



## **CONCEPT NOTE**

### **THE GROW CONGO! CONFERENCE Invest in Agriculture**

**Royal Tropical Institute, Amsterdam, Netherlands  
February 25, 2020**

**On the theme:  
Investing in agriculture in The Republic of Congo**

The Government of the Republic of Congo, through the Ministry of Agriculture, Livestock and Fisheries, will organize the Grow Congo! Invest in Agriculture Conference on the 25<sup>th</sup> of February 2020 in Amsterdam, the Netherlands.

### I. Context and approach

The Republic of Congo's economy remains weakly diversified despite the country's many natural resources. It suffers from its very heavy dependence on the oil sector, whose contribution to the national GDP, estimated at 65%, takes a lasting hold over the forestry, agricultural and industrial sectors.

Congo has 10 million hectares of arable land of which only 2% are exploited. The agricultural sector employs about 40% of the labour force, but contributes only 5% to GDP and 1-2% to exports. It relies only on subsistence farming, which cultivates an average of less than one hectare, with low productivity and whose main actors in the field are women (70%). As a result, the sector is failing to ensure food self-sufficiency.

Food imports are growing in volume and value. They were of 120 billion AFCF in 2009 and reached 300 billion AFCF in 2013, peaking at 600 billion AFCF in 2016. The low import prices of certain food commodities induced unfair competition as a result of subsidies in exporting countries that has progressively destroyed domestic production, to the extent that if no adequate and vigorous measures are taken, Congo will remain a net importer of all consumer goods.

For the period of 2012-2016, the Government of Congo had a National Development Plan (*NDP*) whose objectives corresponded to the vision of the President of the Republic defined in his project titled, *The Way Forward, to know how to "modernize Congolese society and industrialize the economy in order to generate increased and shared prosperity, and then to initiate the gradual emergence of Congo in the global economy"*.

The Government has just adopted a new reference framework for steering its actions based on the summary of the conclusions of the execution of the NDP 2012-2016. This new national development plan for 2018-2022 is in line with the previous one, especially in regards to the diversification of the economy through the operationalization of the cluster strategy, with a special place reserved for agriculture and agro-industry. It also aims to respond to the concerns expressed by the President of the Republic in the framework of his social project "**The March Towards Development**".

Likewise, it is part of the appropriation of the directives, resolutions and orientations taken during continental meetings by the African Heads of State and Government who decided in Maputo (2003) and reiterated in Malabo (2014) to allocate at least 10% of national budgets to agriculture.

Thus, in a proactive approach of breaking this alarmist situation, the Government of the Republic of Congo has set quantitative and qualitative objectives for the Ministry in charge of Agriculture, concerning the sector of agriculture, the food chain and agro-industry (including livestock, fisheries, aquaculture and land). These goals target food and nutrition security by 2020 and food self-sufficiency by 2022.

To this end, the Ministry of Agriculture, Livestock and Fisheries intends to implement, as part of NDP 2018-2022, a strategy based on the detailed program for the development of African agriculture conclusions, in two phases:



- Firstly, in the short term: 2018-2020, with the aim of "stopping haemorrhage", through the adoption and implementation of priority actions included in a three-year program for food security and nutritional;
- Secondly, in the medium term: 2020-2022, through a framework of complementary actions to lead the country towards food self-sufficiency.

However, this difficult situation in which the agricultural sector is plunged contrasts with the enormous potentialities which the Congo has to promote its agriculture.

## **II. Strategic Framework**

The Government opts for a strategy to:

Firstly,

- The promotion of investments in the development of value chains and sustainable food systems underpinned by the search for implementation of a financial framework that is associated with it.

This strategy offers promising solutions for achieving food security, improving the nutrition of our populations and ultimately ensuring food self-sufficiency. Among other it has advantages of:

- promoting the establishment of an effective commercial exploitation framework in agribusiness; for both women and men, preferably young people, including those from vulnerable groups;
- improving value creation for consumers in the form of high-quality, nutritious foods that are marketed at affordable prices and available without delay; and

Secondly,

- The creation of an adequate and efficient framework to promote local loans for the benefit of project promoters.

This Program implements the Government's guidelines for a sustainable development strategy for agriculture, livestock and fisheries.

It provides policymakers, the various actors of the sector and Technical and Financial Partners, with a global reference framework to promote investment in agriculture in Congo.

## **III. Conference objectives**

The overall objective of the conference is to seek public and private external financial and technical resources needed to finance agriculture in the Republic of Congo. For the five years covering the agricultural component of the NDP, the amount of this financing has been estimated at 1,139,462 billion AFCF, representing an annual average of over 227,892 billion AFCF.



Specifically, the conference aims to:

- *offer* the Government of the Republic of Congo an international platform for presenting its vision in the agricultural sector;
- *take advantage* of this platform to obtain assistance in the short and medium term, in the implementation of a financial market development framework appropriate to the agricultural sector in the Congo;
- *strengthen* the framework of partnerships between the Congolese State, bilateral and multilateral partners including private investors, in order to seal mutually beneficial commitments;
- *strengthen* links with "non-traditional" partners and investors such as sovereign wealth funds, specialized investment funds and emerging countries on the basis of opportunities to be promoted;
- *to record* the partners' commitments in principle, to finance the projects forming part of the priority actions;
- *encourage* equity investments in specialized investment funds in agricultural projects in the Congo;
- *set up a* strategic framework for monitoring the conclusions of the conference on financial commitments and technical assistance.

#### **IV. Preparation of the Conference**

For the preparation of the Conference, an institutional mechanism comprising a working group and an organizing committee is set up. The working group at the Ministry of Agriculture, Livestock and Fisheries is the technical body for the preparation of the Conference. In this capacity, the Ministry prepares the documents of the Conference with the support of the Prime Ministry Office, other relevant ministerial departments and partners. It includes representatives of the public administration of the private sector and PTF. The Ministry is assisted in their mission by consultants put at the disposal of the Government by the World Bank, as well as by resource persons. The organizing committee is under the authority of the Prime Ministry Office. They are responsible for overseeing the preparation, material and technical organization, as well as the holding of the Conference.

An external assistance device is planned to accompany the Government in the effective organization of this event. A consulting firm will be recruited with the support of the World Bank.

#### **V. Conference participants**

The Conference is organized by the Government of the Republic of Congo, under the high authority of the Prime Minister, Head of Government in agreement with the donors whose leader is the World Bank. IFAD has expressed its desire to co-lead with the World Bank.

##### **1. Congolese Party (official)**

Presidency of the Republic, Prime Ministry Office, Ministries (Agriculture, Economy, Finance, Plan, Forest Economy, Land Reform, Foreign Trade, Transport ...).

##### **2. Financial institutions**

World Bank, African Development Bank, BDEAC, IFAD, BADEA, OFID, Kuwait Fund, Abu Dhabi Fund, Rabobank (Netherlands), Credit Rural (France), AFD (France), SACE (Italy), MUCODEC (Congo), BSCA Bank (Congo), Credit du Congo (Congo), Banque Postale



(Congo), LCB Bank (Congo), BGF I Bank (Congo), Societe Generale (Congo), BCI (Congo), others ...;

3. ***Specialized Investment Funds in Agriculture***
4. ***Sovereign Funds*** already present in agricultural finance, specialized investment funds, BCIU (US Venture Capital Fund).
5. ***Other innovative funding agencies:*** IAEA, etc.
6. ***Some Congolese and foreign traders*** have already expressed their intention to invest in agriculture in Congo.

