



Opportunities in the EU market for agrifood products

Advancing African Agriculture through agribusiness development

PAFO – CTA continental briefing

Durban, 28-29 November 2015

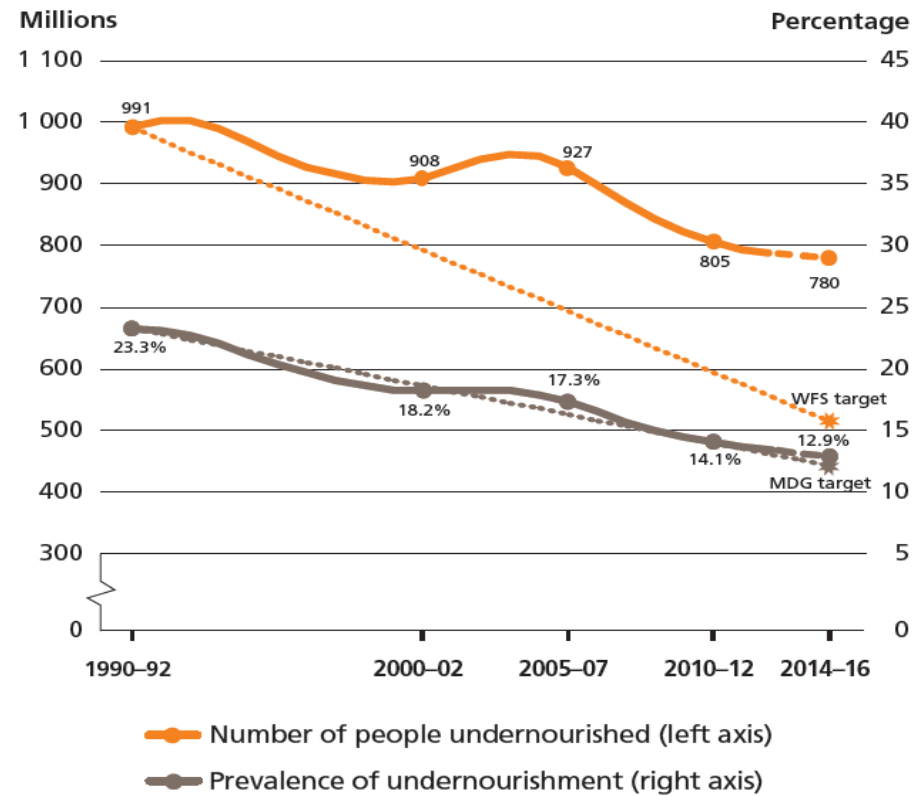
Francis Fay, DG Agriculture and Rural Development, European Commission - Unit A3 ACP and Development Issues



Before EPAs: Context

23.3% to
12.9%

The trajectory of undernourishment in developing regions:
actual and projected progress towards the MDG and WFS targets



Note: Data for 2014-16 refer to provisional estimates.
Source: FAO.

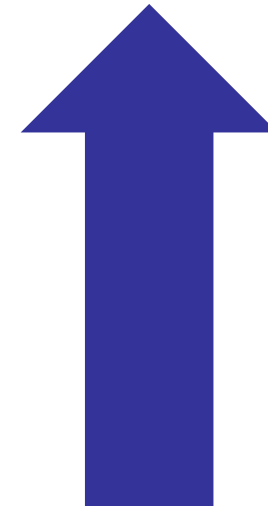


#ZeroHunger

2030

2050: 9.2 billion ppl.

