

## **FoodFirst Conference, Utrecht 31 May 2018**

John Clarke

- Dear all, this century presents massive challenges and opportunities for Africa. The biggest issues for the century are not the middle east, not Iran, not N Korea, not even the battle between western democracy and authoritarian models of government. The biggest structural changes of the century are climate change and Africa. Africa's population is expected to increase to over 4 billion people by 2100. By way of comparison, the EU population will only reach 600 million. Its unprecedented in human history.
- That growing population is a tremendous asset - because young people are energetic, idealistic, hard working. That growing population brings with it significant potential for economic development, investment and business growth for Africans and from overseas investors. And nowhere more so than in the agriculture and food sector.
- Because agrifood is the only sector that can contribute to create the 18 million jobs needed each year. Today only 3 million new jobs are being created, and this is one of the reasons for migration to prosperous regions and cities within Africa and for migration out of Africa.
- And growth in the agrifood sector in Africa is going to be vital to provide food for that growing population. Africa needs to be able to feed itself and not depend so much on others. With regional integration in Africa that can happen.

## EU Relations with Africa

- When it comes to helping create jobs and fight the root causes of migration the EU's commitment runs deep.
- First we are with our Member States by far the **largest provider of development assistance** (disbursing 75 billion € in 2016) which is primordial to boost our partner's economies, their social fabric.
- Secondly, favourable trade terms. We offer completely free market access for **Least Developed Countries**, most of which are in Africa, to help them build up their trade capacity. We are the world's biggest importer of agricultural products from the LDCs. And our Economic Partnership Agreement (EPAs) with all Sub-Sahara African regions have been carefully designed to promote **trade and development**, open the European market completely, and encourage African regions to open up to each other. It's up to African business to use them now.
- Ladies and Gentlemen, excessive reliance on Overseas development aid, and donor-recipient mentalities are, thank god, a thing of the past. But neither is trade a panacea. Investment – the focus of today's debate - is also key. The future is about getting private capital, expertise and technology to invest in a continent which is rising.
- So on top of development cooperation and trade we are promoting investment in African agrifood business. We have just launched a new initiative on investment in Africa: the **European External Investment Plan (EIP)**. This Plan will mobilise huge investment – we estimate at least EUR 44 billion of investment in Africa and the European neighbourhood by 2020 - which otherwise would not happen.

- The idea of the Plan is to reduce the financial risk to investors. The EU assumes the risk. It is a new opportunity for the private sector in Europe and in Africa to create sustainable growth and decent jobs - notably in the agrifood sector which has millions of smallholders and small companies who have problems accessing finance.
- The up-take for agricultural projects in the first round of calls for proposals was modest. That is why we need to increase our efforts to mobilise good ideas.
- But financial guarantees are not sufficient. Ensuring the **right business and regulatory conditions for investment** to flourish, is just as crucial. Quality investment will only come if the environment is legally secure and transparent. That is for governments to do.
- This conference today offer a unique opportunity to engage discussion with the private sector –not only about what the private sector is doing to deliver more and better jobs, or to identify successful projects or partnerships; but also about what regulatory reforms are required to create a good investment climate.
- So in addition to aid, in addition to trade, in addition to investment, we are focussing on good regulation and policy design in the agrifood sector. To put it succinctly: the EU and Africa are asking themselves the question: what are the right agricultural policies?
- How things have changed! Until recently agricultural policy was a neglected subject in the corridors of power in Africa. The food price spikes, the economic and financial crisis, and the drop in

oil revenues were a big wake up call. With that came the realisation of the massive job creation potential of agribusiness and the paradigm shift to investment and not handouts.

- The agricultural policy dialogue we have launched has several strands. Commissioner Hogan has had a robust policy dialogue with the Africa Union Commission for Agriculture and with African Agriculture Ministers, since 2016. We have launched policy support to foster investment in rural areas and the agri-food sector in Africa, with the involvement of the private sector.
- Through the medium of the EIP and our EU-Delegations we are stepping up dialogue with partner countries on what kind of regulatory framework will improve the investment climate. And we have set up a private sector dialogue too: the private sector needs to tell governments what it needs, and be listened to.
- At the Abidjan Summit we heard – and welcomed – a call from Food Drink Europe to help develop a pan African food and drink federation. The creation of an AU EU Agribusiness Platform will bring the European and African private sector together to identify opportunities and engage with governments on the policy framework needed for quality production and investment.
- Likewise, as part of our cooperation with the African Union, we are all working together to turn the **African Continental Strategy** on food products with geographical indications (GIs) into concrete projects that help build African agrifood value chains.
- GIs are a tool for rural economic development: they empower smallholders and cooperatives, they mean local added value and at the same time the preservation of biocultural diversity.

- Both projects – the AU EU Agribusiness Platform and the African GI Strategy – ensured that agriculture featured prominently in the 5<sup>th</sup> AU EU Summit (Abidjan, 29-30 November 2017) and in its political declaration.
- These are just two concrete examples on how we are making progress on delivering on concrete joint initiatives relevant to transform African agriculture. We have other initiatives in the pipe - on agriculture research and innovation, on vocational and educational training, and the use of digital solutions on agriculture .... Areas where the expertise of NL companies can come into play.
- The EU is very pleased therefore that African and European leaders have acknowledged the importance of policy dialogue and cooperation in agriculture. It will be crucial in achieving the **2030 Agenda**.
- I want to congratulate the Netherlands for its active role in this Europe-Africa policy dialogue on agriculture. With the Netherlands we organised an African Union – EU Agriculture Ministers conferences in Noordwijk in 2016 and in Rome last year. Building on that, just last week Commissioner Sacko and Cioner Hogan launched an **expert task force on Rural Africa**. **The mandate of the Task Force is to look at how to stimulate development in agriculture and agri-business.** It will deliver its recommendations to the European Commission by January 2019. There is a Dutchman on the team by the way!

## Conclusion

- So I do hope I have demonstrated that Europe is active in trying to stimulate the growth of the African agrifood sector.
- Allow me to draw some brief conclusions then. First, Agriculture is among the first sectors where we have a successful policy dialogue between the two continents.
- Second, we are right to put behind us the classical donor recipient relationship. We have a unique opportunity to show that policy exchange and cooperation in agriculture works and provides for jobs and income opportunities.
- Third, the role of business is primordial. There has to be a closer partnership between governments, international partners, financial institutions and agribusiness to foster responsible investments and link African farmers to global markets and value chains. The key word is "partnership".
- Ladies and gentleman a strong, stable and prosperous Africa is essential for Africa and the EU. And by working closely together, we can bridge the gaps and stimulate agricultural growth. This conference is part of this process. What you are doing today is to show to European agrifood business that African agriculture is open for business, for trade and for investment, that the tools exist to create that business and those jobs, and that the right policy environment is being designed. I congratulate you on passing this message so effectively. Thank you.