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AGORA

**Africa
Growth
and
Opportunity:
Research
in Action**

**Takeaways from the
Agriculture-Focused
Sessions**

#AGORA25





Takeaways from the Agriculture-Focused Sessions

A Dynamic Engagement on Jobs, Markets, and Resilient Agrifood Transformation in Africa

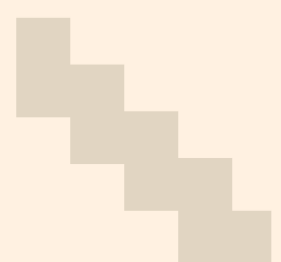
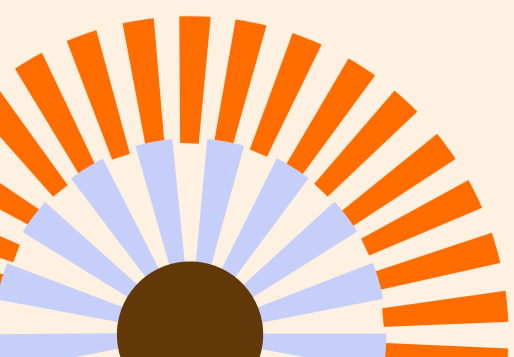
This brief synthesizes the sessions focused on agriculture at AGORA 2025: the keynote on agriculture and food corridors delivered by Dr. Agnes Kalibata, the panel on agriculture-led development, the panel on agriculture, skills and markets, and the AgriConnect session examining value chains, climate risks, and Africa’s “hidden middle.”

The AGORA conference in Palermo brought together a wide range of African, European, and international stakeholders to confront one of the continent’s most decisive development questions: how to build agrifood systems that are productive, predictable, job-rich, and resilient—and, in doing so, unlock the potential for growth, employment, and shared prosperity. The discussions—spanning high-level keynotes, technical panels, and candid private-sector reflections—revealed both the magnitude of the challenge and meaningful grounds for optimism.

Africa’s Agrifood System at a Turning Point

The agriculture-focused discussions at AGORA 2025 revealed a shared understanding: Africa’s future prosperity hinges on building an agrifood system that is productive, predictable, job-rich, and resilient to volatility. The sessions in Palermo brought together agribusiness operators and entrepreneurs, academics, researchers, regional and international institutions, and global partners. Despite their diverse backgrounds, they converged around a clear reality: African agriculture is not a sector in the traditional sense. It is a vast, interconnected ecosystem shaped by science, markets, finance, energy, institutions, and climate.

Setting the tone at the outset, Dr. Kalibata reminded the audience that Africa’s prosperity must begin with agriculture, but only if agriculture is seen as a transformative lever rather than a subsistence activity. She emphasized that meaningful transformation occurs when investments are done “right”—when they generate opportunity while genuinely involving the people whose livelihoods depend on them.





As she put it: ***“When you do the investment right—and bring people with you—you increase the numbers and reduce vulnerability.”***

This focus on inclusion, predictability, and human behavior reverberated throughout the sessions. The panels moved well beyond generic recommendations. They interrogated the structural barriers—policy volatility, climate risk, fragmentation, lack of finance, weak institutions—that undermine transformation even when technologies or markets exist. They examined why some systems evolve while others stagnate, and why certain countries manage to scale success while others face persistent bottlenecks. Above all, they insisted that transformation requires more than farm-level interventions. It requires functioning markets, credible policies, resilient supply chains, institutional trust, and the ability to move food reliably from producers to consumers and exporters. It requires a whole-system shift.

A Shared Narrative – Agriculture as System, Not Sector

Growth that originates in agriculture still reduces poverty more than growth in any other sector in low-income economies. When agricultural productivity rises and markets function, food becomes more affordable, rural incomes grow, and non-farm jobs follow. Beyond this, the center of gravity of agrifood transformation has shifted decisively toward the “hidden middle”: aggregation hubs, cold-chain logistics, storage systems, processors, millers, wholesalers, retailers, and food service enterprises. These segments—not farms alone—are now where most job creation, value addition, and enterprise innovation occur.

