

HIGH-LEVEL POLICY DIALOGUE, ADS 2022

Sub-theme 2:

Strengthening the Resilience of Farming Systems: Land, Digital Transformation and Access to Finance – making smallholder farmers the backbones

Remarks by Amb. Kennedy Gastorn, Permanent Representative of the United Republic of Tanzania to the United Nations, New York

I thank the Office of the Special Adviser on Africa and the Permanent Observer Mission of the African Union, together with many other partners, for organizing the 2022 Africa Dialogue Series in a manner that is inclusive and interactive.

Specially I recognize and appreciate the leadership and vision of H.E. Cristina Duarte, Under-Secretary-General and Special Adviser on Africa, on numerous initiatives that amplify Africa's voice through policy discussions about Africa's sustainable development.

I also thank the keynote speakers - H.E. Ms. Josefa Leonel Correia Sacko, AU Commissioner for Agriculture, Rural Development, Blue Economy, and Sustainable Environment, and H.E. Ms. Maria-Helena Semedo, Deputy Director-General of FAO – for their transformative and insightful remarks.

I am therefore grateful for the opportunity to make intervention at this High-Level Policy Dialogue.

At this end, my intervention focuses on three main ideas: (a) The role of digital transformation in building resilient food systems; (b) Digital transformation plays a key role in supporting the agriculture value chain; and (c) Despite the challenges and setbacks, Africa is moving forward.

First, role of digital transformation in building resilient food systems:

- As the world, and Africa, suffer more and more from the impact of climate change on agriculture, from droughts to floods that damage production and increase the risk of agri-businesses, it has become clearer and clearer the potential

of digitalization as a tool for transformative adaptation to climate change and an enabler of sustainable development.

- Digital technologies offer solutions that can help improve the economic, social and environmental sustainability of agri-food systems around the globe. And while developed countries have led the innovation and adoption of digital agriculture so far, their potential impact in Africa is massive.
- We need to be aware that important challenges remain ahead of us. But we also need to acknowledge that the current trends in Africa create new opportunities for more resilient, inclusive and sustainable transformation of agri-food systems.
- For example, food markets in the region continue to grow and are projected to reach USD 1 trillion by 2030. At the same time, developments in science, technology and innovation, including accelerated digitalization, are improving the functioning of agri-food systems, with a potential to multiply their productivity 2 to 3 times.
- These are advances and forecasts that can make agri-businesses more profitable and, more importantly, can increase their resilience.
- Digital technologies such as blockchain, the Internet of Things, big-data analytics and artificial intelligence are the enablers that will allow agriculture in Africa to leapfrog toward the 4th Industrial Revolution.
- The impact of their utilization to support food commodities is wide and goes from reducing food waste to traceability, sustainability and increased resilience to crises such as the COVID-19 pandemic.
- In this regard, the digitalization of food systems can constitute a relevant contribution to a much bigger socio-economic transition toward resilience and sustainability. And achieving such transition is critical if we are to implement the 2030 Agenda and Agenda 2063.

Second, digital transformation and value chains: from inputs to market.

- Against this background, it is imperative to leverage technology to address some of the challenges that Africa's agriculture value chain will face in the post-COVID-19 scenario. Consequently, investing in the development and expansion of digital systems, including the establishment of forward-looking policy frameworks and the provision of training to small holder farmers to make the most of this technology, is critical.

- Digitalization can effectively address the key challenges that the agri-food sector faces across Africa. It can lead to improvements in primary production, but also enhance the performance of the supply chain and logistics.
- In this context, the launch of the African Continental Free Trade Area, (AfCFTA), also provides significant opportunities to create scale economies, improving supply chain management, reducing logistical costs and boosting inter- and intra-regional agricultural and manufacturing trade.
- Recent evidence shows that the implementation of digital technology “packages” in agriculture that address every aspect of the agriculture value chain can increase the income of smallholder farmers up to 57%¹.
- Furthermore, they also contribute to the optimization of the use of scarce natural resources, notably water, which creates a big potential for ecosystem restoration to turn degraded areas into fertile land again.
- Out of the one billion ha of drylands, 393 million ha are still restorable in Africa, more than anywhere else in the world.

Third, Despite the challenges and setbacks, Africa is moving forward

- Digitalization is the future for agriculture in Africa and African countries are already taking steps to leapfrog toward digitalized agri-businesses. For example: in Nigeria, HelloTractor is an application that offers farm equipment sharing to reduce costs of using advanced machinery. In Kenya, Twiga is another application that has digitalized the supply chain, cutting out middlemen and, thus, reducing food prices. In Ghana, the Cocoa Management System has digitized all payments, improving transparency, reducing financial costs and contributing to increasing gender equality.
- Tanzania is also taking steps to digitalize its agricultural sector. For example: Mkulima is an agritech solution that enables end-to-end digital operations between farmers and agribusinesses. In addition to enabling mobile money payments, the app also allows farmers to access input markets and loans through their mobile phones, effectively contributing to increasing financial inclusion in the country. Furthermore, the app provides farmers with advisory services, such as weather predictions or agronomic advice, enhancing their preparedness and resilience.

¹ CTA and Dalberg, The Digitalisation of African Agriculture Report, 2018-2019
<https://www.cta.int/en/digitalisation-agriculture-africa>

- All in all, digital agriculture champion programs are being promoted in several African countries to increase the use of digital technology in agriculture by providing solutions to the problems that smallholder farmers encounter on a large scale.
- Digitalization is an opportunity to increase efficiency of agriculture, with a triple impact: reducing the humanitarian crises triggered by food insecurity; enhancing living conditions of the population by increasing the income of smallholder farmers; and improving the environmental sustainability by optimizing the use of inputs, especially fertilizers, through the use of soil maps and appropriate blending that reduce the intensity of the use of chemical fertilizers.
- It is, therefore, crucial that African countries continue to advance in creating technology-friendly policy frameworks that promote the emergence of digital solutions for the agribusiness, and that the United Nations and partners strengthen their support in creating technology-friendly environments, accessing new technologies and innovations and promoting catalytic financing solutions.

- Let us join efforts toward this goal.

I thank you for your attention.