

TOWARDS A TREE-BASED BIO-ECONOMY IN AFRICA

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WHY TREE COMMODITIES?

- Tree crops together constitute the fastest growing land uses and have been for the past 30 years;
- At least 26 countries in Africa grow tree commodities. With tree commodities **impacting livelihoods for 200 Million people directly and 500 million people indirectly.** Impact between 15 and 19% of GDP on the continent
- Main **foreign exchange earner** for many countries with impacts balance of trade and ability to services debts etc.

- At least **12 African countries** can be considered **Tree Commodity Dependent Economies**
- **SINGLE TREE CROP DEPENDENT COUNTRIES** (At least 20% of total merchandise exports and 50% of total agric. exports)
 - Cocoa: Sao Tome and Principe, CDI and Ghana
 - Coffee: Burundi, Ethiopia, Uganda, Rwanda,
- **MULTIPLE TREE CROP DEPENDENT AGRICULTURAL ECONOMIES** (At least 2 or more commodities make up 20% of total merchandise exports and 50% of Agric. export value)

What Tree Commodities?

Tier 1

Tree Commodities with globally established markets

Cocoa

Coffee

Gum Arabic

Oil Palm

Cashew

Rubber

Timber

Tier 2

Tree Commodities with developing and emerging markets

Avocado

Shea

Moringa

Vanilla

Bamboo

Neem

Allanblackia

Cardamon

Boswellia

Coconut

Tier 3

Tree Commodities with established domestic markets

Citrus Fruits

Mangoes

Baobab

Macadamia

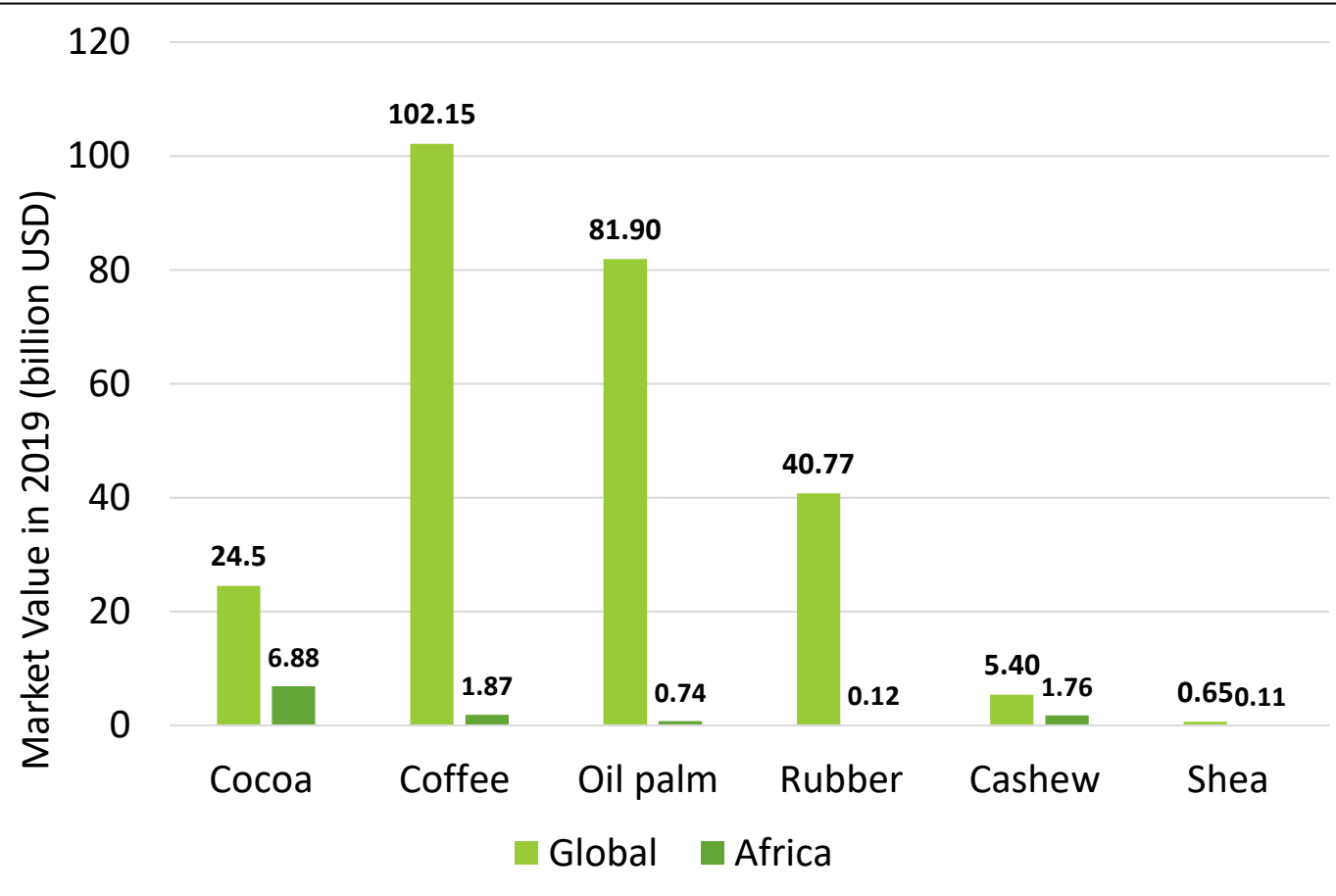
Kola

Why a bio-economy approach?

