



AGRF 2016 – SIDE EVENT REPORT

Day 2 - Tuesday, September 6

14:30- 18:00

Side Event

Accelerating Transformation in Africa through Climate Smart Agriculture -
World Bank

SESSION BRIEF

Context: Agriculture is a major economic driver in Africa and increases in agricultural productivity dwarf other sources of productivity gains in their impact on poverty alleviation and food security. Climate change impacts are already reducing yields and are projected to become increasingly severe. If unaddressed, climate change will erode Africa's hard-won development achievements and jeopardize the prospects for further growth and poverty reduction.

The recently launched Africa Climate Business Plan (ACBP) of the World Bank aims to address Africa's intricately linked climate and development agendas. The agriculture component of the ACBP aims to raise awareness and mobilize resources for Climate Smart Agriculture (CSA) initiatives in Africa; supports the adoption of evidence-based policies for CSA; and provides financial and technical support for national and regional investment programs to scale up CSA technologies

Session objectives: This side event aimed at promoting a discussion and uniting knowledge among practitioners, private sector, researchers and policy makers by displaying success stories of CSA implementation and highlight CSA investment opportunities for accelerating agricultural transformation in Africa.

Key Issues: How policy and research influence smallholder farming and private sector performance in terms of climate smart agriculture?

Expected Outcomes: Improved awareness on the impact of CSA practices to the smallholder farmers, researchers, private sector players, policy makers and development partners.

Organizer: World Bank



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Name	Picture	Discussion
<p>Dr. Ademola Braimoh, Coordinator, Climate Smart Agriculture, Africa Region, World Bank</p> <p>Role: Moderator</p>		<p>Dr. Braimoh opened the session by noting that agriculture is a major economic driver in Africa. However, the impacts of climate change are reducing yields, therefore, climate smart agriculture is important since if unaddressed it will erode Africa’s hard-won development achievements.</p> <p>Agriculture in Africa today is highly vulnerable to climate change, and its arable land might become unsuitable due to climate change, which could erode the gains that have been made over the last decade in developing the sector.</p> <p>The Africa Climate Business Plan (ACBP) launched by the World Bank aims to address Africa’s intricately linked climate and development agendas by raising awareness and mobilize resource for Climate Smart Agriculture. It also seeks to support evidence-based policies for climate smart agriculture and to provide financial and technical support for investment and the scaling up of climate smart agriculture.</p>
<p>Mr. Holger Kray, Head of Policy, Africa Region, World Bank</p> <p>Role: Keynote Speaker</p>		<p>Mr. Kray noted in his remarks that “Seizing the Moment” should also be a theme and motto meant to ensure a better life for Africans and an improvement in their ability to meet their needs. The World Bank has been trying to convince stakeholders to promote climate smart agriculture, especially if we are to meet the commitments of the Malabo Declaration and the AU’s Agenda 2063.</p> <p>There is a growing need to produce enough food to feed all of Africa’s citizens with quality products that are high in nutritious value. In support of delivering this, the Africa Climate Business Plan is seeking to mobilize US\$16 billion to address climate change and its impact in Africa.</p>