60%



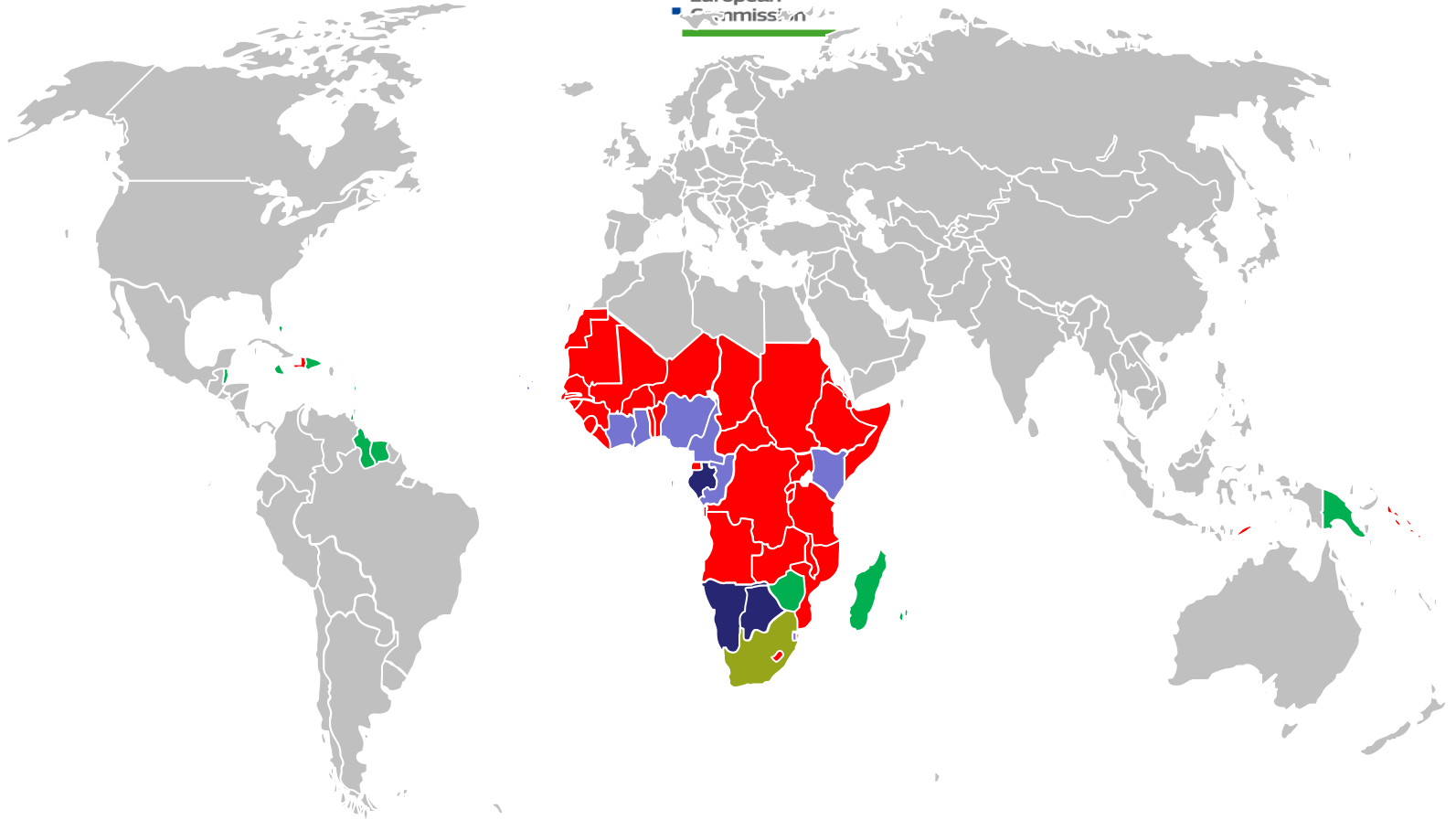
2050

#ZeroHunger

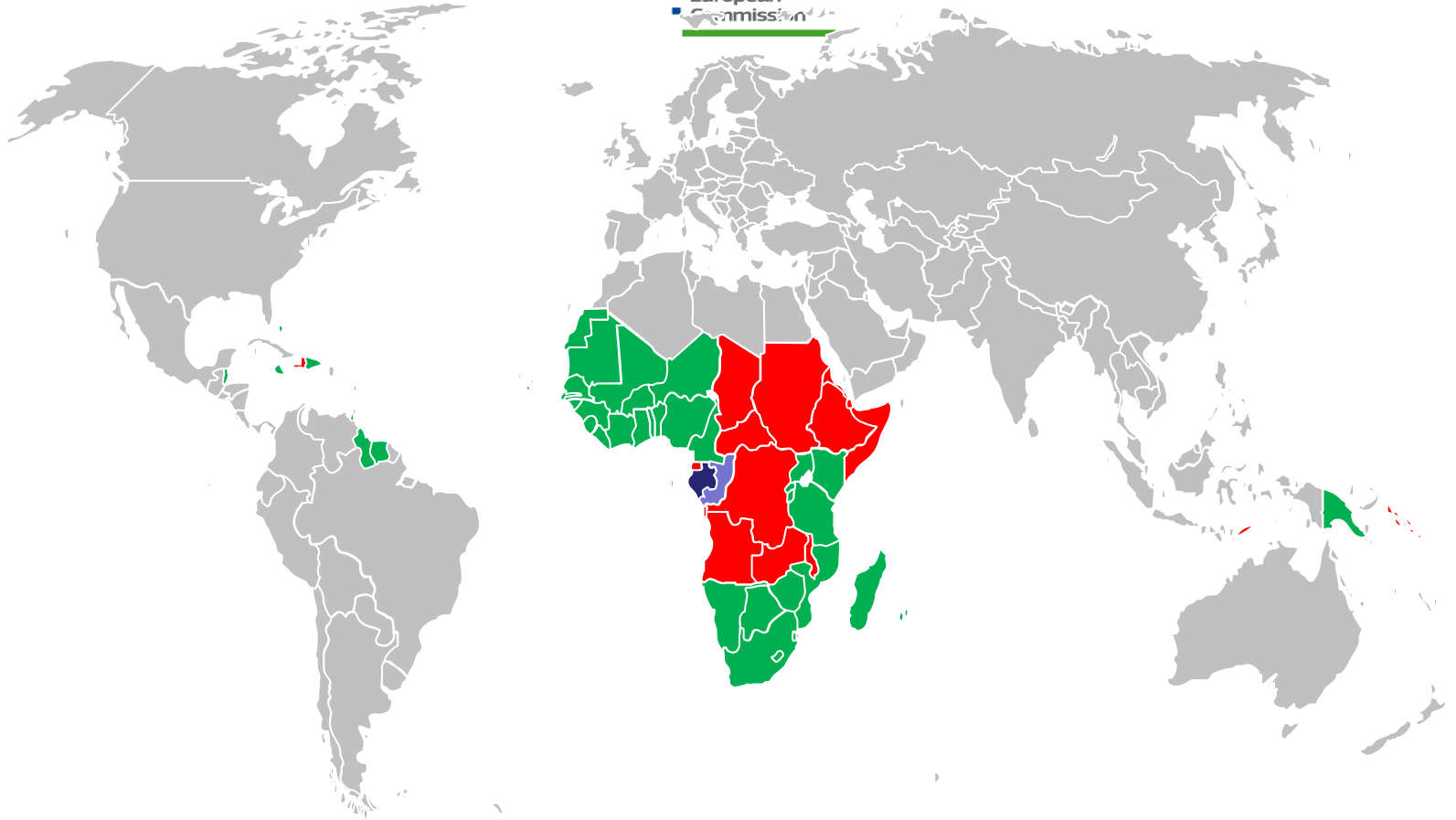




Back to EPAs...



Situation of **EPAs** in January 2014



Situation in November 2015

Main agricultural elements of EPAs

- *Free trade agreements "substantially all trade"*
- ***100% opening by EU***
- *Exclusion of sensitive sectors in ACP countries (EAC: MFN +4%)*
- *Long lead-ins; Safeguards*
- *Flexible rules of origin*
- ***Agricultural policy cooperation***
- *EU forego use of export refunds*
- ***Agricultural development cooperation***

World has changed

- *End of state regulation of markets*
- *Market orientation – "plate to farm"*
- *Rise of standards and certification*
- *Traceability and identity preservation*
- *Increased trade and foreign investment*
- *African growth*
- *Agriculture policy priority (diversification from oil)*

World is changing 2014-15

Rapid pace of policy development

- *Malabo Declaration*
- *Economic Partnership Agreements 2008-2014*
- *Agenda 2030 (SDGs 2015 + AAAA)*
- *World Food Day Milano Italy: #ZeroHunger*
- *... COP Paris*
- *... MC10*

World is changing ...

- *EXPO Milano October 2015, Conference "Agribusiness investment in partnership with farmers' organisations" **#Agribiz4Farmers***
- *Valletta Summit on Migration: Declaration and Action Plan, November 2015*

Meaning...1....?

- *Transformative agenda*
- *Trade as driver of development*
- *Regional integration (CFTA; Tripartite; R-FTAs)*
- *Donor assistance → Policy partnership*
- *Access to finance, "beyond aid"*

Meaning...2...?

- *Leading role for Farmers' Organisations (link with small farmers)*
- *Private sector agribusiness*
- *Responsible: through process and partnership*
- *PPP → xPP (NGOs – Big/Small business – IOs – FOs – Banks...)*
- *Like minded organisations*
(AU – EU – IOs – MS – Research bodies – NGOs – Banks...)