The conversation on food corridors encapsulated this shift. Instead of trying to “fix everything everywhere,” the Food Corridors Initiative focuses on high-potential production basins and connects them to demand centers through logistics, trade facilitation, processing capacity, energy, and infrastructure. In this framework, the continent becomes a set of interconnected food baskets—linked by corridors and markets—positioned to serve Africa’s rapidly expanding urban demand.

The panels deepened this view by highlighting how agriculture, markets, research, finance, and institutions now function as a single, interdependent system. The old debate between state-led or





market-led approaches was judged obsolete. Today's constraints revolve around risk, institutional credibility, and the ability to synchronize actors across the chain. Transformation requires the alignment of public institutions, private incentives, research ecosystems, finance, and climate resilience—not in isolation but in deliberate coordination.

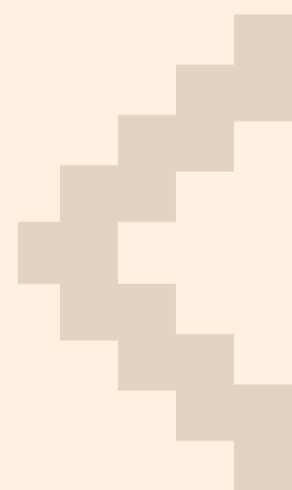
The AgriConnect roundtable put this narrative into practical terms. Midstream SMEs described how they already act as substitute public providers—offering extension, credit, aggregation, and quality control—yet remain largely invisible to policy frameworks. Their operations, often conducted under intense risk, determine whether value chains move or stall. Their reality confirmed the overarching insight of the Palermo discussions: *Africa's agrifood system will transform only when its entire architecture—not just its farms—is strengthened.*

Core Challenges – Why Transformation Stalls Despite Potential

Despite its immense promise, Africa's agrifood system remains constrained by deep-rooted structural challenges.

One central constraint is the **productivity gap**. Yields for many key staples remain far below potential, not because African farmers lack access to improved genetic material, but because the systems needed to deliver seeds, fertilizer and water management in a timely and reliable way are weak. Extension is thin, mechanization is limited, soil degradation is widespread, and above all, markets are unreliable. Farmers are understandably reluctant to invest when they are unsure they will be able to sell surplus at a fair and stable price.

Trade fragmentation deepens this problem. Intra-African agricultural trade had grown for two decades but has stagnated since around 2013. Tariffs are no longer the main barrier; instead, non-tariff barriers, border delays, incompatible standards, unpredictable export bans and poor transport infrastructure raise transaction costs and uncertainty. In many cases it remains cheaper and more predictable to import food from





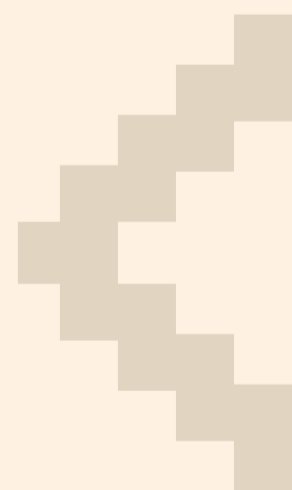
outside the continent than to move it from a neighboring country, even when agroecological potential is high. Africa's USD 70–80 billion annual food import bill, highly concentrated in a narrow set of commodities that could often be produced competitively on the continent, is emblematic of this dysfunction.

Financing structures were identified as another systemic fault line. Panelists and roundtable participants described a system where risk rests disproportionately on farmers and aggregators, while development institutions and commercial banks are often excessively cautious. The most acute financing gaps lie not at farm level, but in the midstream: processors, storage providers, cold-chain operators, warehouse companies and logistics platforms that carry large inventories and face volatile supply and demand. These actors struggle to secure working capital, inventory finance, suitable guarantees or climate-risk tools, even though their performance is critical for system reliability.

