

## Back to office report

### Travelers

*Martina Karaparusheva*  
*Reinhild Ernst*

### Date

*20.03.2017*

### Destination

*Brussels, Belgium*

### Purpose and expectations

*Attend the 48<sup>th</sup> Brussels Briefing on the topic of strengthening rural livelihoods in the face of rapid urbanization in Africa, organised by CTA, BMZ/GIZ, ACP Secretariat, European Commission (DG DEVCO) and Concord.*

### Persons met/participants

*Patrick Herlant (Co-Chair GDPRD, EC); Annelene Bremer (BMZ); Sofie Van Wayenberge (Focal Point, BTC) Alessandra Fidler (GIZ); Max Baumann (GIZ); Isolina Boto (CTA); Denis Pesche (CIRAD); Paulina Bizzotto Molina (ECDPM)*

## Background

The 48th Brussels Policy Briefing covered several important issues, such as the way rural economies and farmers could partake in the use of opportunities created by the process of urbanisation. Another topic that interested the participants was the growing demographic challenge African countries are facing and the need to attract youth to stay or go back to the rural areas. As one solution to the latter problem, the presenters stressed the potential food systems and food industry as an employer and economic motor have in African countries.

Rural population is growing. Statistics show that as of now 3,5 billion people live in rural areas. The process of urbanisation attracts more and more people, especially youth, to the cities, most of them move to urban areas because of lack of opportunities in rural areas. This trend should be a wake-up call to politicians to concentrate on stimulating rural development and job creation in rural areas, so young people can carry out economic activities in these areas.

Africa is especially affected by this issue, as there are 420 million young people in the age between 15 and 35 currently living in the continent. In the next 40 years this number will continue to grow. This fact creates an additional pressure on the economy to open up perspectives to the young generation. With limited economic diversification, African countries are facing the enormous challenge of integrating 11 million young people entering the labour market each year, while offering only 3 million new jobs per year. The informal sector also absorbs a significant number, nevertheless leaving 1/3 of the young population under- or unemployed. This represents a challenge and an

opportunity. If policy is able to make use of this enormous potential, youth can be a major driver for development. If not it may pose a severe risk to the social cohesion in the region.

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### Introductory remarks:

#### **Annelene Bremer, BMZ**

The topic of strengthening rural livelihoods is of great relevance to the German international cooperation. The German government recognises the diversity of paths that transformation can take. Depending on the context and the attention the local policy makers attach to the process of rural transformation, the speed, direction and level of inclusivity vary accordingly.

The international discussion in the last several months has focused on the importance of small and medium towns, recognising their empowering role as cultural, social and economic hubs. Despite the growing number of population living in urban and peri-urban areas, rural areas and the agricultural sector will remain keys to the employment of youth in Africa. But rural-urban linkages also present a potential for the agricultural sector by increasing the demand for products from agricultural-non-farm activities.

Through the One world No Hunger initiative, BMZ has established its long-term commitment on the ground to promote inclusive and sustainable development. As part of the G20 process, Germany has identified the rural youth employment and the creation of jobs as the main topic for its presidency. On 20 March, BMZ launched a process of [participatory online consultation](#) to create a new vision for rural areas that goes beyond economic development. The outcomes of the consultation will serve as basis for the Berlin Charter for rural development, which will be presented at the “Future for the rural youth” conference taking place in Berlin in 27-28 April 2017.

**Miachel Hailu (CTA)** welcomed the political commitment made by Germany and stressed the critical importance of well-functioning rural-urban linkages for a successful agricultural transformation. He expressed the opinion that policy interventions need to be designed in a way that incentivises the private sector to invest in rural areas.

#### **Panelists:**

**Steve Wiggins (ODI)** explored the positive impacts of stronger rural-urban linkages. For farmers the market opportunities increase with the proximity to urban markets. The growing diversified demand from cities offers an incentive for farmers to increase their production and variety of products. The proximity to cities also lowers the farmers’ transportation and production costs. In summary, due to the growing level of urbanisation, incomes in farms are rising and their consumption patterns are evolving, creating a demand for high quality and processed food in rural areas as well. Ultimately, facilitating further development and production increase in the agricultural sector.

Policy initiatives need to continue to support the process of agricultural transformation by focusing on established development strategies, like investment in infrastructure, education and health programs. Initiatives that directly influence the farmers’ access to markets are crucial, thus building roads to secondary towns and maintaining them is key to improve the economic opportunities in rural areas. Statistics show that secondary towns create more job opportunities for rural population than big cities. The investment in local economic development, rural territorial development and the



creation of industrial clusters should go hand in hand with decentralisation. The process of decentralisation can translate the positive macro-economic developments in a country into opportunities for the rural areas.