Valletta Summit 11-12/11/2015

- *Migration context*
- *Focus on rights of migrants and...*
- *Management of migrants en route*
- *Call for "massive" investment in Africa*
- *Trust fund*
- *Addressing root causes*



***"Facilitate
responsible private investment
in **African agriculture**, agri-business and
agro-industries and
boost intra-African **trade** and
exports of agricultural products through
agricultural **finance initiatives** and ...***



*... by working with **like-minded organisations**,
with **immediate** effect,
with a view to contributing to rural
economic transformation,
taking due note of the AU's Malabo
declaration on accelerated agricultural
growth and transformation for shared
prosperity and improved livelihoods"*



How implement?

- *EDF Agri FI initiative;*
- *EIB impact fund 500 million ;*
- *UN – e.g. UNIDO agro-industrialisation projects;*
- *EU MS – NL, FR, UK, DK, DE-GIZ.*
- *Valletta binding on the EU and African partners but not exclusive.*

When?

- *From 16/10/2015*
- *By end 2016*

EPA groups

West Africa

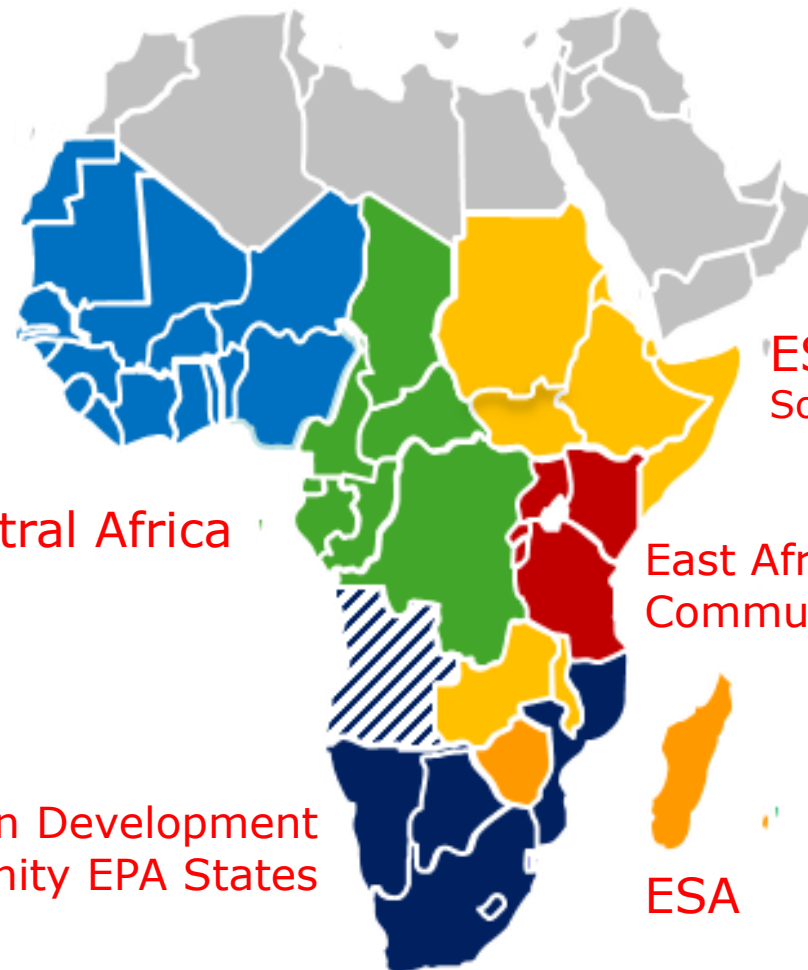
Central Africa

Southern African Development
Community EPA States

ESA (Eastern and
Southern Africa)

East African
Community

ESA



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A few ideas for an action plan

- 1. Role of farmers' organisations: include vocational and advocacy training for export (meeting standards; marketing strategies; certification; negotiate with the buyers and distributors).*
- 2. EU-AGRI: policy engagement PAFO & RFOs within EPAs.*
- 3. Links with COPA-COGECA and CEJA*
- 4. Linking with (EU) agribusiness and like-minded: development of a platform*



Thank you for your attention!

http://ec.europa.eu/agriculture/developing-countries/index_en.htm

#Agribiz4Farmers

Francis Fay

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DG Agriculture and Rural Development