Institutional weaknesses underlie many of these problems. Many African countries have solid policy frameworks on paper—CAADP commitments, AfCFTA strategies, agricultural sector plans—but underfunded institutions, fragmented mandates and weak implementation mean that policies change abruptly in practice. Export bans, changing subsidy regimes, stalled SPS harmonization and unclear land governance erode trust, discourage investment and impede value-chain upgrading.

Climate volatility cuts across everything. The private sector reminded participants that climate risk is no longer a distant environmental concern but a daily operational reality. Excessive rains in cashew-growing regions, heat stress in grain belts and irregular rainfall in horticulture zones are disrupting yields and supply schedules. Exporters who must honor contracts in European and regional markets now see climate-resilient production as essential to their reputation for reliability.

Finally, there is a **human capital and research gap**. Universities and training systems in many countries still produce graduates with narrow, theoretical skill sets poorly matched to the needs of modern agribusiness. National research systems are often under-resourced and





insufficiently embedded in real value chains, which slows the transmission of evidence into policy and investment decisions. Youth and women, who constitute a large share of the agricultural labor force, face persistent barriers in access to land, finance, tailored extension and managerial training.

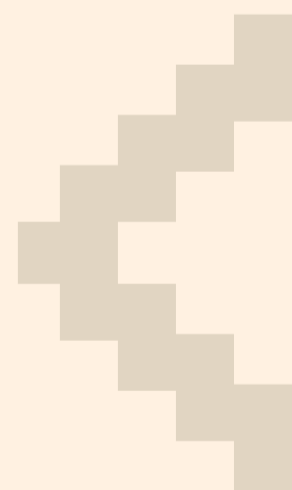
Systemwide Priorities – From Evidence to Transformation

Even as they mapped these constraints, speakers at AGORA converged on a set of systemwide priorities that offer a pathway from analysis to action. These priorities are interconnected and mutually reinforcing; they only deliver their full impact when pursued together.

A first priority is to rethink how **productivity improvements** are generated and adopted. Adoption must be understood as a behavioral and economic decision under risk, not simply an information challenge. Farmers adopt when they see credible, predictable returns. That means linking seeds, soil fertility, irrigation and digital advisory services to stable markets, price information, and risk management tools such as insurance, adaptive social protection, warehouse receipts and forward contracts. Location-specific, corridor-based approaches that bring together public and private actors around large farmer consortia were highlighted as promising models.

A second priority is to **move from fragmented to integrated market systems**. Panels and the roundtable called for structured aggregation mechanisms, functioning warehouse receipt systems, commodity exchanges where appropriate, and harmonized SPS and trade procedures that turn AfCFTA's political commitments into operational reality along corridors. Corridors like Lobito or Zambia-DRC were presented as both infrastructure projects and institutional platforms: spaces where trade, logistics, energy, finance and standards can be aligned in service of regional value chains.

Third, there was a strong push to put the **“hidden middle”** at the center of financing and policy attention. Midstream SMEs are already the unsung heroes of African food systems, moving millions of dollars' worth of food every day and substituting for missing public services by offering credit, extension and quality management. Their growth





depends on patient capital, de-risking instruments, mezzanine finance, leasing and guarantee schemes designed around agrifood seasonality and volatility.

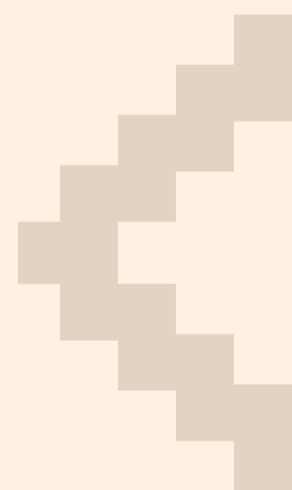
Fourth, **institutional credibility and policy predictability** were treated as non-negotiable foundations. Many of the participants' recommendations boil down to building and funding the institutions that make markets work: standards agencies, laboratories, trade information systems, land registries, competition authorities, and agricultural ministries capable of coordinating with trade, finance and infrastructure portfolios. Long-term reform partnerships were favored over stand-alone projects, precisely because agriculture's transformation cycles outlast electoral calendars and typical project horizons.

