



African Development Bank Group  
**BUSINESS OPPORTUNITY SEMINAR**

# Feed Africa Agriculture and Agroindustry



*Abidjan,* **Côte d'Ivoire**

**March 22-23, 2018**

**AfDB Headquarters, Auditorium**



AFRICAN DEVELOPMENT BANK GROUP



# Goals, Status and Targets

## Goals

1 Contribute to the end of extreme poverty



2 Eliminate hunger and malnutrition



3 Become a net exporter of agricultural commodities



4 Move to the top of key agricultural value chains



## Status Today

**49% of Africans or 420 million** live under the poverty line of \$1.25 per day (2014);

Those living in poverty will rise to **550 million by 2025** if we do nothing

**33% of African children** live in chronic hunger;

**58 million children in Africa are stunted** (under 5 years)

Staggering food net **food import bill of USD 35.4 billion** per annum (2015);

Net Imports projected to increase to **USD 111.0 billion by 2025** if we do nothing

**Low value addition** to agricultural commodities and **predominantly primary production**;

Africa's share in global production of cocoa beans is **73 % vs. 16%** share in ground cocoa

## Target by 2025

**Contribute to alleviating poverty** through job creation and providing sustainable livelihoods;

**~130m lifted out of extreme poverty**

**Food security** for all Africans that are 'undernourished';

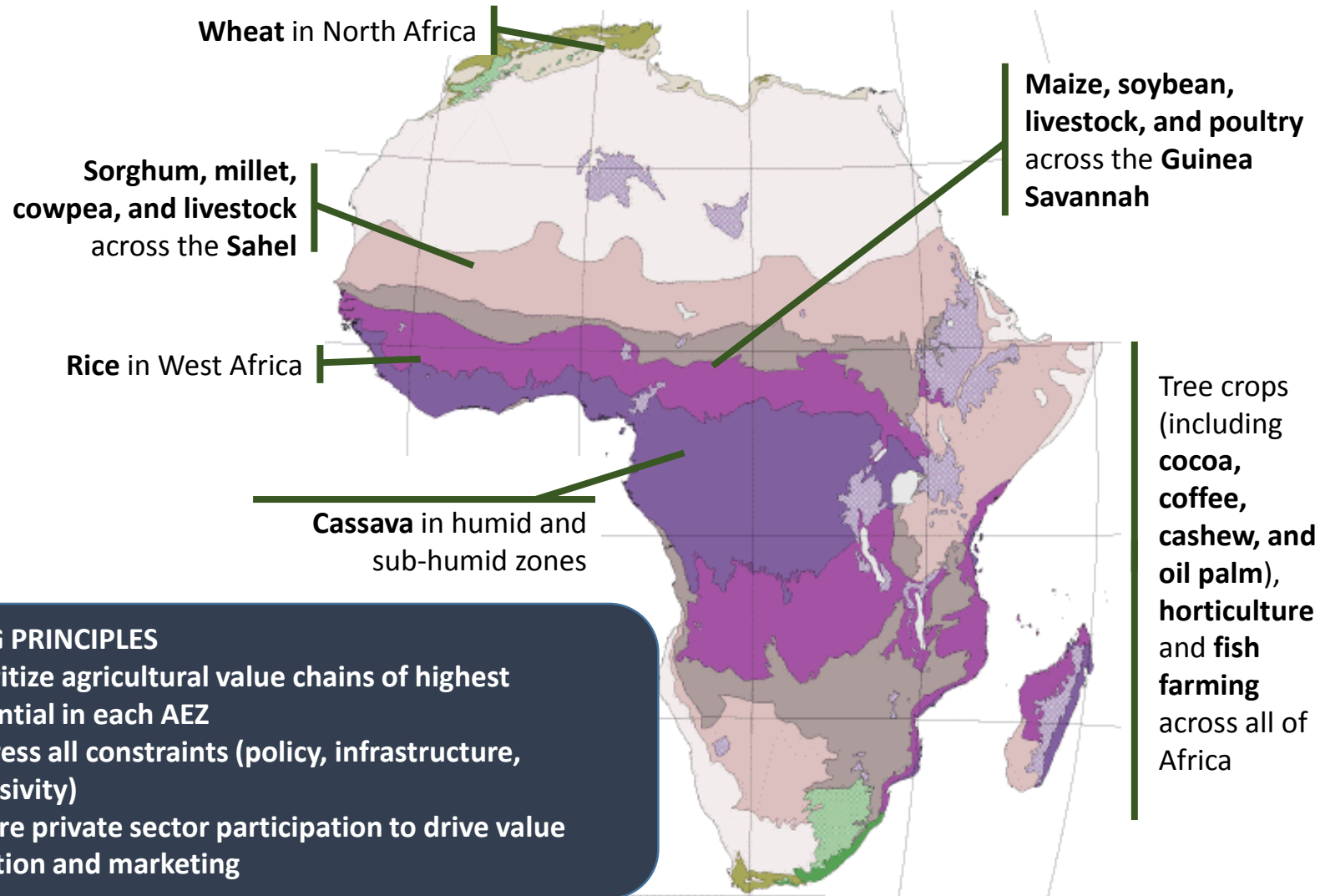
