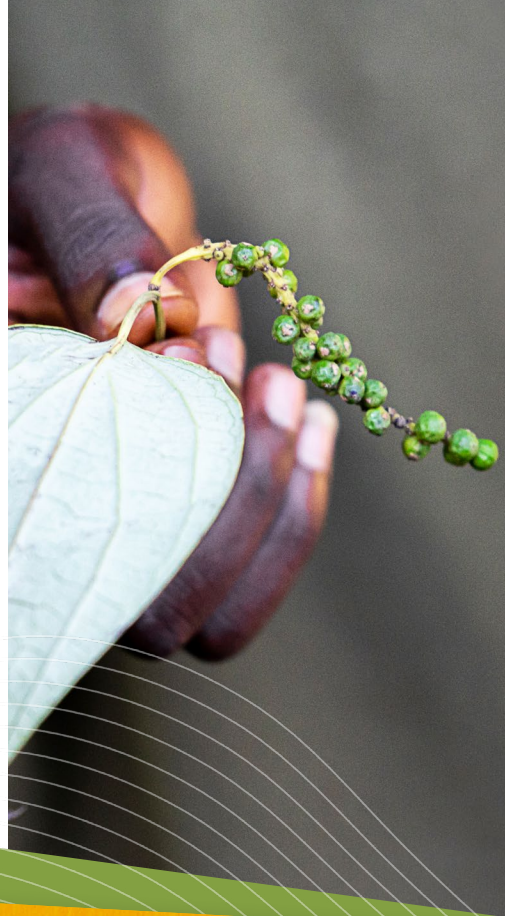


#AUEU4farmers



# 5<sup>th</sup> AFRICAN UNION & EUROPEAN UNION

Agriculture Ministerial Conference

CHAIRS CONCLUSIONS

*Resilient food systems and sustainable agri value chains*

Rome, 30 June 2023



## High Level Panel

# Sustainable Investments in support of agri-food systems

**Message 1:** The higher risk in agri-food sectors can be addressed by actions as: i) improving data and information on the sub-sectors and value chains to underpin investment decisions; ii) the expansion of blended finance instruments, particularly those that offer small ticket-sizes; iii) enhanced knowledge, among all relevant parties, of sustainable agricultural practices and climate-smart interventions and the long-term public and private returns of introducing them; iv) involvement of communities in investment decisions through consultation and cooperation; v) capacity building of farmers, including through extension services, as well as certification of their products.

**Message 2:** Public sector investments continue to be critical but not sufficient for addressing the challenges faced by rural communities. Public sector resources need to leverage sustainable private sector investments at scale. In this respect, it is important that: i) the public sector steps up its own investments in infrastructure, research and extension; ii) public development banks, notably those with a special mandate in agriculture, are induced to step up their lending, given their responsibilities in delivering on public policies and link up with private finance. At the same time, private financial intermediaries, non-bank financial institutions (e.g. insurance agencies), and others should expand regular and innovative financial products such as mobile money, micro-insurance and remittances. Governments bring all parties together and promote the development of key value chains.

**Message 3:** There is still much room for improvement of the business climate and regulatory framework. This is important for the sustainability of the value chains from production, optimization of resources, packaging to logistics. Political support is essential to achieve this. Moreover, the business environment can be improved by: Strengthening of service organisations, such as agri-business platforms and Farmer Organisations. We learned about the value of the EU-Ghana agri-business platform to foster investments. We also heard how well functioning farmer organisations are able to increase investments for themselves and for agro-industries. Better access to information on regulations and on marketing opportunities. In this respect, service organisations play again an important role, but also international organisations such as FAO. Simplify government processes (including on certification).

**Message 4:** Several cross-cutting issues were recognised as important in investments in value chains and agri-food systems, including gender, youth, capacity building and information. In this regard, the following was highlighted: Capacity building of farmers is a must. Extension services play a vital role. Special considerations need to be given to gender and youth. It is essential to develop IT systems and advisory platforms that adequately serve

governments and the agricultural sector with timely and accurate information. Such information is also required to facilitate the preparation of business plans for potential investors.

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## High Level Panel

### Research and Innovation

**Message 1:** With the 2030 Sustainable Development Agenda being off-track, EU-AU agricultural research and innovation cooperation has become even more essential to address food and nutrition security. Science, technology, and innovation can bring new opportunities to accelerate the agrifood systems green and digital transition, against the challenges brought about by climate change, conflicts, and the recovery from the Covid-19 pandemic. Smart policies and technologies - intended as innovative tools and approaches to improve resilience and sustainability of agri-food systems - are key to achieve the objectives of the AU and EU green agendas.