Fifth, **climate resilience** was redefined as an economic strategy. Rather than treating adaptation as an environmental add-on, speakers argued that Africa's competitiveness in regional and global markets now depends on its ability to deliver reliable volumes and quality under increasingly variable climate conditions. That will require investment in climate-resilient crops, water control and irrigation, regenerative practices, climate-informed financial products and infrastructure that can withstand extreme events.

Finally, the **human capital and research agenda** cut across all other priorities. Africa needs an educational and research ecosystem geared to agribusiness transformation: universities and TVET systems that produce interdisciplinary agribusiness professionals; national research organizations that work with governments and firms in designing and evaluating policies; and a strong focus on youth and women as central actors in agrifood systems, not side beneficiaries.

Partnership and Delivery – AgriConnect, the Mattei Plan, and African Ownership

Within this transformation agenda, two frameworks surfaced as particularly relevant vehicles for delivery: the World Bank Group's Mission AgriConnect and Italy's Mattei Plan.





AgriConnect was presented in Palermo as an integrated initiative to reframe agriculture as a business and job engine. It operates through country compacts that align policy reforms, public investment and private capital around a small number of priority value chains. Each compact identifies the necessary trade, land, finance, digital, climate and infrastructure reforms and investments, and uses the full suite of World Bank, IFC and MIGA instruments to de-risk private investment and crowd in local and international capital.

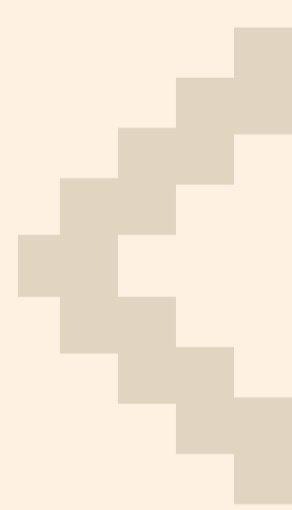
From the Italian side, the Mattei Plan was discussed as a political and partnership umbrella that matches well with AgriConnect's operational approach. Italy's long tradition in food processing, quality standards, rural energy and efficient machinery gives it comparative advantages in helping build Africa's agro-industrial base. Through CDP and other instruments, the Mattei Plan seeks to shift from fragmented aid to large-scale, long-term co-investment in value chains and corridors, with coffee cited as one early test case where Italy and the World Bank are already "putting their heads together" to address climate-driven volatility.

Throughout AGORA, speakers stressed that the credibility of both AgriConnect and the Mattei Plan will hinge on their ability to operate "with Africa, not for Africa": aligning with African strategies and institutions, avoiding duplication with regional initiatives, and strengthening African ownership and accountability rather than substituting for it.

Areas Where Existing Knowledge Can Inform Decisions

The Palermo discussions made clear that policymakers and partners are not starting from scratch. In several areas, the evidence base is already strong enough to guide immediate decisions.

First, there is robust evidence that **agriculture-led growth is one of the most powerful tools** for poverty reduction in low-income economies. Historical experience from Asia and more recent examples in Africa show that when agricultural productivity rises and markets function,





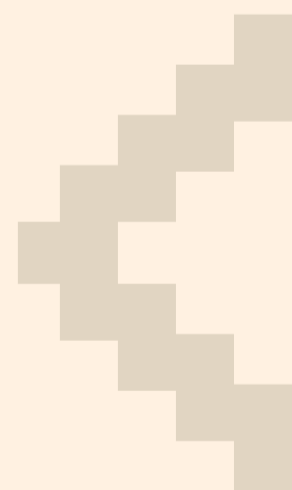
poverty falls faster than under other growth patterns. This justifies giving agriculture a central place in macroeconomic and employment strategies, rather than treating it as a residual social sector.

Second, **corridor and regional trade** approaches have a well-documented potential to reduce costs, unlock economies of scale and connect surplus regions to deficit markets. The food corridor concept builds on years of work on growth corridors and regional infrastructure, demonstrating that concentrated investments in logistics, regulatory alignment and value addition can transform competitiveness when combined with predictable trade regimes.