**Zero hunger and malnutrition**

**Eliminate large scale imports** of commodities that can be produced in Africa, and **selectively begin to export**

**Africa's net trade balance – \$0 billion**

**Increase Africa's share of market value for processed commodities ~40%** (Example for cocoa grinding)

# A Focused Approach on Integrated Commodity Value Chains



**Food self-sufficiency**  
(rice, wheat, maize, fish, soybean, palm oil)

**Creating a food secure Sahel**  
(sorghum, millet, livestock)

**Realizing the potential of the Guinea savannah**  
(maize, soybean, livestock)

**Moving up the ladder of global agricultural value chains** (cocoa, coffee, cotton, cashew, cassava)

# 7 Enablers (& Flagships)



1) Increase *Productivity* (TAAT, TASI, Mechanization)

2) *Value Addition* (PHL, Agropoles, WRS/Storage, exchanges)

3) *Hard and Soft Infrastructure* (Agropoles, Farmers' e-Registration, E-wallet)

4) *Agricultural Finance* (Non-Sovereign Operations, RSFM, AFAWA, SME Finance, Sovereign Risk Support, agricultural insurance)

5) *Agribusiness Environment* (Enabling the Business of Agriculture, Land Policy Initiative, ....)

6) *Inclusivity, Sustainability, and Nutrition* (Climate Smart Agriculture, AFAWA, Nutrition, Blue Economy, ENABLE Youth)