**Message 2:** We support the development of a joint AU-EU Agricultural Knowledge and Innovation System (AKIS), as a bi-continental platform linking African and European research and innovation actors to advance a science-led growth in food and nutrition security and sustainable agriculture. We highlight the key role of the International Research Consortium on FNSSA for catalysing collective actions within the AKIS and call public and private institutions to join the IRC and actively support its activity. The connection between research & innovation and the farmer is fundamental to any AKIS - we were reminded that we should speak more with farmers than about farmers.

**Message 3:** Soils are a scarce and a threatened resource, all over Africa, Europe and beyond. The effects of climate change are putting further pressure on this key resource. We support further AU-EU cooperation on research and innovation for sustainable soil management as part of our continents' green transition. Activities such as improved monitoring to support the establishment of baselines, indicators, dashboards; capacity building and training, support to enhanced soil policies, greater outreach to engage society are amongst the areas of opportunity for the sustainable development of the agri-food sector. We were reminded that indigenous knowledge on soils is important and that soil health can be an emotional issue.

**Message 4:** Smart policies for sustainable, resilient agrifood systems, rely on innovative approaches to research and innovation, such as inter and transdisciplinary collaborative research, multi-stakeholder, and systemic approaches. Living labs and lighthouses as places for testing, demonstration and scale up innovation can foster agroecological practices, soil management, and food systems transformation. It is essential to continue testing these innovative approaches in the framework of AU-EU cooperation on research and innovation. Implementation of smart technologies and ideas is essential, especially involving young people. Access to data and access to finance is also important.

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## High Level Panel

### Climate resilience of agri-food systems

**Message 1:** We need concrete action to overcome current multiple crises (COVID, Climate Change, Russian war of aggression on Ukraine), such as scaling up the existing pilot projects to build resilience and increase productivity sustainably (considering soil, water and the importance of the nexus between biodiversity and climate). Agriculture needs to be part of the solution for combating climate change and innovation can play a role in that. Locally tailored innovative solutions can create an enabling environment to build resilient food systems and combat climate change.

**Message 2:** Long term climate resilience and sustainability actions need more budget allocation and more targeted public investment. To mobilize more public and private finance for climate mitigation, it is important to build a system for private sector investment with a risk sharing approach and repurposing of available support. Much of the public resources are currently being allocated for short term solutions. Also need to increase our support to smallholders, especially women farmers and to better involve them in international partnerships.

**Message 3:** It is important to further strengthen the collaboration of AU and EU within in international initiatives, such as UNFCCC COP-28, African Climate Summit, Secretary General's Climate Ambition Summit to create the right impulse for food system adaptation and transformation, improving resilience and sustainability. We need to identify options for fair transition, integrated approaches for mitigation and adaptation and adopt the roadmap for the Sharm El Sheik Joint work on implementation of climate action in agriculture and food security to start implementation.

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## High Level Panel

### Regional trade integration

**Message 1:** We support the enhancement of sustainable trade and investment relations between the two continents, for the mutual benefit of the African and European economies. Trade and Sustainable agreements are an important driver for sustainable growth: they help create jobs, expand markets, and boost economic growth and innovation in Africa and Europe. By removing market access barriers, they also lower costs and facilitate the uptake and deployment of climate-friendly technologies, to reduce greenhouse gas emissions worldwide and adapt to a changing climate. As instrument of privileged partnership, trade agreements embedded in an open and rules-based multilateral system provide a platform for policy dialogue and cooperation on sustainability. This is vital to address global challenges.

**Message 2:** Both Parties need to integrate sustainability at all levels in their agricultural and trade policies, also to attract youth in agriculture. In this context, the EU, Ghana, Côte d'Ivoire and Cameroon are engaging in the multi-stakeholder dialogue on the sustainability of cocoa supply chains, covering the Living Income Differential, deforestation and child labour issues. In June 2022, stakeholders reaffirmed their full commitment in enhancing sustainability of cocoa trade by establishing an "Alliance on Sustainable Cocoa" and endorsing a Roadmap of actions. The Committees under the Economic Partnership Agreements have been serving also as an additional constructive forum for discussions on sustainability of cocoa at the government's level.

**Message 3:** The year 2023 is a crucial year for the implementation of the African Continental Free Trade agreement, which is expected to contribute to development of regional value chains through trade complementarities and economies of scale. Intra-African trade represents an important channel for local producers to access rapidly growing African markets. For the African countries to reap the benefits of upgrading along regional and global value chains, an ambitious promotion of intra-African trade will require serious tariff dismantlement, elimination of burdensome non-tariff measures and strengthening of the policy framework. For our economy to thrive and the integration of our Continents to happen, we duly need to listen to our farmers and producers' voices.

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