



# 7<sup>TH</sup> AFRICAN LEADERSHIP FORUM



25 - 26 MAY, 2023  
ACCRA, GHANA

PROMOTING INTRA-AFRICA TRADE TO UNLOCK  
AGRICULTURAL POTENTIAL IN AFRICA

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**STATEMENT OF THE FORUM**

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## UONGOZI Institute

UONGOZI Institute is a public organisation under the Office of the President of the United Republic of Tanzania, seeking to promote the recognition of the important role of leadership in sustainable development in Tanzania and the wider continent.

The Institute applies a holistic and mutually reinforcing approach to capacity development which recognises that leadership competencies are developed through a continuous, lifelong learning process. Its two strategic pillars – leadership and sustainable development – are addressed through four main areas: executive education, policy dialogues, action-oriented research, and technical support.

[www.uongozi.or.tz](http://www.uongozi.or.tz)



## AfCFTA Secretariat

The African Continental Free Trade Area (AfCFTA) is one of the flagship projects of Agenda 2063: The Africa We Want. It is a high ambition trade agreement, with a comprehensive scope that includes critical areas of Africa's economy, such as digital trade and investment protection, amongst other areas.

By eliminating barriers to trade in Africa, the objective of the AfCFTA is to significantly boost intra-Africa trade, particularly trade in value-added production and trade across all sectors of Africa's economy.

[www.au-afcfta.org](http://www.au-afcfta.org)



# STATEMENT OF THE FORUM

## 7th African Leadership Forum

Promoting intra-Africa trade to unlock agricultural potential in Africa

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The seventh African Leadership Forum (ALF) was held in Accra, Ghana, from 25 – 26 May 2023, under the theme “Promoting Intra-Africa Trade to Unlock Agricultural Potential in Africa”. The forum was convened by [H.E. Dr. Jakaya Kikwete](#), ALF Patron and Former President of the United Republic of Tanzania, and [H.E. Wamkele Mene](#), Secretary-General of the African Continental Free Trade Area (AfCFTA) Secretariat. The organisation of the forum was managed by UONGOZI Institute in collaboration with the AfCFTA Secretariat.

[H.E. Nana Addo Dankwa Akufo-Addo](#), President of the Republic of Ghana, attended as a guest of honour.

The delegates of the forum included [H.E. Olusegun Obasanjo](#), Former President of the Federal Republic of Nigeria; [H.E. Dr. Mohamed Moncef Marzouki](#), Former President of the Republic of Tunisia; [H.E. Dr Goodluck Ebele Jonathan](#), Former President of the Federal Republic of Nigeria; [H.E. Thomas Boni Yayi](#), Former President of the Republic of Benin; [H.E. Hailemariam Desalegn Boshe](#), Former Prime Minister of the Federal Democratic Republic of Ethiopia; and [H.E. Dr. Ernest Bai Koroma](#), Former President of the Republic of Sierra Leone. Other delegates were leaders from all parts of the continent – and from a range of professions in government, business, academia and civil society.

Similar to previous forums, this year’s ALF was organised over a day-and-a-half period with an opening plenary and closed sessions. The closed sessions were held under Chatham House Rules to encourage frank, open and in-depth discussion. [Dr. Anselme Vodounhessi](#), Programme Coordinator (The Common African Agro-Parks) of the Forum for Agricultural Research in Africa; [Dr. Frannie Léautier](#), Senior Partner and CEO, Southbridge Investments; and [Mr. Prudence Sebahizi](#), Director, Institutional Matters and Programmes Coordination, AfCFTA Secretariat delivered presentations in the closed sessions.

The forum sought to provide a space to share experiences and insights to promote successful and sustainable agricultural trade among African countries. The key objectives of the Forum were to:

- i Highlight Africa’s agricultural potential and opportunities emerging from climate change;
- ii Share experiences and lessons on the obstacles (internal and international) in maximizing agricultural potential in Africa;
- iii Discuss the potential and obstacles of the AfCFTA within the context of the continent’s agricultural sector, as well as the practical and realistic requirements for its implementation; and
- iv Identify priorities and roadmap for implementing the AfCFTA within the agricultural sector to realise its transformative economic opportunities.

Under the overarching theme the forum considered three sub-themes, namely unlocking agricultural potential in Africa, the market as a driver for fostering agricultural productivity in Africa, and mobilising African stakeholders to ensure a successful implementation of the AfCFTA.

Participants recognised that Africa is a continent of unlimited opportunities, growing optimism and a growing youth population. Political stability, collective political will, and political actions are seen as foundations for transforming intra-Africa trade. They went on to acknowledge that ALF 2023 was convened when the agriculture sector in Africa is under pressure from geopolitical conflicts, climate change, and the legacy of COVID-19. Such external shocks have exposed Africa to economic and food vulnerability. The continent cannot continue to be defined by such shocks.

The launch of AfCFTA was seen as a “game changer” in driving the trade integration agenda in Africa, creating the world’s largest free market, and ultimately setting the stage for industrialization and prosperity. To maximise returns from what it already possesses (such as valuable agricultural commodities), it was recognised that Africa needs to collectively focus on addressing constraints to sustainable development.

