



# Youth in agribusiness: shaping the future of agriculture

**More than 1 billion young people (aged 15–24 years) live in developing countries. Africa's youth population expected to double to over 830 million by 2050, and 10-12 million youth enter the workforce each year in Africa. However, there are scant employment and entrepreneurial opportunities for young women and men. Creating jobs for these young people requires urgent government intervention at the policy level.**

## Policy action needed

- Increase the representation of youth and youth organisation in policy-making processes
- Deliver quality of education and skills-based learning that responds to the needs of the labour market
- Streamline policies on data access, use and regulation to promote a conducive environment for ICT-led businesses and entrepreneurship
- Provide funds to enable youth SMEs to expand and scale up
- Improve youth access to finance for start-ups and business development, including through training in financial skills, engagement with the private sector, promotion of blended finance and other novel financing mechanisms
- Improve ICT infrastructure and policies.

Agriculture is the main sector that will be able to create meaningful and gainful jobs for the large number of young people entering Africa's job market in the next few years. But to do so, governments must create conditions that promote greater value addition and deeper linkages between agriculture and other productive sectors and that encourage and support innovation in the processing industry and food-related services. A key focus should be on young agribusiness entrepreneurs, who combine the skills and talent, personal ambition, willingness to take risks and resourcefulness needed to set up businesses that create much-needed jobs and improve the welfare of farmers and the wider community.

A priority for policy-makers should be implementing programmes to help scale up emerging small and medium-sized enterprises (SMEs), as young businesses in developing countries currently create very few jobs. For example, in Malawi, research has shown that 88% of youth businesses created jobs only for their owners.

Unfortunately, many young people see agriculture as poorly paid and arduous (e.g. low mechanisation). The adoption of innovative information and communication technology (ICT) along the agricultural value chain has the potential to attract more youth into the agricultural sector.

Encouraging youth to engage with the agricultural sector also requires that they have access to resources, including finance, markets and land, and the opportunity to engage in policy- and decision-making.

The following are key policy areas that need urgent attention to promote the engagement of youth in agricultural development.

## Policy support towards youth engagement

- Policy-makers must identify specific priority interventions to enable value-adding activities in the agricultural sector, and implement these through youth-related

policies and programmes. Policy measures that provide financial and tax incentives for new, youth-led agricultural companies are essential.

- Governments and relevant ministries should increase the representation of youth and youth organisations in policy-making processes, and, working together with the private sector, promote youth organisations and associations.
- Policy measures are needed to encourage and support youth associations and organisations in establishing and participating in knowledge-sharing forums at local, regional and international levels.
- Governments should provide opportunities for youth-led enterprises to showcase successful agripreneurship and businesses.

### Strengthening business skills and promoting ICT use

- Governments should provide incentives to improve the quality of education and skills-based learning. Consultations between the public and private sectors are needed to ensure that proposed curricula respond to the needs of the labour market.
- Policies on data access, use and regulation should be streamlined and made transparent in order to create a conducive environment for ICT-led businesses and entrepreneurship. Governments should develop and introduce joint public- and private-sector initiatives to support compliance and dialogue around data through workshops, seminars and other tools geared towards youth entrepreneurs.
- Governments should dedicate funds to enable youth-led SMEs to expand and scale up at critical junctures; this will help them to attract talent and expertise and to enter into new value chains and regional markets.
- The public sector should proactively seek to services, tools and applications being developed by young entrepreneurs in

the agricultural sector, e.g. for mapping, extension services etc.

### Access to finance for start-ups and business development

- Governments should develop training programmes for financial management skills, credit-worthiness checks and provision of access to capital for young farmers and entrepreneurs, in conjunction with funding bodies and financial institutions.
- Governments should recognise the private sector, including young SMEs, as partners in the development process, and, where needed, introduce or revise policies and operational procedures to ensure that the private sector is able to access a wider range of funding instruments, including grants and foreign direct investment.
- Governments should introduce and promote blended finance and direct this towards catalysing and scaling up youth-led businesses.
- Governments should develop partnerships and formal agreements with appropriate business incubators, and support the replication of successful models for developing innovative businesses and start-ups.
- Governments must lower the barriers to the development and access to hard and soft infrastructure, especially physical and digital connectivity, which are needed by business to grow, either through provision of incentives or implementation of conducive policies.
- All sectors, including agriculture, finance, ICT and education, should cooperate to organise and promote business exchanges that foster capital, investment and technology transfers within Africa and also with EU counterparts.

This Policy Brief is based on the recommendations of a policy forum on ‘Youth in Agribusiness’ in Brussels on 18 May 2017. The forum was organised by the Technical Centre for Agricultural and Rural Cooperation (CTA), the Secretariat of the African, Caribbean and Pacific Group of States, the European Commission (DG DEVCO), Concord, the Pan African Farmers’ Organization and AgriCord.