- Growth in Tree Commodities has been by area expansion and largely at the expense of forests and other valuable ecosystems with tremendous impacts on biodiversity and ecosystems services loss;
- Tree Commodity led deforestation has been and continues to contribute to carbon emissions
- Many Tree Commodities and communities producing them are vulnerable to the impacts of climate change
- Despite importance in Economies and livelihoods **FARMERS REMAIN POOR**
- African Countries capture relatively small proportions of the global value chain of the tree commodities. Often less than ten percent for most.
- This is true even for cocoa, cashew, shea and gums where African countries dominate primary production
- **Declining and fluctuating prices, low productivity, pests and diseases, old plantations, low value addition, poor governance in tree commodity systems are key factors explaining**

the status quo

OPPORTUNITIES I: Growing Africa's Market Value Share of Tree Commodities



Based on FAOSTAT 2019 Data

CONTINENTAL MARKETS GROWING SIGNIFICANTLY

- Middle class was 126 million in 1980; 330 million in 2010 and expected to reach 582 million by 2030
- **Consumption from growing consumer class in Africa expected to hit 2.5 Trillion USD by 2025**



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Exploring a Bioeconomy in Kenya



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Main Tree commodities in Kenya

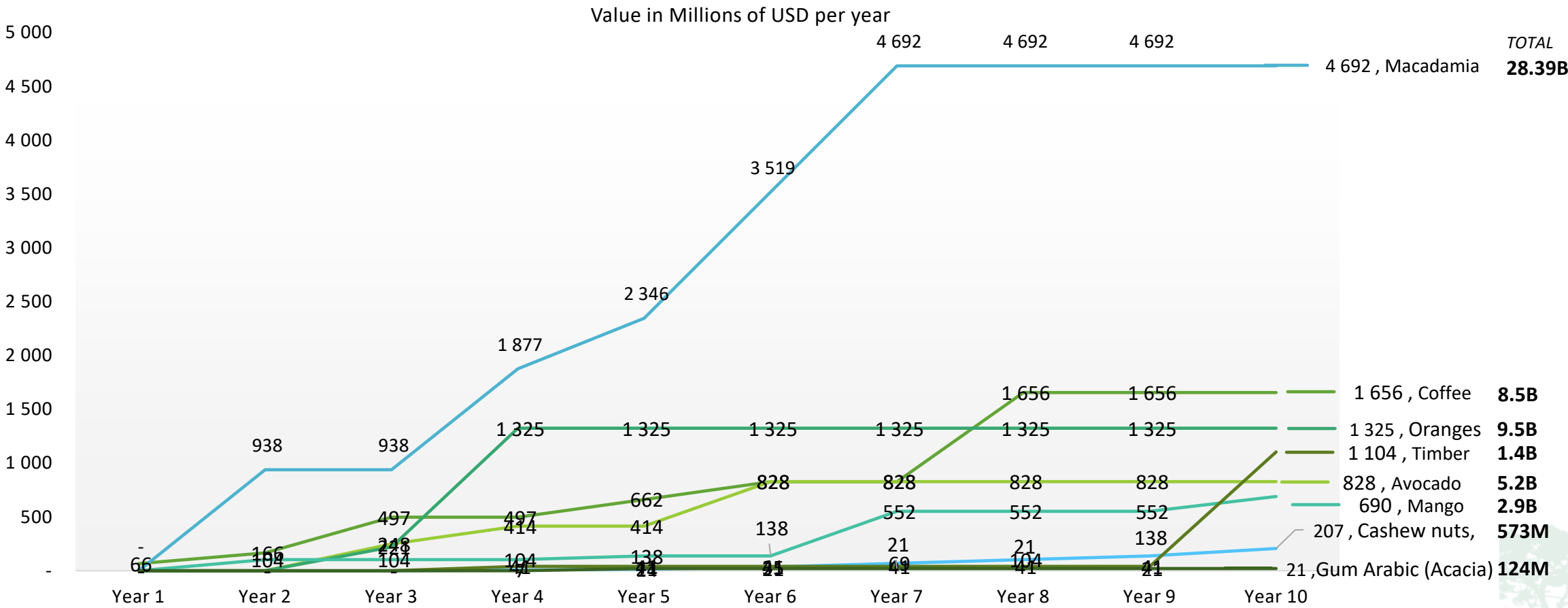
Commodity	Production quantity (tons)	Export value (USD)	Year of latest data
Coffee	36,900	229M	2020
Avocado	322,556	116.2M	2020
Macadamia	39,133	22.5M	2020
Mango	819,276	13.94M	2020
Wood (Industrial roundwood)	301,000	2.19M	2020
Cashew	12,668	483k	2020
Orange	145,445	393k	2020
Gum Arabic	XX	103.37K	2020



