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**SPEAKING NOTES FOR MRS. CAROLYN OPPONG-NTIRI, DEPUTY PERMANENT
REPRESENTATIVE OF GHANA TO THE UNITED NATIONS**

**DURING THE HIGH-LEVEL POLICY DIALOGUE ON THE TOPIC
“STRENGTHENING THE RESILIENCE OF FARMING SYSTEMS: LAND, DIGITAL
TRANSFORMATION, AND ACCESS TO FINANCE – MAKING SMALL HOLDER
FARMERS THE BACK BONES”**

26th May 2022

Virtual meeting

Excellencies, Ladies and Gentlemen,

Let me begin by joining previous speakers in commending OSAA and the African Union Permanent Observer Mission to the UN for convening the 2022 Africa Dialogue Series. I also wish to congratulate the AU for successfully commemorating the Africa Day yesterday. We are proud of the AU's achievements and urge it to continue to work diligently towards achieving the Africa we want. I extend warm greetings on behalf of the Permanent Representative of Ghana to the United Nations and convey his sincere apologies for his inability to join us.

This morning's High-Level Policy dialogue is important and timely and reflects not only the theme of the AU for 2022, but more importantly, it encapsulates the measures Africa needs to take to effectively respond to the current global food crisis and to build resilience to avert future food crises. In my intervention, I would attempt to make the case that Africa can feed itself from within if *smallholder farmers who are the backbone of the food system in Africa have (i) a peaceful environment to cultivate (ii) adequate financing.*

Ladies and Gentlemen,

- As shown during last year's UN Food Systems Summit, global food systems are failing to produce the foods that are needed to provide affordable healthy diets for everyone. At the same time, they are driving degradation of the natural environment, undermining future productivity and, eventually, the well-being of humanity.
- In Africa, smallholder farmers, their families and communities constitute the core of our Food Systems and, consequently, they are indispensable to achieve food and nutrition security and sustainable development on the continent.

- Some 250 million smallholder and subsistence farmers make up the agricultural factor across Africa, contributing up to 70 per cent of the food supply. However, the majority are without the resources and support they need to reach their agricultural potential.
- They are also the custodians of ecosystems and biodiversity that are critical for sustainable food production, enhanced nutrition security and improved livelihoods.
- And despite the importance they have in approaching food systems holistically, smallholder farmers in Africa face a big challenge: they systematically record lower average productivity and average incomes compared to larger food producers.
- In the wake of the impact of the COVID-19, which has been exacerbated by the Ukraine war, nations across the continent have been turning to technology as a way to revamp the productivity of African smallholders. It is the only way to go. Technological investments in smallholder agriculture have the potential to increase food production and reduce poverty across Africa.
- But in order to play that transformative role, two preconditions are needed: peace and financing.

Distinguished Panelist, Ladies and gentlemen,

Durable peace in rural areas is a critical precondition for sustainable agriculture. Achieving peace and stability is crucial for the socio-economic empowerment of smallholder farmers. Conflict impacts food security by limiting production capacities due to instability. In turn, this reduces income perception of smallholder farmers, making them more vulnerable from a socio-economic perspective, but also more prone to lose trust in their institutions. At the same time, food insecurity leads

to displacements of people in search of ways to subsist, which in turn may lead to unrest and conflict.

- It is important to remember that the inter-linkages between conflict, food insecurity and malnutrition in Africa can easily trigger a vicious cycle. It is therefore our responsibility to take the necessary steps to prevent such cycle from being unleashed.
- Global emergencies, including climate change alongside conflicts and natural disasters, are driving increases in food insecurity and malnutrition, with more than a quarter of a billion hungry people and 66 million people experiencing acute food insecurity in sub-Saharan Africa (SSA) in 2020.
- Against this background, the global geopolitical challenges that the world is undergoing could become a trigger of this vicious cycle breeding further conflict and social unrest.
- As highlighted by the AU's theme of the year and the theme of the ADS 2022, resilience is a key factor that can play a critical role in the nexus between humanitarian support-sustainable development-peace and security of Africa in order to prevent the situation from descending into a vicious cycle.
- Resilience is also the absolute key word in preserving and sustaining the gains in food systems, healthcare and social protection of the most vulnerable populations of the world, including the women, youth, IDPs and people with disabilities.
- Needless to say that smallholder farmers are the key factor in this dashboard of challenges and, therefore, our efforts should focus on strengthening their resilience.