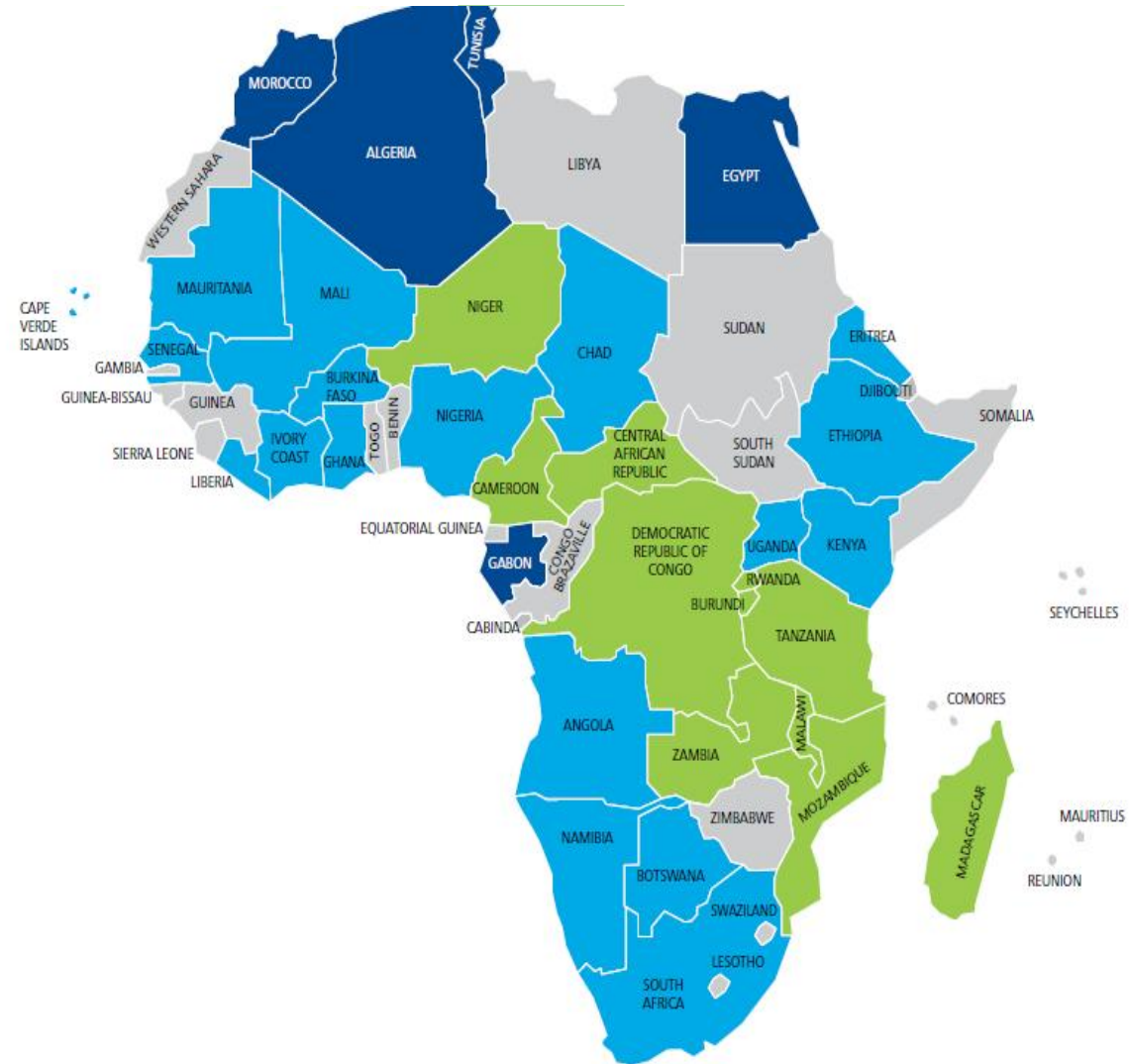
European Commission

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European
Commission



and Rural
Development

2015-2019

- *Africa rapidly changing – 7/10 fastest growing economies – 5% annual growth over a decade*
- *Growing middle class (USD 2 – 20 per day spending) – 300 to 1100 million by 2060*
- *Changing EU agricultural relation with ACP.*
- *Regional, negotiated EPAs with agricultural trade and cooperation in a prominent place*
- *End of sugar import regime 2015 / 2017*
- *Policy coherence with development key element of CAP*

Import regimes

- *Least developed countries*
 - **UN General Assembly list**
"Everything But Arms"
- *Middle income: World Bank Atlas*
 - **Lower middle income: USD 1045–4125 GNI pc**
"Generalised System of Preferences"
 - **Upper middle income: USD 4125–12 746 GNI pc**
"Most Favoured Nation"

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