Today 8 commodities generate 500 Million USD annually



Benefit Value of Tree Commodities over the next 10 years – 56.6B USD



Plus 2 Million jobs (from 1 Billion Trees)

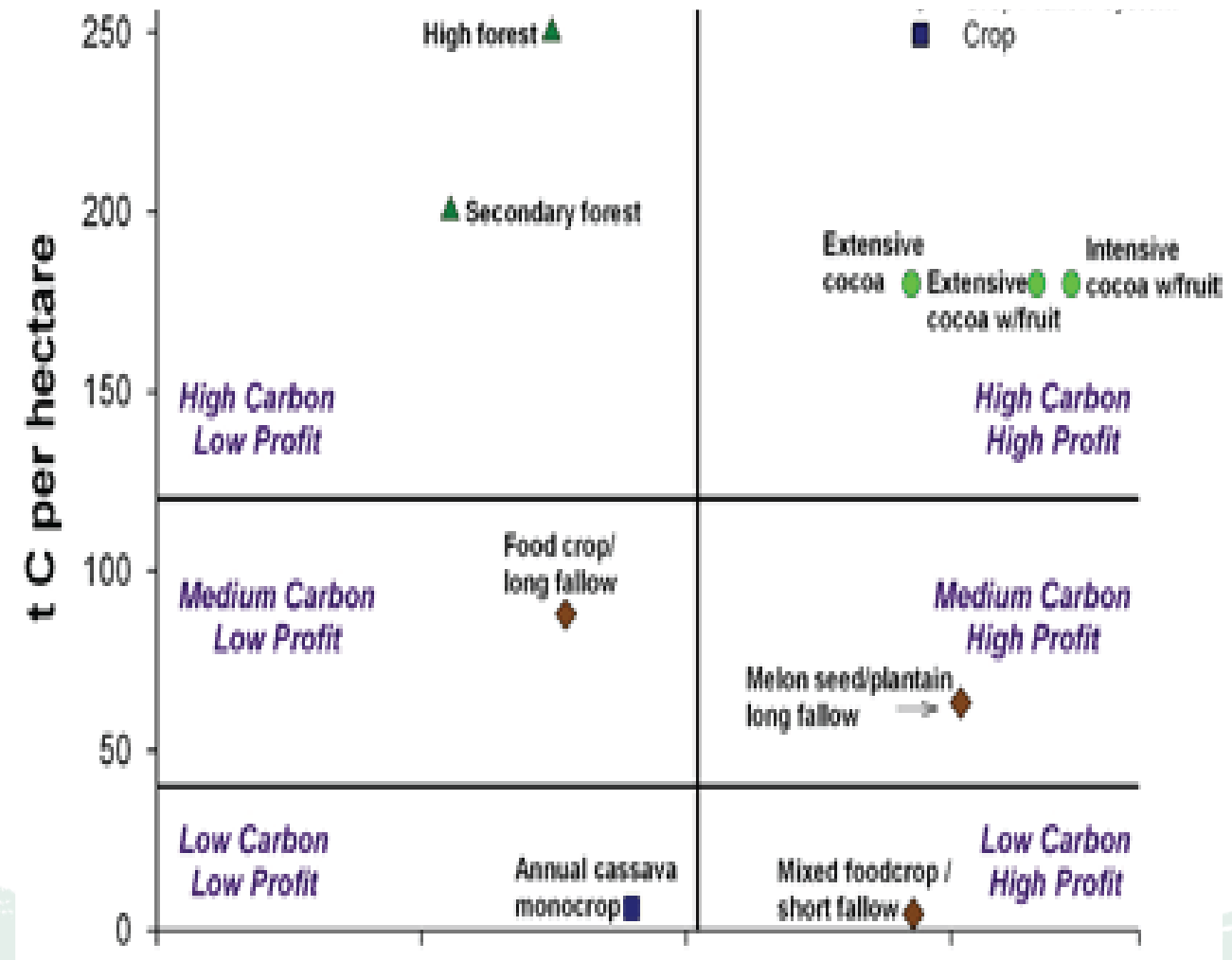


Five Pathways to a Tree-Based Bio-economy

- Grow tree better in agro-ecological and enhanced forest ecosystems
- Grow and diversify value addition and Industrialize
- Enhance investments and financing
- Improve governance across scales and sectors
- Enhance science, technology and innovation ecosystems

