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African leaders support agribusiness plan at UN-backed conference



Promoting agribusiness and agro-industries in Africa

10 March 2010 – High-level representatives from 44 African countries wrapped up a United Nations-backed conference in Nigeria today with the approval of an ambitious plan to generate employment, income and food security across the continent through agribusiness.

The [scheme](#) provides a framework and financial mechanisms for public and private sectors investors to finance development of the agricultural industry in Africa, whose population could double by 2050 to reach 2 billion people.

Sub-Saharan Africa alone will need \$940 billion of cumulative investment over the next 40 years – most of it for agribusiness capital outlays – to feed its people, according to the UN Industrial Development Organization ([UNIDO](#)).

“Agribusiness in Africa needs to undergo a profound structural transformation and technological upgrading during the next 20 years to generate jobs and income urgently needed by Africa’s growing population,” said UNIDO Director-General Kandeh K. Yumkella.

The African Agribusiness and Agro-industries Development Initiative, or 3ADI, was endorsed at a three-day gathering in the Nigerian capital Abuja, attended by some 500 participants – including heads of State, prime ministers and the ministers of agriculture and industry – and organized by UNIDO, with the African Union (AU), the Food and Agriculture Organization ([FAO](#)), the International Fund for Agricultural

Development ([IFAD](#)), the UN Economic Commission for Africa (ECA), and the African Development Bank.

“It is essential to avoid policies, such as subsidies on labour-saving technologies, that bias technology choice in favour of large-scale, highly mechanized operations,” stressed Mr. Yumkella.

He underscored the importance of developing agribusiness on a regional and continent-wide level, adding that private enterprises had to be stimulated, technology and innovation expanded, innovative financing mechanisms introduced, infrastructure and energy constraints removed.

“For agribusiness to become competitive, policies need to be in place, as well as research and practical actions to achieve a unique blend of ecological compliance and inclusive growth,” he said.

African States have pledged to invest through the AU a minimum of 10 per cent of budgetary resources in the agricultural sector, and the Group of Eight industrialized countries (G-8) conference in Italy last year renewed the donor community commitment to the Comprehensive Africa Agricultural Development Programme, which has set an annual agricultural growth target of 6 per cent to achieve the Millennium Development Goal (MDG) of halving poverty by 2015.

In a related development, UNIDO and Ecobank Transnational Incorporated (ETI), a leading pan-African banking group, signed an agreement to work together in promoting economic growth in Africa, particularly in the area of agribusiness, including food, leather, textiles, wood, agro-machinery; on renewable energy, including bio-energy initiatives, on hydro power projects, and other environmentally sustainable projects; as well as on clean technologies.

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