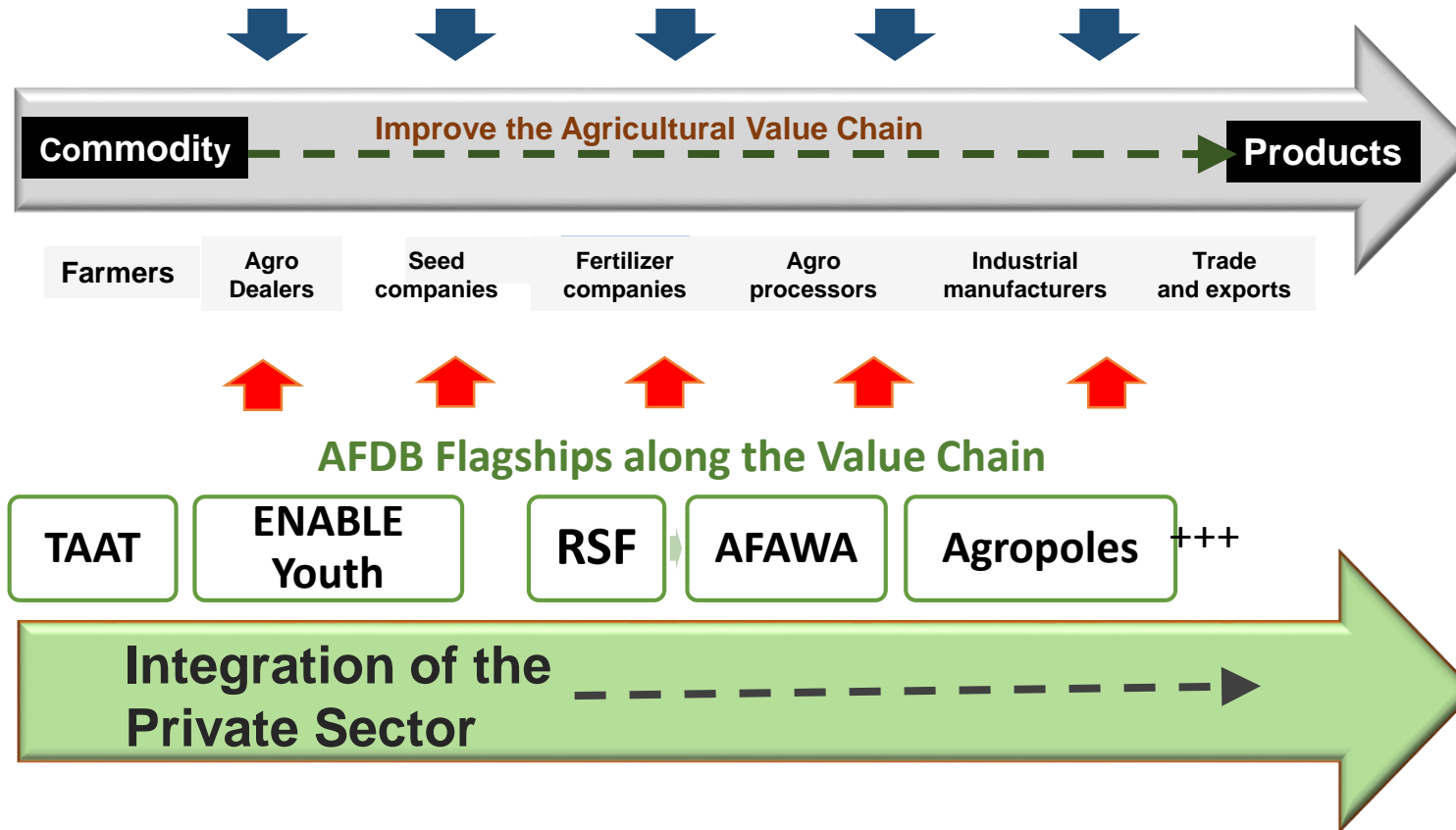
7) *Coordination* (Leadership4Ag, Malabo Panel, Agricultural Commodity Platforms)



# ENVISION – FOCUS – SCALE

## Public Goods support:

Extension, Roads, Irrigation, R&D, Storage, etc.



- Focus on Key Value Chains;
- Go to Scale;
- Bring in Ministries of Finance and the Private Sector;
- Create Platforms;
- Promote Standards;
- Develop Internal Markets.

# STRENGTHENING PARTNERSHIPS (non-exhaustive)



AFRICAN DEVELOPMENT BANK GROUP

- **USD 500 million contribution for TAAT**
- Collaboration on producing the Enabling the Business of Agriculture in Africa report
- **USD30 million for Uganda Farm Enhancement & Forestry Conservation project**
- **USD50 million for Ethiopia Agro-industries Integrated Project;**
- Financing of knowledge products
- **USD3 million for Africa's Leaders in Nutrition**
- **USD 1.14 million for TAAT Clearing House**
- **Co-financing of value chain projects in the amount of USD 453 million**
- Contribution to AfDB Nutrition Trust Fund and AfDB African Fertilizer Financing Mechanism
- Contributing to TAAT
- 230 million TAAT



- **USD1 million grant for L4Ag**
- Collaboration on ENABLE Youth;
- Collaboration on TAAT;
- Collaboration on African Leaders for Nutrition;
- FAO's Investment Centre technical support;
- Support for Coffee for Africa's growth and transformation study;
- Collaboration on the launching of Post Harvest Losses and Agro Processing Flagship;
- Support for L4AG;
- Collaboration: data for agronomic, climate and nutrition advisory services;
- Collaboration on Rice Value Chain Platform.