Pathway 1: Grow trees better in agro-ecological and enhanced forest ecosystems

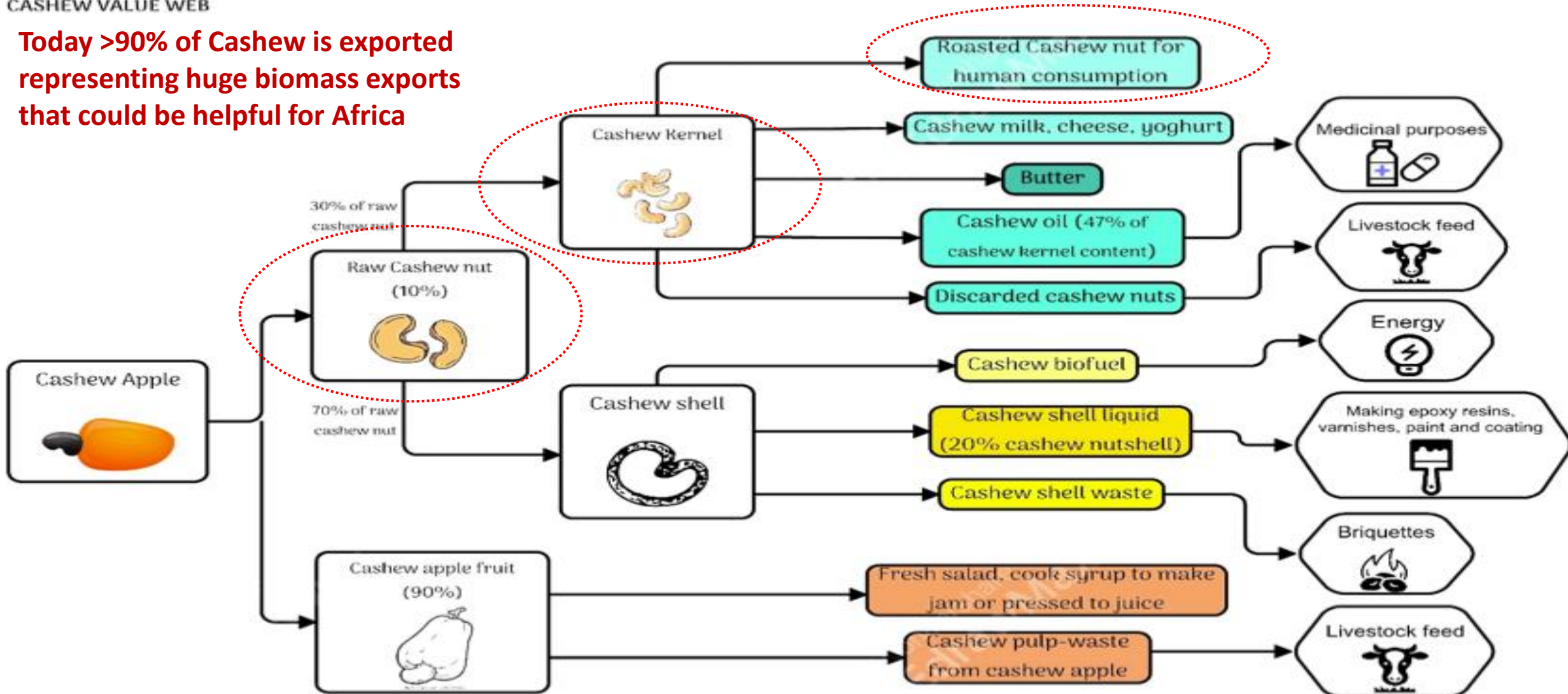
- Agroforestry and agro-ecological practices
- Climate-smart practices
- Enhance biomass and soil health
- Community-based forestry
- Deforestation-free
- Bio-fertilizers, compost



