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Position Paper

Three partnership priorities for building productive, resilient, and sustainable agri-food systems in Africa

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African agriculture employs 45% of the continent's working population and accounts for 21% of its GDP. Yet the sector's technical and economic performance remains insufficient, both to meet the continent's growing food needs and to fully leverage its key position within global food and industrial value chains. Every exogenous shock - financial crises, COVID-19, and the wars in Ukraine and the Middle East - highlights and exacerbates this situation, which is characterized by deep-seated structural constraints: rapid population growth, climate change, soil degradation, infrastructure deficits, insecurity, and weak institutional frameworks.

The Kampala Declaration set ambitious targets for 2035 - increasing production by 45%, halving post-harvest losses, tripling intra-African trade, and mobilizing $100 billion - but achieving them requires enhanced coordination between public and private, African and international actors.

Building productive, resilient, and sustainable African agri-food systems is a shared challenge for Africa and Europe. Ferdi identifies three areas of focus with significant multiplier effects and, for each, a priority for action at the Africa Forward Summit.

Structuring agricultural value chains: Strengthening public-private partnerships

Agricultural productivity in Africa remains low, due to interrelated constraints at every stage of the supply chain: insufficient access to quality inputs, high post-harvest losses, and a lack of local processing capacity - with the continent primarily exporting raw materials only to reimport processed products. The lack of infrastructure and underinvestment in research and vocational training for farmers exacerbate these constraints by hindering the adoption of innovations and the development of agricultural entrepreneurship.

The private sector can help overcome these obstacles at various stages - as illustrated by the malting barley sector in Ethiopia and South Africa or the cocoa cooperatives in Côte d'Ivoire - and play a key role in scaling up technological innovations adapted to local conditions.

Key figures

- Cereal yields of **2 tons per hectare in Africa,** compared with **4.5 tons per hectare in Latin America.**
- **50% post-harvest** losses for fruits and vegetables.

Action priority: Strengthen public-private partnerships and the value chain approach to structure sectors through vocational training for farmers, support for producer organizations, the pooling of agricultural machinery, and access to energy for agricultural processing and post-harvest storage. By combining private investment in productive sectors with public commitment to infrastructure, research, and training, these partnerships create significant leverage and facilitate scaling up without placing an excessive burden on public finances.

Financing value chains: directing public funds toward instruments with high leverage

The sector suffers from massive underinvestment. The vast majority of smallholders lack access to formal credit. The "missing middle" - agrifood SMEs that are too large for microfinance and too small for banks - remain largely excluded from the financial system, even though these enterprises are essential to the structuring of value chains.

Key figures

- In many countries, agriculture receives only **5% of bank lending.**
- The annual financing gap for African agriculture is estimated at **$75 billion.**

Innovative instruments tailored to the sector's specific needs have been tested in several African countries: index-based insurance against climate risks, warehouse receipts to stabilize producers' incomes, mobile money and contract farming to circumvent the lack of traditional collateral. Blended finance, which combines public or concessional resources with private capital, can play a catalytic role, as illustrated by the FASA fund and the AfDB's ACFM mechanism, which combine financing with technical support.

Action priority: Move beyond the traditional concessional financing model and channel public funds toward risk mitigation mechanisms to enable greater leverage in mobilizing private investment through guarantees and blended finance, making African agriculture attractive to private capital, both domestic and international. Technical support for beneficiary SMEs is an essential complement to this.

Market access: Harmonizing certifications and securing market opportunities

Without market access, investments in agricultural value chains will not generate the returns necessary for their sustainability and their ability to generate income in rural areas. African agricultural exports face a double obstacle: high production costs that undermine their price competitiveness, and the difficulty of meeting the growing quality and sustainability requirements of destination markets. At the same time, the instability of preferential trade programs - such as U.S. tariff shocks and the expiration of AGOA in 2025 - creates uncertainties that discourage long-term investment in export sectors.

Key figures

- **80% of** agricultural exports go to markets outside the continent.
- The African food market could reach **$1 trillion by 2030**

Levers for differentiation do exist. Quality certifications (such as GlobalG.A.P.) and partnerships with specialized organizations like COLEAD enable African producers to strengthen their compliance with international regulatory requirements. Geographical indications, which are still underdeveloped in Africa, offer considerable potential for value creation. Furthermore, intra-African trade, which accounts for 20% of agricultural exports, provides real opportunities for diversification, development, and reducing dependence on external markets and their uncertainties. The complete implementation of the AfCFTA could unlock this potential.

Action priority: Support the harmonization of credible and transparent certification and geographical indication systems at the continental level; secure preferential access to export markets through special and differential treatment that recognizes and encourages African successes in regulatory compliance; and support the accelerated implementation of the AfCFTA for agricultural products. By diversifying export destinations, these actions will reduce the continent's dependence on external markets where conditions remain unpredictable. The competitiveness of value chains, built through the structuring and financing described above, remains the prerequisite.

These three initiatives are complementary and interdependent: advancing them requires the mobilization and coordinated action of public and private stakeholders, both African and international. The commitments made at the Africa Forward Summit can catalyze collective action and send a strong signal in support of investment in productive, resilient, and sustainable African agricultural value chains.

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