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		<p>Mr. Kray also added that:</p> <ul style="list-style-type: none"> • The world needs 60% more food to feed 9 billion people by 2050. It is recognized that agriculture is a big driver of climate change and climate change affects agriculture. Agriculture is more impactful in poverty alleviation and economic development. Therefore, it is important to have a discussion with Ministries of Finance and Agriculture on the importance of agriculture in economic development. • While agriculture suffers from climate change, it also contributes to climate change e.g. ruminants and productions of soy to feed say pigs. Emission intensive agriculture (livestock) contributes to climate change. However, agriculture can also sequester large volumes of carbon dioxide (forestry). • Countries with other major contributors to the economy suffer more when there is a market distortion, for example reduced demand and price volatility like oil sector • Agro based production remains important even in large economies, for example in France agriculture plays a major role in wine production. • Despite the progress made in African agriculture, child stunting and malnutrition remains a challenge. • With climate change there is evidence that the increase in heat has reduced the nutrient content in food crops • Innovation and technology should work with policy to allow for diversity in production systems. <p>Lastly, he concluded by noting that the World Bank is a strong partner to Africa in building resilience to climate change.</p>
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Panelist		
<p>Dr. Joseph Mureithi, Deputy Director, Kenya Agricultural Livestock Research Organization (KALRO)</p>		<p>Dr. Mureithi noted that there is a need for more dynamic institutions that can support climate smart agriculture.</p> <p>Time series data on productivity for both crops and livestock in different agro-ecological zones should be used to plan for climate smart agriculture.</p> <p>He continued, noting that, unfortunately, agricultural research has been on the decline. There is need for core funding from African governments to stem this decline.</p> <p>Furthermore, regional coordination needs to be promoted in the area of research and development in agriculture by the regional blocs.</p> <p>KALRO is currently creating an inventory of existing knowledge and data that exist to help solve some of the challenges that farmers face. The government should link with other international research institutes.</p>
<p>Ms. Lucy Muchoki, CEO, Pan African Agribusiness & Agroindustry Consortium (PanAAC)</p>		<p>Ms. Muchoki opened her remarks by stating candidly that business is about profit. This cannot be achieved though if there is no conducive environment. The government needs to hear from the private sector to get business' thoughts about which policies are needed, and what support is desired, in terms of the development of policies that provide an enabling environment for private sector investment in climate smart agriculture.</p> <p>Most governments should come up with policies that incentivize private sector investment in climate smart agriculture.</p> <p>Banks should also be enlightened by government research institutions to see the investment opportunities that exist in climate smart agriculture.</p>



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<p>Dr. Laurence Jassogne, Project Coordinator, System Agronomist, International Institute of Tropical Agriculture (IITA)</p>		<p>Dr. Jassogne explained in her remarks that the IITA is conducting research on climate change policies and climate smart agriculture.</p> <p>There is need for climate smart agriculture to be mainstreamed in all policies. The challenge she noted is that most policies are written by foreign consultants who do not understand the local context. To attract investment, we should develop inclusive, locally developed, policies with private sector.</p> <p>With the right policies, a budget for climate change specific activities should be implemented.</p>
<p>Dr. Genti Kostandini, Assistant, Professor, Department of Agricultural and Applied Economics, University of Georgia</p>		<p>Dr. Kostandini shared with the delegates his views that researchers today are increasingly looking at how climate change affects farmers.</p> <p>Climate change has led to more farmers losing their yields, and this reduction in yields has led to a reduction in consumption and intensification. It is forecast that more variability will be experienced in the coming decades.</p> <p>There are many diverse approaches to looking at this variability. Policies should encourage more private sector players to get involved and thus there is need for government to incentivize participation and to otherwise improve the enabling environment.</p> <p>Lastly, he added that technology offers increasing solutions to some of the problems facing agriculture, and greater effort to explore these must be made.</p>



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<p>Ms. Yvette Ondachi, MD, Ojay Greene</p>		<p>Ms. Ondachi, whose company Ojay Greene provides business development services noted that smallholder farmer earns about US\$ 700 per year. To increase this there is need to create linkages with larger markets and to find the barriers that small holder farmers. These include, a lack of market information, limited access to technology, and limited technical capacity and a need for knowledge transfer.</p> <p>She also noted that there is a need to link farmers with financing partners to access finance to invest in production.</p> <p>For climate smart agriculture to be successful, entrepreneurs and farmers should start working on improving demand (identifying buyers) to better understand what is needed by the target market in the off-season in order to advise farmers on which crops will guarantee them the greatest returns.</p>
<p>Dr. James Mwangi, CEO, Equity Bank Group</p>		<p>Dr. Mwangi noted that agricultural financing is one of Equity Bank’s main business areas. Equity Bank realized long ago that the public sector provides inadequate funding for the agricultural sector. Therefore, there was a need and opportunity for the private sector to play a greater role in addressing this funding gap.</p> <p>Equity Bank has 200 branches and 25,000 agents. Most are found in rural areas and serve smallholder farmers. Equity achieves impact through the 300 staff members who work as part of its agricultural lending team as agricultural economists, analysts, and account managers and who help educate farmers and strive to de-risk financing. Equity believes in using research to indicate what products and strategies work and which ones do not.</p> <p>Funding for agriculture, he continued provides a four-fold impact in accelerating economic development.</p> <p>Furthermore, he continued, financing agriculture is important as the majority of Africa’s population is supported by agriculture. The private sector should not be left out as it has a role to play in ensuring that there is food security and in providing jobs, economic stimulation, savings in national</p>



