



High-level Workshop
Agricultural Development and Food Security in Sub-Saharan Africa:
Building a Case for More Support
Nairobi: 14-16 September, 2005

Terms of Reference

Group work

Group 2: Private Sector

Why is agriculture not a priority sector for the private sector and what should be done to address this issue?

In sub-Saharan Africa, agriculture is essentially a private activity. Agricultural investment is constituted by around 75 percent of private investment, the rest being investment made by public organisations.

Agricultural commodities transit from farm to consumer through several stages which constitute value chains. They are collected, marketed, stored, transformed and distributed. Most of these activities are also handled by the private sector.

Private investment in agriculture in SSA countries has been low. As a result, capital stock by agricultural worker is low, and so is productivity. Agricultural commodities exported from SSA are overwhelmingly constituted by primary commodities, while international trade has seen over the decades considerable growth in trade of processed products.

Why is it that the private sector¹ is not attracted by primary agriculture and agriculture-related activities? What policies and programmes should be put in place to change this state of affairs?

During the group discussion, you will:

- identify which are the main reasons why the private sector is neglecting agriculture and related activities;
- propose public policy intervention and investment² that could reverse the trend and contribute to increased private investment and engagement in the sector; and
- specify how the private sector can be consulted and involved in defining priority areas of action..

While making your proposals, specify which of these measures should be taken in the immediate (within a year) and those who should be implemented in the medium and long term, and define who would be responsible to implement them. You will rank the proposed action by order of priority as

¹ Private sector comprises farmers, traders, processors and service providers operating on a commercial basis.

² Public sector policies and investment include those specific to the agriculture sector as well as those pertaining to the environment in which the agriculture sector is operating (infrastructure, markets, rules and regulations and others)

governments only have a limited human, institutional and financial capacity available to implement them, and you will also be guided by concern of sustainability of the solution you propose to be adopted.

At the end of your deliberations, you will prepare a written report that will be presented in plenary by one of the group members.