Excellencies,

- A key element in promoting this resilience is ensuring access to sustainable financing for the agricultural sector in Africa. Therefore, access to finance is the game changer.
- Financial services for smallholder farmers and rural medium, small and micro enterprises are critical to achieving financial inclusion goals and, consequently, food security. The banking sector sees the potential growth that derives from extending financial services to these unbanked clients, but they need to adapt their traditional approaches to capitalize on opportunities in rural areas. Multilateral Financial Institutions and banks need long-term strategic commitment, to think beyond product development only, and to promote changes in credit assessment, staffing and operating models in order to adapt to the specific needs of rural areas and smallholder farmers.
- Africa is home to a quarter of the world's farmland, yet it generates only 10 percent of all crops produced globally. Most farmers are operating at just 40 percent of their potential capacity. Giving them access to sustainable financing is the first necessary step to enable them to undertake the investments needed to increase their productivity.
- Furthermore, without financial access and sufficient yearly earnings, many farmers may lose up to 50 percent of their annual potential income because they don't have quick access to cash to afford household expenses all year.
- Sustainable and well-designed access to financial services is the key to provide small-scale farmers with all of the tools they need – including a full range of financial services – to sustainably improve their crop yields, reduce hunger and meet their daily needs. In addition, this would eventually lead to increases in

productivity which would allow African countries to meet the growing demand for food in their internal markets and abroad.

Ladies and gentlemen,

- There is still a long path ahead of us. The 3rd CAADP Biennial Review Report (for the period from 2015 to 2021)¹ found that only four African countries - out of the 51 that reported data- were on track to meet the target on enhancing investment finance in agriculture.
- And while this figure shows the size of the challenge, African countries are taking steps, particularly by promoting financial inclusion through digitalization. Finclusion, SmartAdvance, Happy Pay, TrustGro, NiftyPay and Momo are just some examples of fintech services that are currently operating in Africa, offering from buy now pay later platforms to financial education, providing personal loans and insurances.
- In Ghana, the Ministry of Finance launched with the support of the African Development Bank and AGRA, the Ghana Incentive-Based Risk-Sharing System for Agricultural Lending (GRISAL). GRISAL is a tool that aims at de-risking agricultural financing by financing institutions. In order to achieve this goal, it provides agricultural credit guarantee to banks, to encourage them to grant loans to smallholder farmers. It also provides technical assistance through the life of the loan, monitoring repayments and defaults.
- From a policy making standpoint, it is critical to engage with the entire agricultural value chain in order to increase food security and to ensure the sustainable development of farming communities in Africa. For that, peace and stability, technology and access to finance are the key elements.

¹ https://au.int/sites/default/files/documents/41573-doc-ENGLISH_3rd_CAADP_Biennial_Review_Report_final.pdf

- We, therefore, welcome the news of the approval of \$1.5 billion by the African Development Bank to provide critical financing to farmers in Africa. The African Development Bank's \$1.5 billion **African Emergency Food Production Facility** is an unprecedented comprehensive initiative to support smallholder farmers in filling the food shortfall in Africa. The African Emergency Food Production Facility will provide 20 million African smallholder farmers with certified seeds. It will increase access to agricultural fertilizers and enable them to rapidly produce 38 million tons of food. This would be a \$12 billion increase in food production in just two years.
- Solutions such as the ones presented are steps in the right direction, but they need to be scaled up in order to achieve results at the expected pace. This is an endeavour that African countries should not undertake on their own. A regional approach, with the support of the United Nations and our partners, is fundamental to succeed.
- Food aid cannot feed Africa. Africa does not need bowls in hand. Africa needs seeds in the ground, and mechanical harvesters to harvest bountiful food produced locally. Africa will feed itself with pride for there is no dignity in begging for food...”
- Let us join our efforts toward this goal.