Third, the critical role of the “**hidden middle**” is no longer hypothetical. Case studies across Africa show that midstream SMEs provide aggregation, credit, quality control and logistics without which value chains simply do not function. Recognizing and supporting these actors is therefore not an experiment but an overdue correction.

Fourth, there is a growing international consensus on the need to **repurpose agricultural subsidies**. Global evidence suggests that the hundreds of billions of dollars spent each year on subsidies often generate poor nutritional and environmental outcomes and do little to build resilience. Redirecting public spending toward innovation systems, public goods such as research and infrastructure, nutrition-sensitive programs and targeted risk instruments has been shown to deliver better returns.

Finally, there is substantial knowledge on what makes **institutional reform and governance work** in infrastructure and agriculture: autonomous regulators, performance contracts, shielding key agencies from short-term political interference, and sequencing tariff reform with social protection. While contexts differ, these lessons can be adapted rather than reinvented.





Areas Where Further Research Is Needed

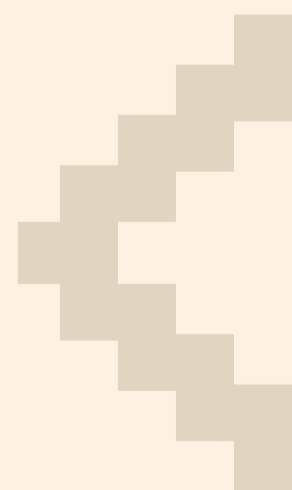
Alongside these areas of consensus, AGORA highlighted several domains where more research and analytical work are needed to support good decisions.

One such domain is the **political economy of reform**. Speakers repeatedly pointed out that the obstacles to repurposing subsidies, stabilizing trade policies or strengthening land governance are not primarily technical but political. Who benefits from existing arrangements, who would win and lose under new ones, and what compensation or sequencing strategies can bring reluctant actors into the coalition for change, remain underexplored questions in many countries. Comparative research on successful and failed reforms, and on the role of transparency tools such as open data and public dashboards, could help design more realistic reform pathways.

A second area is the **quantification of the midstream opportunity**. While the narrative about the hidden middle is compelling, many policymakers still lack granular estimates of how different midstream investments—storage, cold chain, processing, logistics platforms—translate into jobs, income growth and resilience gains. Better metrics could help prioritize value chains and instruments, and make a stronger case to ministries of finance and private investors.

Third, **climate risk allocation along agrifood value chains remains poorly understood**. There is a need for more work on how to design combinations of instruments—crop insurance, disaster risk finance, contingent credit, adaptive social protection, price stabilization mechanisms—that distribute climate risk among farmers, SMEs, governments, MDBs and private investors in ways that are both fair and conducive to investment.

Fourth, **optimal configurations of blended finance and guarantee schemes** for agrifood systems deserve deeper analysis. While guarantees and blended instruments are widely used, their effectiveness varies greatly depending on design, governance and alignment with local financial ecosystems. More rigorous evaluation of different models could inform the design of AgriConnect compacts and Mattei Plan investments.





Fifth, there is a need for **comparative research on skills and education models for agribusiness**. Experiments such as “science and technology backyards,” practice-oriented universities embedded in rural areas, and co-designed TVET programs with private firms show promise, but there is limited evidence on which models scale best, for which types of value chains, and at what cost.

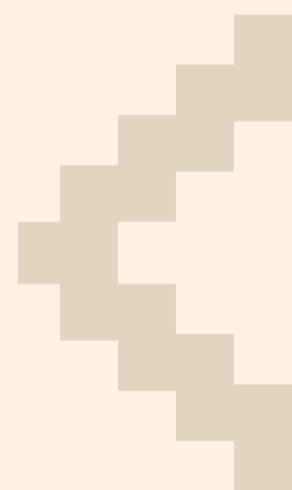
Finally, **more work is needed on measuring system-level outcomes**. Traditional project monitoring focuses on yields, numbers of farmers reached, or hectares covered. For system transformation, indicators such as market reliability, reduction in trade costs along corridors, stability of export performance, job creation along value chains, women’s economic empowerment and resilience to shocks are just as important, but harder to measure. Methodological innovation in this area would greatly strengthen accountability for large-scale programs like AgriConnect and the Mattei Plan.