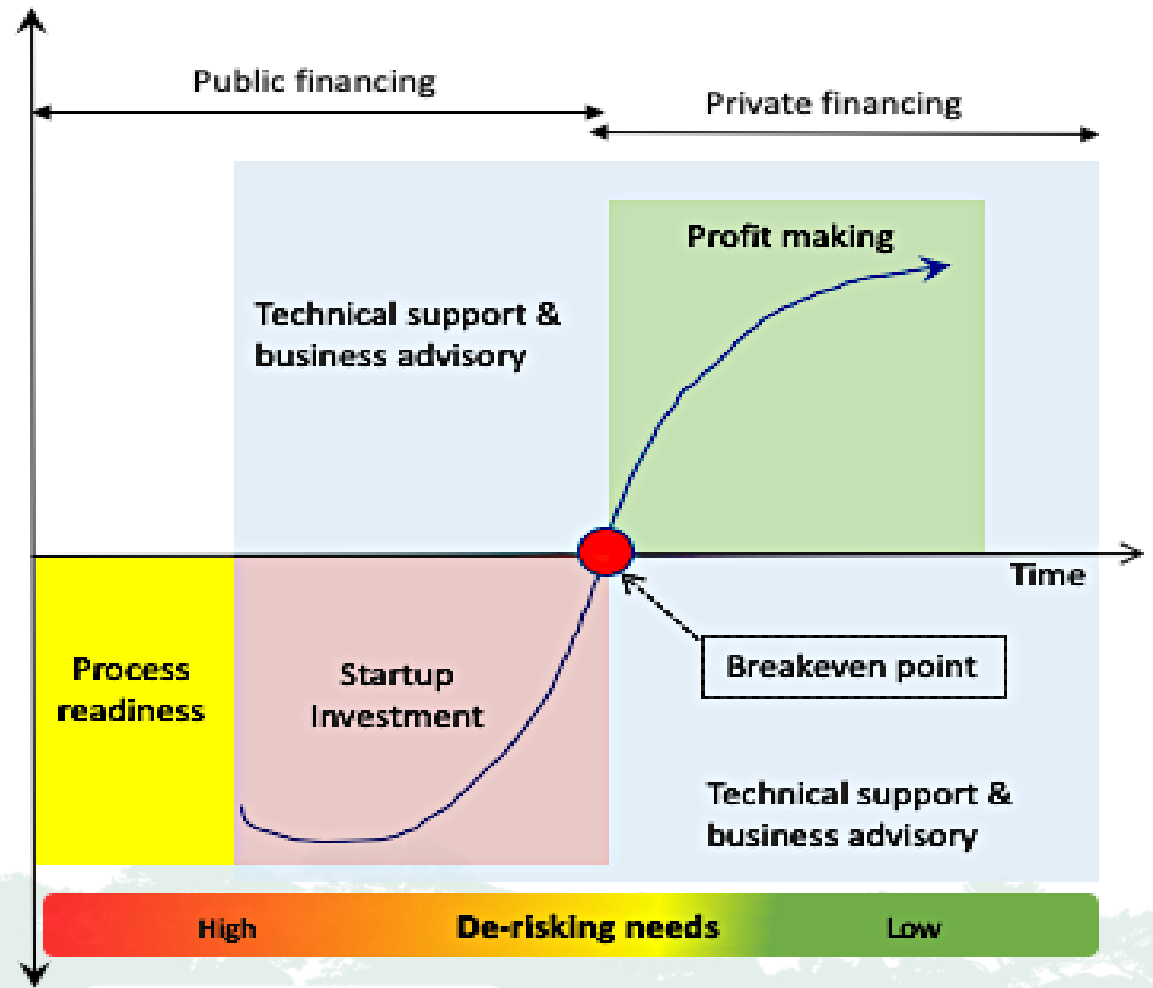
Pathway 2: Grow and diversify value addition and Industrialize

CASHEW VALUE WEB

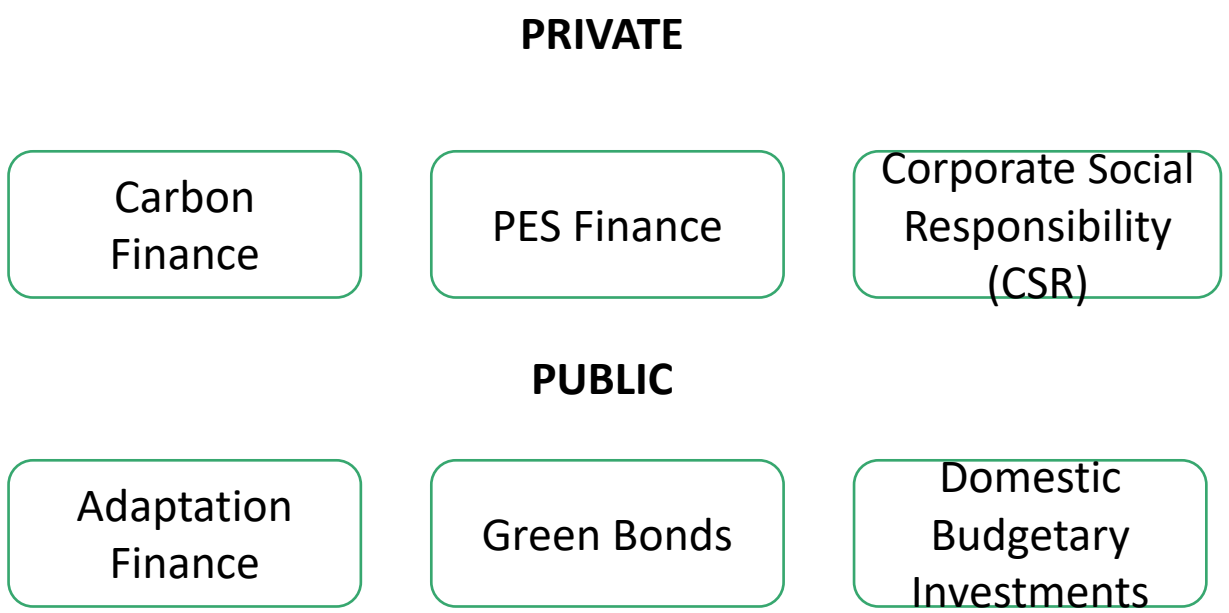
Today >90% of Cashew is exported representing huge biomass exports that could be helpful for Africa



Pathway 3: Enhance investments and financing



BENEFITING FROM INNOVATIVE BELENDED FINANCE



Trees often need special financial consideration as they often only mature after 3 years, hence long payback periods. Therefore public money required to catalyze tree growing