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		<p>import spend as agriculture is becoming a more lucrative business.</p> <p>The need to address climate change in Africa provides an opportunity for innovative financing to support:</p> <ol style="list-style-type: none"> i. Capacity development; ii. Technology and innovation; iii. Mechanisms for sustainability and partnership. <p>The lack of resilience in agriculture creates a risk that discourages private sector investment. There is thus a need for insurance to de-risk the agricultural sector, and greater use of yield enhancing, drought resistant, seeds and fertilizers.</p> <p>In terms of an example of their work, he noted that local market leader, East Africa Breweries, has chosen to shift from using barley in their products to the more readily available sorghum. This has created supply opportunities for farmers in Eastern Kenya and has led to increasing sorghum prices for the farmers. Substitution of locally available agricultural products for imported ones and identification and collaboration with local and regional processors who can be linked to small holder farmers is a recipe for success and development that can yield positive results across a variety of agricultural value chains. Through helping to finance the farmers supplying East Africa Breweries, Equity Bank is helping transforming farmers from peasantry to agribusiness.</p> <p>His closing comments were that in his opinions, subsidies can indeed work and they are needed for infrastructure development in Africa – as the continent needs a -Marshall plan for subsidies to start the green revolution – like the boost given Europe after World War II.</p> <p>He continued that subsidies are excellent for seeding initiatives and de-risking them, but not for sustaining and scaling them. We have to know when to transit from</p>
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		<p>subsidies. Once they have achieved their designed purpose we need to wean ourselves off - them. There is need for massive subsidy to spur growth.</p>
<p>Dr. George Osure, Regional Director, Syngenta Foundation for Sustainable Agriculture</p>		<p>Dr. Osure of the Syngenta Foundation noted that in his opinion for farmers to be productive they need to know that there are risk factors that limit agricultural productivity.</p> <p>Insurance is very important in de-risking agriculture especially with climate change.</p> <p>Similarly, knowledge sharing about good practices in using inputs, utilizing technology, handling outputs post-harvest, securing and supplying markets, and mobilizing finance and technical support are all important for success in farming.</p> <p>Farmers in Africa must increasingly seek to be demand driven in their approach to production.</p>
<p>Mr. Dyborn Chibonga, CEO, National Smallholder Farmer’s Association of Malawi (NASFAM)</p>		<p>In his remarks, Mr. Chibonga noted that today farming should be treated as a business. Fortunately, he continued, this is happening as we are witnessing more people pursuing agriculture as a profit making endeavor and a move away from solely subsistence farming.</p> <p>Yet, he encouraged, there remains a great need to mobilize farmers to work collectively and to forge stronger direct links with markets – domestic, regional and international.</p> <p>Lastly, he lauded the fact that climate smart agriculture promises to improve the productivity of African farmers, as in part it focuses on improving the health of soils.</p>

Summary

There is need for coherence among policies in the agriculture sector to ensure that climate smart agriculture is mainstreamed. In advocating for climate smart agriculture there is a further need to invest in more systems and initiatives that help de-risk agriculture, such as insurance programs and programs that support infrastructure development in rural farming communities.

Climate smart agriculture offers both economic benefit and biodiversity benefit. Working toward regional integration and shared approaches, if we pursue increased synergy in how we approach the implementation of



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climate smart agricultural approaches among countries and within countries, the impact of climate change can be reduced.

The continent's private sector actors should support community innovation to address climate change and its impact on agriculture and also collaborate with researchers and government to develop good practice and disseminate knowledge of what works to address climate change and what does not.

In the end, farmers remain at the center of agricultural transformation in Africa, and require our support to mitigate and adapt to the challenges brought on by climate change.