



AFRICAN HEADS OF STATE COMMIT TO FAR-REACHING REFORMS TO REDUCE STEEP PRICE OF FERTILIZER AND START A GREEN REVOLUTION IN AFRICA

*Leaders Agree to Lift All Taxes and Tariffs on Fertilizers
At First Summit Seeking to Restore Barren Soils of Africa*

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Editor's Note: For additional press releases and other material on the Summit, visit:

http://www.africafertilizersummit.org/Online_Press_Room/index.html

B-roll is available to support this story.

ABUJA, NIGERIA (13 June 2006)—Heads of state and governments from more than 40 African nations agreed today to lift all cross-border taxes and tariffs on fertilizer, designating mineral and organic fertilizer as a “strategic commodity.” They also agreed to establish an African fertilizer financing mechanism within the African Development Bank to significantly increase the availability and access to fertilizer on the continent.

To catalyze start-up of the fund, President Olusegun Obasanjo committed an initial \$US10 million from the Nigerian government with additional funding expected from African and international sources. The announcements were made today at the Africa Fertilizer Summit, the largest and most comprehensive effort to tackle Africa’s soil fertility crisis.

“We all agree that increasing the health of our mined soils with both organic and mineral fertilizers is a key component to achieving Africa’s Green Revolution,” said President Obasanjo. “This august gathering, therefore, heralds a crucial milestone in our quest to rapidly reverse our low agricultural productivity and accelerate food security for our people.”

“The Africa Fertilizer Summit deserves the fullest support of leaders of Africa,” said Adamu Bello, Nigeria’s Minister of Agriculture and Rural Development.

Addressing the afternoon gathering of Heads of State, Judith Rodin, President of the Rockefeller Foundation said, “We believe in the tremendous potential of an African Green Revolution. But to make it a reality will require the collaboration of national governments, the private sector, and the donor community. The need is great, and the time is right. We stand ready to offer our best help.”

Commenting on the deliberations, Alpha Konare, President of the African Union Commission said, “It’s Africa’s time. The Africa Union strongly commits itself to these concrete action plans to end Africa’s fertility crisis.”

“This historic Summit will launch the African Green Revolution by providing the much-needed inputs for farmers to not only improve crop production but also to improve livelihoods,” said Amit Roy, President and CEO of the IFDC, an International Center for Soil Fertility and Agricultural Development.

Former President Denis Sassou-Nguessou of the Republic of Congo and chairman of the African Union said, “Africa’s leaders are ready and we will solve this crisis.”

Major reforms agreed to by the African Union Member States include:

- Increasing the level of use of fertilizer from the current average of 8 kilograms per hectare to an average of at least 50 kilograms per hectare by 2015.
- Taking measures to reduce the cost of fertilizer procurement at the national and regional levels, including eliminating all taxes on fertilizers and ensuring duty and tax-free movement across regions.
- Improving farmers’ access to fertilizers by developing and scaling up networks of small retail businesses known as “agrodealers” in rural areas.
- Taking concrete measures to specially address the fertilizer needs of women farmers and to develop and strengthen the capacity of youth, farmers’ associations, civil society organizations, and the private sector.
- Improving farmers’ access to fertilizer, by granting, with the support of Africa’s Development Partners, targeted subsidies in favor of the fertilizer sector, with special attention to poor farmers.
- Accelerating investment in infrastructure, particularly transport, fiscal incentives, strengthening farmers’ organizations, and other measures to improve the profitability of farming.
- Establishing national financing facilities to accelerate access to credit at the local and national level for agrodealers, with specific attention to women.

- Requesting the establishment of regional procurement and distribution facilities in collaboration with the African Development Bank, the Economic Commission for Africa, Regional Economic Communities, and the Regional Development Banks.
- Promoting national and regional fertilizer production, and intra-regional fertilizer trade to capture a bigger market and take advantage of economies of scale through measures such as tax incentives and infrastructure development.
- Improving farmer access to quality seeds, irrigation facilities, extension services, market information, and soil nutrient testing and mapping to encourage effective and efficient use of fertilizer and to protect the environment.
- Establishing an Africa Fertilizer Development Financing Mechanism, through the African Development Bank, to meet the financing requirements of the various actions agreed to by the Summit. Additionally, the African Union Member States agreed to pledge resources for its immediate operation.
- Last, requesting that the African Union Commission and the New Partnership for Africa's Development (NEPAD) set up a mechanism to monitor and evaluate the implementation of this resolution in collaboration with the Economic Commission for Africa and the African Development Bank.

“The AU should give a progress report to the African Heads of State at every six-monthly African Union Summit, starting in January 2007,” the Declaration said.

Background on Soils and Africa

Fertilizer use in Africa is the lowest in the world mainly because its cost can be as much as four times higher than in Western countries. A ton of fertilizer that costs \$150 in the United States can cost as much as \$600 in landlocked African countries. Lack of roads and taxes contribute to the high price of fertilizer.

Barren soils are a key cause of hunger in Africa. Fertilizer use is a vital component for restoring Africa's farmland and increasing farm yields. Farmers south of the Sahara apply less than 2% of all fertilizer used worldwide. The result has been a steady decline in farm yields over the past 30 years and devastating hunger and malnutrition across the continent.

New data shows that at least three-quarters of African farmland south of the Sahara is plagued by severe land degradation. Nutrients loss costs Africans some \$4 billion in income every year. Barren soils in Africa have also led to massive erosion and the clearing of wildlife areas for farming. Africa has many natural resources required to manufacture fertilizer, including rock phosphates and natural gas, yet it currently lacks significant production capacity.

About the Summit

The Africa Fertilizer Summit is convened by the African Union through its New Partnership for Africa's Development (NEPAD), hosted by the government of the Federal Republic of Nigeria and chaired by His Excellency, Olusegun Obasanjo, President of Nigeria and Chairman of the African Union's Implementation Committee.

Sponsors of the Summit include: The Federal Republic of Nigeria, the Rockefeller Foundation, the African Development Bank (AfDB), Agriterra, the Arab Fertilizer Association (AFA), Fidelity Bank (Nigeria), the Food and Agriculture Organization of the United Nations (FAO), the International Fertilizer Industry Association (IFA), the International Fund for Agricultural Development (IFAD), the Notore Chemical Co. (Nigeria), Sasakawa Global 2000, the United States Agency for International Development (USAID), the William and Flora Hewlett Foundation and The World Bank. It is being implemented by IFDC, an International Center for Soil Fertility and Agricultural Development, a nonprofit, public international organization, in collaboration with NEPAD.

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