



PAFO-COLEACP INNOVATION SERIES: Innovations and successes of African farmer-led businesses and SMEs

Session N°4 Sustainable food systems: the key role of SMEs and businesses

20th May 2021, 12:00-14:00 (GMT)
English-French interpretation available

1. Context: the imperative of food sustainability

Food systems are extremely complex. It is influenced by a set of external drivers and trends related to population, wealth, consumption preferences, technological developments, markets, environmental factors and political choices. There are also a variety of actors across the value chains from smallholder farmers through processors, buyers, traders and distributors, to final consumers guided by different priorities or expectations. Many other stakeholders are part of the agrifood ecosystem and play a key role as enablers such as governments, financial institutions, research organisations, development partners, technology providers and others.

While each one has an important role to play, the farmers groups, cooperatives, businesses and especially the micro, small and medium size enterprises (MSMEs) have to take a leadership role in driving sustainable development and economic development, providing employment and contributing to food and nutrition security.

The interlinked and cross-sectoral issues (i.e. poverty, inequality, water scarcity, climate change and the degradation of natural resources and services) require a holistic approach to support sustainable production and consumption and inclusive growth.

World population is expected to reach nine billion by 2050, rising food demand to increase by at least 20% globally over the next 15 years with the largest increases projected in sub-Saharan Africa, South Asia and East Asia.¹ We need to close the gap between today's production and the projected demand for food in the future—and we need to make sure that any increase of the production is done in a sustainable way. Measures to raise agricultural productivity at the farm level can yield significant development gains. These include ensuring secure land tenures, better access to markets and finance, better crop choices, more effective and increased use of fertilizers, improved irrigation, diffusion and adoption of new technologies, as well as targeted trainings to help small farmers reap the benefits of cutting-edge knowledge and practices specific to the area and product.²

¹ Enabling the business of agriculture. World Bank. 2017

² World Bank. Global economic prospects. Slow Growth, Policy challenges. January 2020

2. Innovations: a central piece of sustainable development

Economic growth should not come at the cost of unsustainable use of resources and environmental degradation and choices in the farming and the agrifood sector should support innovations. Therefore, promoting innovations in sustainable production and consumption practices is a necessity for the farmers and private sector operators. Those should also be supported in their transition towards greener practices.³

Key enablers and game-changers toward greater sustainability include the adoption of innovations and technologies to sustainably intensify the production of safe and nutritious food to meet the demand and provide the expected quality. This requires resilient strains of seeds, improved crop management, climate-smart and green technologies, improved management of land, soils, and water, waste reduction, and the use of smart farming.

Investing in sustainable development can unlock new markets and opportunities while increasing resilience to climate change and improving crop quality. Providing incentives to attract local talents and young generations to strengthen African agriculture and agrifood systems can be the game changer.

Considering that about one third of all food produced is never eaten, creating unnecessary strains on land, water and wildlife, while food loss and waste represents 8% of all greenhouse gas emissions, it is an imperative to reduce food losses along the chain through improved storage techniques, processing and added value, labelling and education campaigns.

Developing relevant skills amongst Africa's food systems actors is a priority. It requires expanding extension services and agronomic advice services for farmers as well as other actors in the value chains and upscaling technology. For farmers and MSMEs, the green transition requires human and financial investments and therefore should also bring economic returns.

Investments and incentives by the public and private sector are needed to encourage sustainable food supply and consumption with neutral or positive environmental impact (tax incentives, procurement), responsible businesses, labelling with nutrition, social, environmental information and work on legislative measures.

3. Reconciling local and global food systems

Strengthening food systems must be an integral part of efforts to recover from the COVID-19 pandemic and to build resilience in Africa towards more sustainable and equitable ways to transform African agriculture.

While the magnitude of the issues needed to transition to sustainable food systems requires global solutions, changes and practices are local and country specific. Tradeoffs between local and global food systems need to be reached as there is not one single solution in overly complex and interdependent systems. What matters is how food is produced, processed, consumed and the role it plays for the people and the planet.

To move towards a sustainable food systems approach, managing change breaking silos and leveraging resources, as well as measuring impact, will be critical. The private sector operators need support to transition towards sustainable economies which require to change food diets and reduce food waste.

³ The sustainability of food systems is a global issue and requires also country-based solutions, the EU approach to sustainability through the Farm to Fork strategy and the Green deal, as well as the creation of a common classification system for sustainable economic activities (called "EU taxonomy") is inspiring.

The farmers, fishers and other operators in the food chain who have already undergone the transition to sustainable practices, be in local or global markets, should be rewarded as to encourage the transition by others, and create additional opportunities for their businesses.

Increased fairness and equity along the value chains is required to succeed in transitioning towards sustainable food systems. A fair and transparent policy (open communication, fair prices, risk sharing) promoting more transparency along supply chains and better distribution of value is needed. Capacity development is key, especially for farmers groups and MSMEs, and providing support to operators in meeting required economic, social and environmental standards.

4. Key points for discussion on sustainable food systems

- How African MSMEs and farmers organisations can transition towards sustainable practices and what support do they need based on the obstacles they face?
- What incentives can be provided to smallholders and MSMEs to adopt sustainable practices?
- What main investments and incentives from the public and private sector can accelerate the transition towards sustainable practices?
- How to reconcile investments by the MSMEs and farmers in sustainable food systems with the imperative of economic returns and access to new markets?

PROGRAMME 20th May 2020 (12h00-14h00 GMT time)

12:00-12:10 Introduction

Welcome: *Fatma Ben Rejeb, CEO, PAFO and Morag Webb, Head of Science And Policy, COLEACP*

Moderator: *Isolina Boto, Head of Networks and Alliances, COLEACP*

12:10-12:50 Panel: Successes of businesses

- Nnaemeka Ikegwuonu, Executive Director, Smallholders Foundation, ColdHubs, Nigeria
- Pierre Damien Mbatezimana, Managing Director, Shekina Enterprise, Rwanda
- Gaëtan Etancelin, President, SYMABIO, Madagascar
- Lovin Kobusingye, General Manager, Kati Farms, Uganda

12:50-13:10 Discussants

- Roel Messie, Chief Investment Officer, IDH, the Sustainable Trade Initiative
- Estherine Fotabong, Director, Programme Innovation and Planning, NEPAD Agency
- Elizabeth Nsimadala, President of PAFO and Member of the Advisory Committee for the 2021 Food Systems Summit

13:10-13:45 Debate

13:45-14:00 Key takeaways and conclusion

Ishmael Sunga, CEO, SACAU and Member of the UNFSS Food Systems Champions Network

Closure: Fatma Ben Rejeb, CEO, PAFO