**Thomas Allen (OECD)** focused his presentation on 17 countries in West Africa (ECOWAS, Mauritania and Chad). The western part of the African continent is currently experiencing a fast development of complex and modern food economy that brings many job opportunities. West Africa is urbanising, while experiencing a demographic boom. There is redistribution of population. Cities are growing in size and numbers. There is a dense urban network that causes changes on consumer's demand and consumption patterns. Urban population has more diverse diets with more demand for meat and fish, fruits and vegetables. Furthermore the percentage of processed food consumption is growing both in rural and urban areas. To adapt to these new diets, producers are increasing their investments and so the overall percentage of GDP of food economy, the region's largest private sector, is growing, currently being at 36%.

Food imports only cover 7% of the demand, 93% is satisfied by local and regional producers. The domestic food economy is 16 times bigger than the agricultural export sector. The sector is a driver of structural transformation in the African economies. 40% of the food economy is non-agriculture, although farming remains the major employer, there is a trend of increasing number on non-farm jobs. Labour is moving out of farming, but youth employment remains broadly distributed along the different segments of the value chain, whereas women are overrepresented in the food processing sector.

**Edson Mpyisi** reported that AfDB has recognised the youth employment challenge and is focusing its programmes on targeted support for the process of structural transformation, while highlighting the needs of the youth. There is an overall mismatch between skills required by the labour market and skills rural youth has to offer. To address this issue, AfDB launched its flagship programme "Enable Youth" that uses agribusiness to employ and empower youth population. The programme targets graduate youth interested in agribusiness. There is no requirement for previous agricultural training. There are three major components in the programme. The first one focuses on changing the mindset towards agriculture – making this sector more attractive for youth. The second component focuses on agribusiness incubation that offers training opportunities adapted to the needs and interests of the youth for skills along the value chain and in business development. The third component focuses on financing – growing private investments and de-risking lending for youth.

**Petra Jacobi (GIZ)** focused her presentation on the practical approach of German cooperation to address the process of rural transformation as a whole. Practice shows that rural transformation can only be guided and supported if rural-urban linkages are taken into account. Rural transformation does not happen in isolation. The German experience in West Kenya shows that development assistance needs to go beyond agricultural transformation and rural development and the focus on rural-urban linkages forces a new way of thinking, requiring a higher level of coherence.

The new form of economy, the growing urbanisation and the strengthening tight between rural and urban areas show that thinking in silos is outdated. Rural areas are developing in multiple and diverse ways and therefore require high level of coherence to manage and support that development. Thinking across the sectors will also help bring the macro benefits of development to the most



vulnerable and make the process of transformation inclusive. Several entry points for such cross sectoral thinking are the use of ICT and internet, education, nutrition, climate change – all policy sectors that can inspire youth to get involved in agriculture.

In the second part of the Briefing **Denis Pesche (CIRAD)** presented the most important data of the CIRAD Atlas “A new emerging rural world” that looks into the status quo of diversity in Africa. The Atlas offers an overview of the great differences the continent has on many factors locally, regionally and cross-regionally.

**Nono Dimakatso**, a young female farmer from South Africa, shared her experience in getting involved in agriculture and developing projects to attract interest of young people in the sector. The South African government has developed a national development plan that focuses on the positive aspects of employment in agriculture. These new policies foster the employment of youth and give extra credit and support to private sector that supports black and women.

**Omar Ouedraogo (FEPA/B)** pointed out the advantage of farmer associations in order to improve farmer’s income and marketing opportunities. Currently several projects are working to identify the commodities that farmers work with and link with all the actors involved in the value chain, including by offering services and technical support to the farmers to harvest these links. Although the interest in agriculture is growing and the policy is rather enabling, there is still lack of finance and limited access to credits for farmers and youth agriculture. But nevertheless many projects are successful – they support the farmers in penetrating the urban markets, reaching a level of equality with imported foods, they ensure more secure markets and constant access to demanded food, higher quality of products are offered at local markets. Following the growing demand, they help farmers increase their income and last but not least they interest youth by offering them opportunity and future in rural areas.

**Closing Remark:** One major recommendation that was raised during the discussion round was to increase the number of young people from rural areas on the panel and encourage their participation in the discussion about the rural transformation.