It was emphasised that “agribusiness” rather than “agriculture” should drive policy development and implementation. As many factors are at play, agribusiness encompasses agriculture simultaneously with related economic activities. As such, a multifaceted approach will involve multiple stakeholders, including ministries beyond that of agriculture, in contributing to agricultural/agribusiness development.

On climate change, the forum considered the current and future impacts of climate change to be a wake-up call for Africa to reorient its agriculture development agenda. Many best practices that have transformed parts of the African agriculture sector are valuable learning opportunities while there is also scaling up opportunities for best practices. Interventions to mitigate climate change can include agri-tech, innovation in adopting climate-smart technologies, and new science-based farming practices that promote resilient and sustainable farming and food security. Complementary non-technology interventions can include evidence-based policymaking, accessing climate change financing, and advocating for compensation from large polluters.

On access to finance for agriculture, the forum recognised that access to affordable financing instruments (credit, insurance and savings) can drive increasing private sector participation in the agriculture sector. This will necessitate policies that de-risk lending to the sector (formalising agricultural land, introducing land banks).

Beyond regulating the banking sector and management of monetary policy, the central banks have an important role in driving innovative financing, among which is carbon trade financing. The central banks also have a role in incentivising regional and local banks to syndicate large loan portfolios for the sector.

Participants noted the role of African governments in incentivising market entry for venture capital funding, insurance products, trade financing and commodity markets. The latter can start with commodities that Africa largely consumes. Intermediary finance products, such as guarantees, have proven successful as well. Other financing instruments that are of development significance include savings and credit societies, government subsidized lending rates, specialized agriculture investment banks, and special credit facilities that cater for the needs of women and youth.

Subsidies remain a relevant policy intervention. However, they can divert resources away from competing development areas. They are also unlikely to reach all in need. The ALF understands that Africa will need to transition from subsidies to a commercial-based, financial ecosystem in the future. Policies need to promote market-driven solutions and be wary of market interventions, including price settings.

The forum encouraged commercial banks to be innovative in an environment where the agriculture sector is characterized by informality and unstructured business relationships and dominated by low-income earners who struggle to

meet standard bank requirements. Lending to smallholder farmers can be attached to capacity building, advisory services (including skills in liquidity management), new technology adoption, and grant components. All these align with the characteristics of smallholder farmers. Regulations also need to be responsive to the varying dynamics between and within sectors.

On access to markets, despite increasing global preference for African agricultural products, participants were conscious that access to markets remains a challenging experience. Efforts can be directed towards investing in advisory services to smallholder farmers, plant health measures and physical and information infrastructure that enhance interconnectivity. It was proposed that complex trade logistics can be simplified by embracing new technology solutions. Such technologies include Artificial Intelligence (AI), robotics, and digital long-distance communication. Without degrading the importance of access to finance, infrastructure deficiency was seen as the leading binding constraint to intra-Africa trade.

The forum urged that African countries, with differences in capability, should avoid the sentiment of who will be the “winners and losers” in reforming their trade sector to meet AfCFTA objectives. Countries need to commit to trading among themselves, invest in knowledge exchange and trade facilitation (modernize custom systems and associated operations, such as paperless processes). Such efforts have the potential to sustain the entry of rural communities into the regional and global value chains.

Robust private sector capacity in responding to trade opportunities was seen as vital in transforming intra-Africa trade. Governments can identify, incentivize, and facilitate large private sector entities to invest in agriculture. Such efforts need to be complemented by capacity development for all actors along the value chains (including banks and regulators). Banks, for instance, tend to, incorrectly consider all value chains as homogeneous.

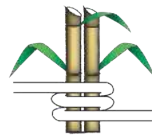
Participants believed that specialisation in value chains at the continental level and even within countries will revolutionize productivity. Value chain mapping will inform the market on geographical areas where production is more efficient and competitive, which in turn should also facilitate the movement of capital. However, trade liberalization should not allow the smuggling of goods from outside Africa.

In terms of development cooperation with partners, the forum proposed that Africa needs to synchronize development cooperation by prioritizing projects that raise productivity capacities rather than food aid and emergency supplies. Capacity was considered in terms of infrastructure development (transport, water, and energy), and access to finance, including finnovation, digital finance, blockchain technology, as well as the introduction and expansion of commodity and capital markets. Support to capacity development needs to prioritise value addition to the existing agricultural exports, as well as extending the trade arrangements.

This includes the African Growth and Opportunity Act (AGOA), which can potentially advance specialisation within the African textile value chain.

It was appreciated that implementation of AfCFTA objectives requires significant resources. Consideration needs to be given to leveraging partners and diverse instruments for resource mobilization. Reference was made to intra-Africa investment; crowdfunding; philanthropy; and regional lotteries. Consideration was also given to improving the policy environment to attract domestic and foreign direct investment; increasing intra-Africa trade with better terms of trade for improved balance of payments; mobilising domestic resources; addressing supply-side constraints. Developing productive capacities (human capital, natural capital, energy etc.) and tackling illicit financial flows were also seen within the context of resource mobilisation.

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