent years, setting aside 16% of its national budget to agriculture – well above the 10% to which all African governments have committed themselves.

President Kikwete added that governments have an important role to play in providing support in areas of irrigation, inputs and building commodity markets. However, private sector investment is also essential to avoid over-dependence on subsidies.

For more information about Grow Africa:

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