

**SPEECH OF AMBASSADOR CLAUDE MAERTEN, HEAD OF
THE DELEGATION OF THE EUROPEAN UNION TO GHANA,
OPENING OF WORK SHOP ON ENHANCING THE
FUNCTIONING OF CEREALS MARKETS IN WEST AFRICA,
ACCRA, GHANA, 9 DECEMBER 2010**

-Honourable Minister of Food and Agriculture

-Honourable Colleagues of the Diplomatic Corps

-Fellow Development Partner, Distinguished Guests, Members of the
Media,

-Ladies and Gentlemen,

-All Protocols duly observed:

I am honoured to be invited to give a brief statement at today's important
work shop.

With over 70% of the world's poor living in rural areas, support to
agriculture and rural development is fundamental for reducing poverty
and boosting growth. Up to 90% of the population in many developing
countries depend on agriculture and farming for their living – providing
income, employment and food. Through taxation, revenue from
agricultural commodities is vital for enabling governments in producing

countries to provide basic services such as health and education.

Directly or indirectly, millions of people in the world's poorest countries depend heavily on exports of agricultural products such as coffee, cocoa, timber and cotton. Take the example of cocoa here in Ghana, it accounts for 30% of export revenues. Often there is a strong concentration on a few export crops: in about 50 countries, three or less primary products constitute the bulk of export revenue, implying vulnerability, and exposure to volatile commodity prices. Furthermore, the commodity sectors in many countries have difficulties in adapting to increasingly strong international competition.

International action in the area of commodities mostly takes place through international commodity bodies and agreements. The aim is to improve collaboration among consumers and producers, with the goal of reducing: i) market instability in the short term and ii) dependence in the long term.

The European Union generally considers the agricultural sector as a whole. However, at times focusing on specific products is the optimal way to address problems with particular supply chains at the national or regional level. EU support is also given to specific sectors to accompany

developing countries in addressing challenges related to changes in EU market access.

In 2004, the Action Plan on Commodities established the foundation for renewed engagement of the EU in agricultural commodities in developing countries and set out the strategic orientations for cooperation.

This workshop is organized within the framework of the All Africa Caribbean Pacific (ACP) Agricultural Commodities Programme or AAACP. The AAACP is financed by the EU for an amount of EUR 45 million and forms part of the 2004 Action Plan. The programme works with all the main international organizations involved in commodities (World Bank, FAO, UNCTAD, ITC and CFC). Launched in September 2007, the Programme is built on three components. These are: participatory development of effective commodity strategies, implementation of strategies including access to and use of market and introduction of market based instruments to reduce producer's income vulnerability for the ACP stakeholders.

The work shop today workshop forms part of the second component of the Programme and is specifically dealing with the area of commodity exchange. As you may be aware, the West Africa region has identified the

cereals sector as a priority for collaboration with the EU following the Mid Term Review of development assistance programme. Hence, it is encouraging to see progress in a priority sector – also for Ghana our host country today.

The general objective of the workshop is to reinforce the capacity of public and private stakeholders to enhance the functioning of cereals markets in the ECOWAS Region. Among the themes that deserve particular attention are the following: innovative supply chain finance mechanisms (and in particular warehouse receipts and inventory credit systems) as well as the establishment and development of local, national and regional agricultural commodities exchanges. In this regard, we look forward to the presentation of two studies financed by the Programme during the work shop. These are:

- a review of warehouse receipts for the financing of West African agriculture, and
- an assessment of the establishment of commodities exchanges in West Africa.

Honourable Minister/ Chairman,

Agriculture has indeed been at the heart of the development policies of

the EU. One notable recent success story of our joint work with Africa and international stakeholders, has been the eradication Rinderpest – only the second disease ever to be eradicated in history! This should have tremendously positive implications for livestock breeders throughout the continent. This is a real indication of what we can achieve when we work together with a strong focus.

To give a broad idea of the EU's engagement in the Agricultural sector in Africa, I can inform that we are major supporters of the Comprehensive African Agriculture Development Programme (CAADP) and Global Donor Platform for Rural Development. We are providing support for Agricultural Research for Development (ARD) – a field that is estimated to lift some 27 million people out of poverty each year in Asia and Africa.

Concerning specific commodities, an indicative budget of EUR 1.28 billion has been provided for the period 2006-2013 to support the necessary adjustment processes in 18 ACP sugar producing countries as they adjust to reforms of the EU market. Earlier this year, the EU adopted an EUR 190 million support package for ACP banana exporters (including Ghana) to adjust to the new trading environment which emerged from negotiations in December 2009. This follows on from the EUR 450 million support package to 12 traditional ACP banana exporting

countries in the period 1994-2008. The external evaluation of this assistance highlighted the benefits in improving competitiveness in a number of countries and an increasing trade volume and a stable market share of ACP bananas on the EU market. Concerning cotton – at the core of the livelihoods for millions of small farmers in Africa – the EU/Africa Partnership on Cotton has led to the mobilization of more than EUR 300 million in support to cotton from the EU. This makes the EU by far the largest supporter of cotton in Africa.

Thus, we are engaged and will continue to be. The EU has recently prepared a Green Paper on the future EU Development Policy. This paper is currently in a process of stakeholder consultations – and I invite all interested parties to contribute to this process. The Green Paper seeks to make agriculture and food security “*a test case of EU capacity to deliver high impact co-operation and promoting inclusive and green growth*”. With sustained collaboration, we are confident that we can make this happen.

I wish all participants at the work shop successful deliberations and discussions.