## Funds Supervised Under AHAI

TITLE	Implementation status
<b>AGRICULTURE FAST TRACK FUND (AFT)</b>	<p>Presently the supporting projects in 10 RMCs of the Bank. For the old projects, not the ones launched in December, 2016 have reached over 85% disbursement.</p> <p>A Call for Concept Notes in March 2016 resulted to 12 projects. The most recent Call of May 2017 resulted in 831 Concept Notes. The reviews have been completed and 131 projects submitted Full Technical Applications.</p>
<b>CONGO BASIN FOREST FUND (CBFF)</b>	<p>The CBFF is focusing on the successful implementation of its remaining core activities—project development, management and reporting. The Fund will also ensure the successful implementation of activities for the five remaining projects in its portfolio. In addition, the CBFF will continue to capture and report on project and operational achievements and lessons learned through the semester and annual reports and the CBFF website. In light of the fact that Norway and the United Kingdom have decided that they will not replenish the CBFF, the Secretariat will allocate time and resources in ensuring a proper phasing out of all activities.</p>
<b>CLIMDEV SPECIAL FUND FOR AFRICA (CDSF)</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Euro 21 million approved for climate and disaster risk management projects in Africa</li> <li><input type="checkbox"/> Euro 6 million approved for climate adaptation projects in RMCs</li> <li><input type="checkbox"/> ClimDev Program (CDA) Phase 2 business plan 2017-2022 completed</li> <li><input type="checkbox"/> RCDSF is the primary Bank unit for delivering on implementation on the technical partnership with the African Risk Capacity Agency (ARC)</li> </ul>



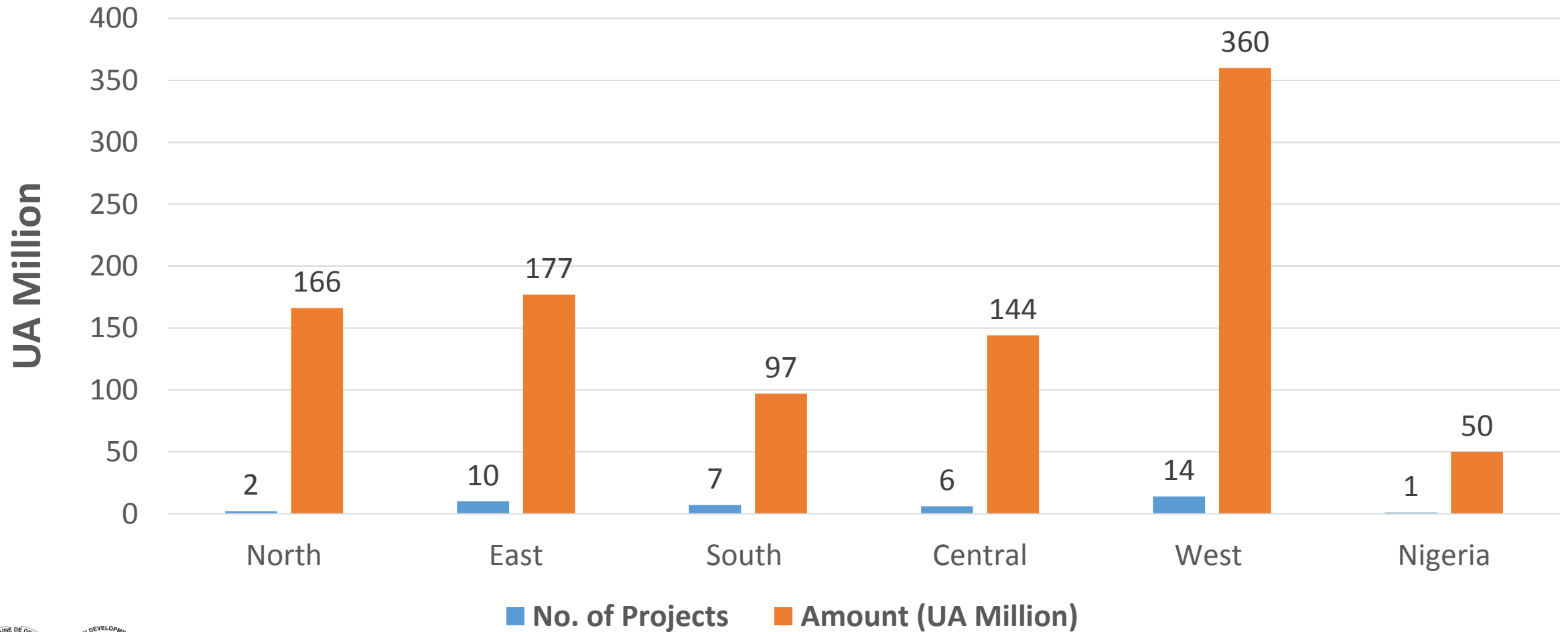
## Funds Supervised Under AHAI (Cont.)