Pathway 4: Enhance governance across scales and sectors

CONTINENTAL POLICY FRAMEWORKS

- Africa Commodities Strategy
- African Continental Free Trade Agreement – AfCFTA
- Restoration: AFR 100 and GGW (mainly as economic incentives for growing trees)

SUPPORT READINESS AND SUSTAINABLE SUPPLY COMPLIANCE FROM AFRICA

- EU Deforestation Free Regulations
- Corporate Sustainability Reporting Directive- CSRD and other similar market requirements

Domestic

- Enhance planning of land use at national and sub-national levels
- Cross Sectoral planning and collaboration- Agriculture, forestry, industry, small and medium sized enterprises, economy, finance, environment
- Public-private-civil society interactions
- Policy Coherence
- Policy Incentives

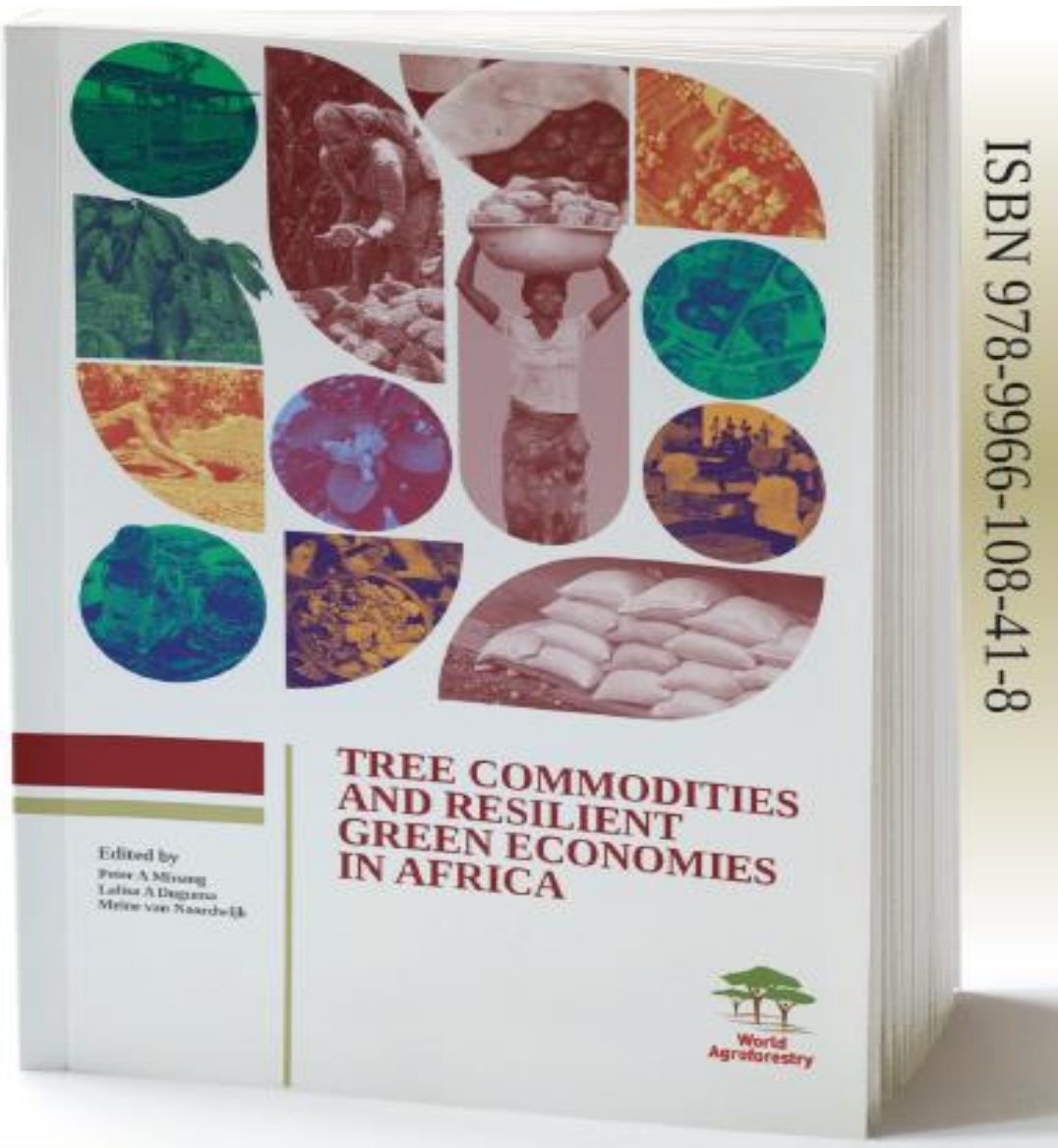


PATHWAY 5: ENHANCE RESEARCH, TECHNOLOGY AND INNOVATION ECOSYSTEMS

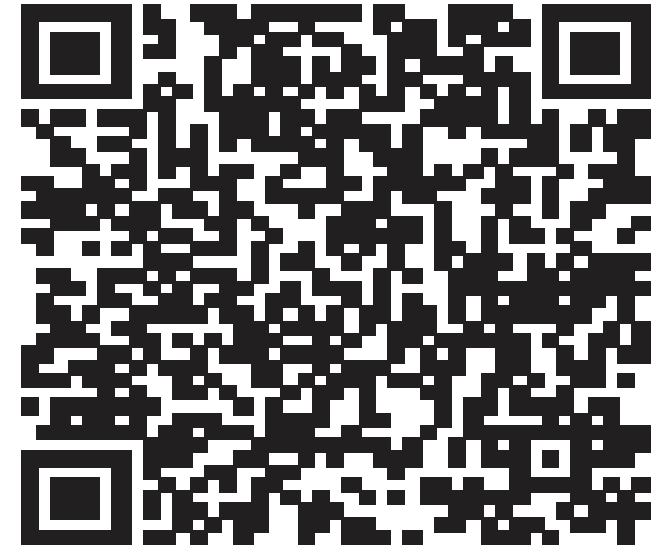


- Need to invest in agronomic research
- Enhance agriculture and silviculture extension systems
- Enhance technological advancements and innovation in processing and value addition in biomass. For example cold chain technologies, drying technologies
- Invest and strengthen entrepreneurial and business innovation ecosystems especially for SMEs





Minang PA, Duguma LA, Van Noordwijk M, eds. 2022. Tree Commodities and Resilient Green Economies in Africa. Nairobi Kenya: World Agroforestry