Areas Where Engagement, Dialogue, and Co-Design Are Essential

The sessions in Palermo also underscored that some of the most critical tasks ahead are not purely analytical or technical, but political and collaborative. They require ongoing engagement, dialogue and co-design among African governments, regional bodies, the private sector, civil society and development partners.

A first area is the **alignment of external initiatives with African priorities**. AgriConnect and the Mattei Plan will only succeed if they reinforce, rather than fragment, African-led strategies such as CAADP, AfCFTA implementation plans, Agenda 2063 frameworks and national development strategies. This calls for structured dialogue platforms at country and regional level where African governments can articulate priorities, sequence reforms and investments, and hold partners accountable for alignment.

A second area is **building trust and accountability through data**. Open, accessible information on prices, trade flows, subsidy allocations, climate risks and program results can help reduce information asymmetries, empower farmers and SMEs, and create pressure for better performance.





Traceability systems and digital platforms can enhance trust between farmers, processors and buyers, but they must be co-designed so they respond to local realities and do not simply shift compliance burdens downstream.

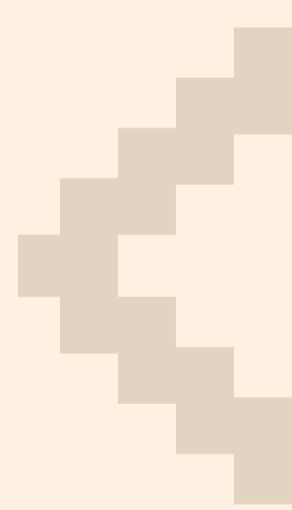
Third, scaling innovation and learning will require deliberate efforts to **create communities of practice and South-South exchange**. AGORA itself was repeatedly described as a space where researchers, investors and policymakers can meet to test ideas and reflect on what works. Institutionalizing such spaces—through regular thematic dialogues, peer learning among African countries, and joint experimentation across regions—will be essential if innovations in one corridor or value chain are to spread beyond pilot sites.

Fourth, bridging policy and practice demands sustained **engagement between governments and the private sector**. Firms in Palermo emphasized that they are ready to invest and innovate, but that they need predictable policy environments, consultation on regulatory changes and mechanisms to feed their operational knowledge into policy design. Co-design of AgriConnect compacts and Mattei Plan investments with local private actors, cooperatives and civil society will be critical to avoid top-down blueprints that do not match realities on the ground.

Finally, **engagement is central to ensuring that youth and women are not left behind**. Inclusive agribusiness models, tailored financial products, legal reforms for land rights and targeted capacity-building need to be designed with the participation of those they are meant to serve, otherwise they risk reproducing existing patterns of exclusion.

Conclusion – A Moment to Shape the Continent's Agrifood Future

AGORA 2025 showed that Africa's agrifood systems are at a genuine turning point. The continent does not lack ideas, evidence or partners; it has a growing body of knowledge on what works, a new generation of entrepreneurs and researchers, regional frameworks like AfCFTA and Agenda 2063, and emerging vehicles such as AgriConnect and the Mattei Plan that can move beyond projects to coordinated, country-led compacts.





The remaining challenge is one of coherence and delivery. Transformation will depend on whether policies, institutions, finance, technology and climate resilience can be aligned into a single functioning system; whether African governments can build and sustain reform coalitions; whether development partners can truly work with Africa, not for Africa; and whether platforms like AGORA can keep evidence and politics in constructive conversation over time.

If these conditions are met, the vision that emerged in Palermo is within reach: African agriculture as a modern, technology-enabled, market-integrated system that generates millions of jobs, stabilizes incomes, absorbs shocks and anchors inclusive growth. The task now is to turn that shared ambition into coordinated delivery, so that agriculture becomes not only a source of food, but a foundation for prosperity across the continent.

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