TITLE	IMPLEMENTATION STATUS
<b>AFRICA FERTILIZER FINANCING MECHANISM (AFFM)</b>	<p>The AFFM's EURO denominated account currently has a balance of EUR 12,087,342. The idea is to use these funds to significantly leverage additional resources to finance AFFM's 2017-19 EUR 110 million work programme by showing quick and robust results on the ground in select areas.</p>
<b>The Global Agriculture and Food Security Program (GAFSP):</b>	<p>GAFSP has so far approved agriculture-related projects for 39 countries worldwide for a total of USD 1.180 billion (public sector window allocation), including USD 711.5 million for projects in 17 African countries (about 60% of total grants).</p> <p>The 17 African countries include: Benin, Burundi, Burkina Faso, Ethiopia, Liberia, Malawi, Mali, Niger, Rwanda, Senegal, Sierra Leone, Tanzania, Uganda, The Gambia, Togo, Zambia, Benin and Kenya.</p> <p>Out of the 17 projects, the Bank is the supervising entity for 10 of them (USD301 million) with disbursement rate of 41% as at end of 2017.</p> <p>These projects are expected to significantly contribute to enhanced food and nutrition securities, shared economic growth, and employment, especially for the vulnerable groups of women and youth in the beneficiary countries.</p>



# AHAI 2018 Pipeline (indicative)

AHAI 2018 Pipeline



AFRICAN DEVELOPMENT BANK GROUP

# Sample Project

## Uganda: Agricultural Value Chain Development Project

### Description

- The objective is to contribute to poverty reduction and economic growth in Uganda through increased productivity and marketing of agricultural produce.
- The project will focus on three commodity value chains, namely: Rice, Maize and Dairy/Beef value chains; and will comprise of i) Production and Productivity Enhancement, ii) Infrastructure Development, iii) Market Development and Trade Facilitation; (iv) Innovative Financing Mechanism.

### Financing

- Project cost is estimated at USD 113 million
- To be financed by ADF loan of USD 102 million
- The Government of Uganda will contribute USD 11 million.

### Timeframe

- Appraisal: Q2 2017
- Board presentation: Q4 2017
- Launch: Q1 2018

# Sample Project

## Cameroon: Livestock and Fish Value Chain Project

### Description

- PD-CVEP aims to stimulate and support private initiatives as well as contribute to a dynamic and inclusive development in the livestock, pork industries, by supporting women and youth involvement. The project will intervene in four regions of the country, with a focus segments which limit the good functioning of the livestock, pork and fish value chains, through: i) genetic improvement of cattle, pigs and fingerlings; ii) increased performance of cattle and pig fattening workshops and growth of table fish in fish farms, with a focus on food; iii) improved slaughter conditions for cattle and pigs, as well as processing, conservation and distribution of meat; iv) the upgrading of conditions for the transport, processing and commercialization of table fish; v) improved inclusive and adapted access to finance; vi) support technical and logistical capacities of public services in all the three industries, for them to properly carry out their supervisory duties.

### Financing

- Project cost is estimated at 95 millions USD;
- AfDB will invest around 68 millions USD;
- The government and beneficiaries will contribute around 27 million USD.

### Timeframe

- Project duration is planned for 5 years (2018 – 2023);
- Board date: June 2018





Thank you



AFRICAN DEVELOPMENT BANK GROUP