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Agroforestry



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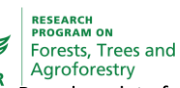
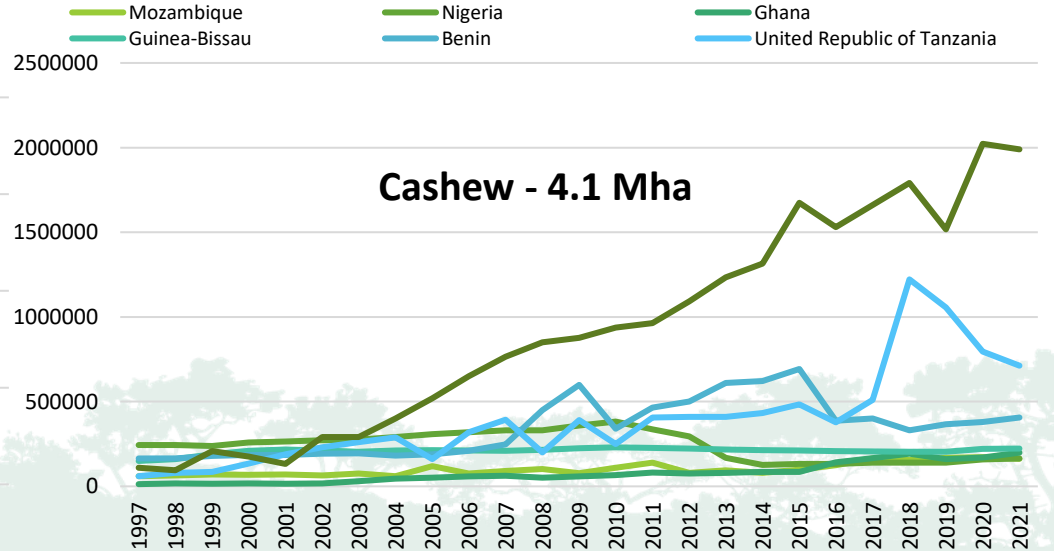
