

High Level Round Table Debate Innovation Serving Food and Nutrition Security in Europe and Africa 1 April 2014

Background:

Europe and Africa have a rich and prolific history of scientific and technological cooperation. Within the institutional framework of the Africa-EU relationship in science, technology and innovation, embedded in the Joint Africa-EU Strategy, the two regions have formally agreed as a first priority to work towards a long term, jointly-funded research and innovation partnership to promote food and nutrition security, and sustainable agriculture (FNSSA). Building and implementing this long-term jointly funded and co-owned research and innovation partnership will require broad consultation and the committed engagement of a diversity of stakeholder communities.

During 2014, a high level expert group will be tasked with developing a detailed roadmap defining the scope, objectives and key components of the partnership. Consultations with representatives of the private sector is vital to better understand both the role that the business community can play in delivering goods, services and technologies, to share experience and best practice, and to shape the policy and programming actions needed to bridge the public-private sector divide for linking research and innovation, for more coherent and sustained impact.

As a contribution to shaping this partnership, a panel debate among an invited audience was convened as part of the programme of the 2014 EU-Africa Business Forum. Co-chaired by Lucy Muchoki, CEO of Pan African Agribusiness and Agroindustry Consortium, and by Emily Alpert, deputy director of Agriculture for Impact, the professionally moderated and highly interactive session brought together a mix of over 50 public and private sector players from Europe and Africa, with the objective of articulating a set of high-level, core messages to the EU-Africa Summit about the role of and conditions for private sector engagement in the food and nutrition security research and innovation partnership.

Key messages:

1. SCALING OF INNOVATION

Taking FNS innovation to scale represents one of the biggest challenges for the private sector and for farmers.

- Weak institutional settings, together with inadequate human and financial resources combine to hinder technology scale-up.
- Adapting innovation, and embedding it in the local context, is critical in both geographical and socio-economic terms.

2. PRIVATE SECTOR:

The private sector has a key role to play in FNSSA innovation:

- Engaging with the private sector can be challenging for the public sector.
- Business can invest additional resources, bring complementary expertise, reach markets, and promote and scale technologies.

EU-Africa Business Forum. A high-level round table private session

- Family/small scale famers produce about 80% of food consumed in Africa and should therefore be placed at the centre of the system.
- The private sector sees some of the existing research funding mechanisms as cumbersome and bureaucratic, disincentivising engagement in the research process. Lighter, more flexible and adapted mechanisms should encourage greater SME participation (in research projects).

3. PLATFORMS:

Multi-stakeholder & multi-disciplinary platforms hold the potential for responsive research, improved knowledge transfer, and increased private sector investment in research-based FNS innovation.

- It is essential to progress from linear and mono-disciplinary models to multidisciplinary approaches for research, innovation and governance to more effectively link research to innovation, to encourage the uptake of innovation and to involve all stakeholders in the innovation system.
- A platform approach, bringing together all the actors in the food-chain, including the private sector, was put forward as a preferred approach for an EU-Africa research and innovation partnership in FNSSA.
- Successful and innovative examples of public-private, EU-Africa multi-stakeholder platforms for research and innovation exist. These are among some of the best and current models for achieving best results in agricultural research for development and could be replicated.
- Among the many issues around platforms to be resolved are optimal mechanisms for convening, funding, facilitating and coordinating platforms, identifying the best approach to the dissemination of knowledge and results, and encouraging alignment between different platforms.
- Successful public-private partnerships require clear mechanisms for the allocation of costs and benefits.

4. ENABLING ENVIRONMENT

A favourable policy and regulatory environment is crucial to create a business-friendly environment and to encourage private sector investment.

- It is a role of the public sector in the innovation system to encourage an enabling environment for innovation to flourish, encouraging private sector investment and allowing for failure
- An enabling environment can only be created when there is clear political will.
- Among the framework conditions around cooperation, IPR is a critical area: while frameworks exist in most African countries, they may not be well applied.
- A favourable environment includes education systems that encourage multi-disciplinary thinking to allow complex phenomena to be understood, as well as instilling an understanding of good nutrition.

5. LEARNING FROM FAILURE

- An aversion to reporting failure leads to a skewed focus in the literature and media on success stories, limiting opportunities for learning. Failures happen, but are not always reported.

6. FUNDING

There is a need for innovative and flexible funding mechanisms that allow for risk taking

- New, innovative and flexible financing mechanisms, both private and public, are needed to stimulate investment in high-risk, low return ventures for public goods.
- Criteria used to evaluate applications for and use of certain public sector funds need to promote innovation. The requirements to demonstrate ex-ante that outputs will create employment, or that results should necessarily be positive discourage innovation and risk taking in areas with a risk of failure.
- A tendency to risk aversion in the current funding system is a disincentive for FNS actors to take risks and innovate.
- Agriculture is, by nature, high risk, which discourages investment per se. Areas that are particularly high risk, and with uncertain or long-term financial returns, will not attract private sector investment. Public funding is essential for areas that are high risk, of a public good nature, or with slow returns.
 - This is exacerbated in the African setting, where interest rates are very high. Banks are reluctant to lend, and the private sector is not keen to borrow. Innovative solutions such as farmer advice services backing up farmers and supporting their procedures in the banks have proven to be efficient in other countries and could be replicated in Africa.
 - Private investment linked to market demand and profit rather than to need or potential long-term benefit (ref. example from the Caribbean, and private sector investment in junk food) can exacerbate problems of nutrition security because of a low demand for healthy food products. Actions could also be applied at the consumers-level.

7. ANNEXES

- EU-Africa Summit Declaration (2-3 April 2014)
- Joint Africa-EU Strategy (JAES) Roadmap 2014-2017
- EU-Africa Business Forum Full Report (to be sent later)
- Article on scidev, written by the moderator Mr Tatalović:
<http://www.scidev.net/global/innovation/scidev-net-at-large/eu-africa-research-must-start-learning-from-failures.html>