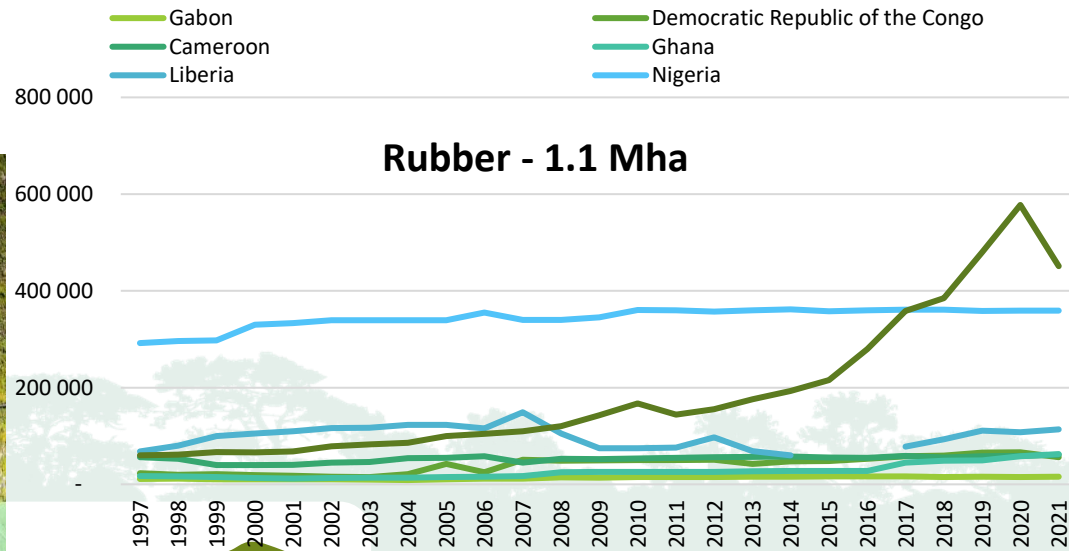
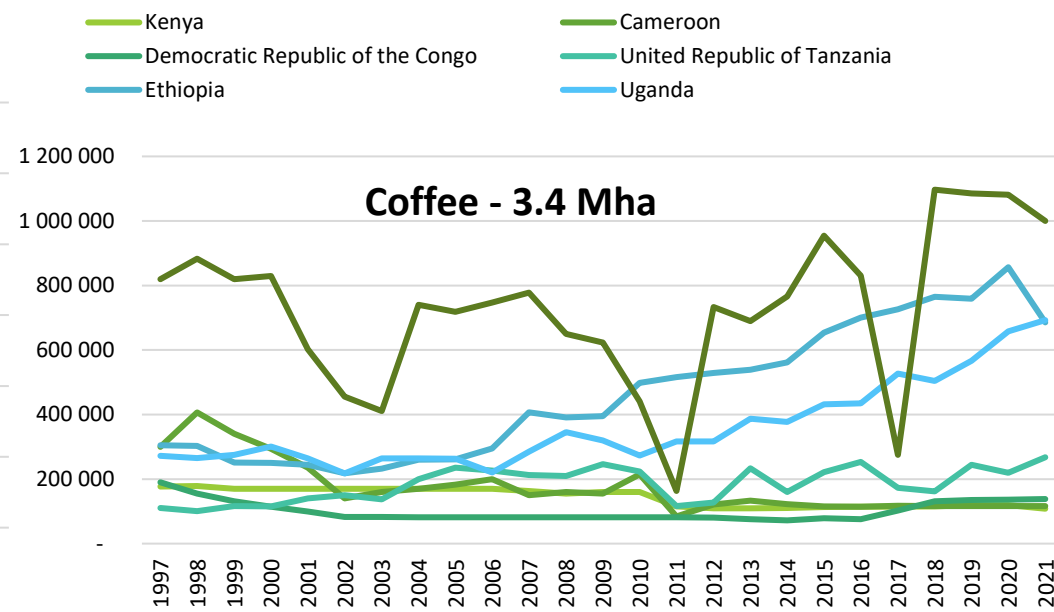
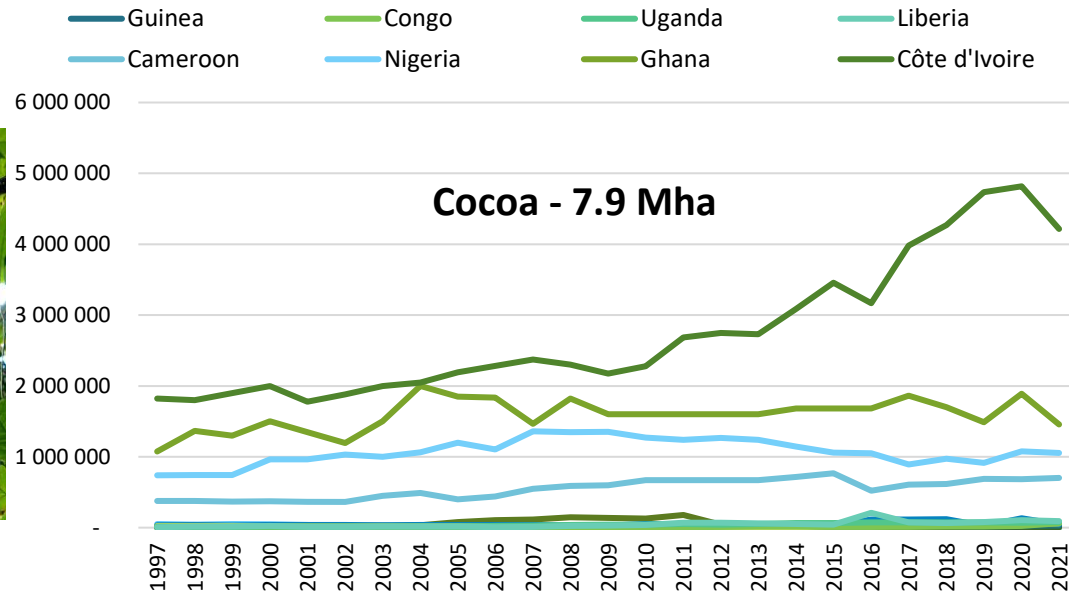
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Growth Trends in TCs in Africa



Based on data from FAOSTAT.