Promoting regional integration and food security in Africa

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NBF
NEPAD and NBF structure

- **Assembly of the African Union**
- **NEPAD HSGIC**
- **NEPAD Steering Committee**
- **NEPAD Planning & Coordination Agency (NPCA)**

- **NBF (South Africa) Board**

- **Independent, non-profit org**
  - Private sector funded

**External Stakeholders**
- SA Government
- Continental / Regional Economic Communities
- NBF / NBG Counterparts
- Donors & DFI’s

**Sectoral Groups**
- Agribusiness
- Audit & Accounting
- Energy
- Finance / Banking
- Legal
- ICT
- Infrastructure
- Mining & Resources
- Stock Exchanges
- Media
- Transport
- Water
- FMCG
- Healthcare
- Asset Mngt, Insurance & Investment
NEPAD FRAMEWORK & PRIORITIES

Conditions for Sustainable Development

Political Governance and Democracy
Economic & Corporate Governance (APRM)

Peace and Security
{African Peace and Security Agenda (APSA)}

Programmatic Priorities

Agriculture, diversification of production and market access (CAADP)

Infrastructure Development
[Energy, Transport (air, rail, road, ports), water & sanitation]
{STAP and PIDA}

ICT
{Uhurunet and Umojanet}

Human Development, including education and health
{NEPAD Health Strategy}

Science and Technology
{Consolidated Action Plan}

Capital Flows (domestic & international)
[debt cancellation, capital markets, scale up development assistance]
NBF Vision and Mission

- The NBF’s vision envisages an African powerhouse that utilizes all its resources to generate innovative economic growth that engenders socio-political stability and sustainable livelihood for all its people on par with global standards.

- The NBF’s mission is to create a platform for dialogue between the private and public sectors, ultimately creating a more sustainable business environment in Africa.

- The NBF strategic objectives:
  - To facilitate and coordinate activities across sectors;
  - To be a catalyst for NEPAD related business opportunities by collaborating and integrating with relevant organisations across the globe
  - This will be done through the delivery of sustainable projects for the benefit of the African people and the prosperity of the African continent.
'Growing' Agricultural Investment Along Africa's Regional Corridors

www.nepadbusinessfoundation.org
Agriculture most important segment of the economies of sub-Saharan Africa (“SSA”) but only starting to realize potential.

**Historically**

- African agriculture has underperformed
- Inadequate infrastructure
- Poor productivity, suboptimal size and limited market access for small scale sector
- Poor government policies damaged commercial sector
- Unequal terms of trade

However, favourable global trends, improved policy, more investment and greater attention by donors and politicians, indicates tide may be turning
Favorable global and regional trends = a shift in the fundamentals defining the future of African agriculture

- Rising global demand/food security concerns
- An emerging regional and domestic market
- Improving infrastructure and regional integration
- Substantial potential for improvement
- New class of agricultural entrepreneur emerging

Agriculture can feed all Africa, finance economic growth and become part of the global solution for Food Security......

but strategic and catalytic intervention required in favour of market led development
Transformative agriculture emerging as dynamic segment of African agriculture

Transformative agriculture – just emerging, new and existing players, opportunities all along value chain, new business models, able to harness value-add from small farmer segment............

but limited funding, limited understanding, many barriers
TFA Structure

Investors & funders → TransFarm Africa

Partners – Smallholder farmer support

Support for smallholder farmers
   Subsistence -> commercial

TFA Transformation Fund

Existing small to medium size agribusiness enterprises → Processing and/or beneficiation

Market (Retailers)

NBF – Removing the Barriers along Development Corridors

Policy and Regulatory issues

Stakeholder Engagement

Infrastructure Water & energy

Capacity Development

Marketing Comms

Resource Mobilisation

Founding Partners

Platinum Sponsor
TransFarm Africa: Market driven regional spread of transformative agriculture

TFA “Removing the Barriers” Program: NBF as implementing partner

- “Market” insight on best TFA policies
- Build capacity to deploy TFA policy
- Promote Corridors to aid TFA policy roll out
- Work to align efforts of others

TFA Investment Fund: TFA Fund manager (LHGP) w/local team

- Show TFA can deliver good $ returns
- Show TFA can modernize subs farmer
- Harness other efforts to reduce risk
- Help bring donor projects to market

SCALE UP via adoption of best practice TFA policy and approach from corridor to corridor

SCALE UP thru successive funds supported by capital markets and copied by impact investors
TransFarm Africa Structure

Hewlett Foundation

(TFA/NBF) Removing the Barriers Program

Learning relationship w/ TFA Investors & entrepreneurs

Help small farmers & agri-entrepreneurs develop effective TFA business models

Promote africa’s development corridors & help them better serve agriculture

TransFarm Africa

Donors, Govts, RECs, private sector

TransFarm Africa Investment Fund/LHGP

$50 million target

Equity & Debt/$1-$10m

Across value chain

Mid-cap/growth oriented

Smallholder business link

Investors

TransFarm Africa Structure

Founding Partners

Southern & southeast Africa

Platinum Sponsor
Direct:
- small farmers benefit via income, security, skills;
- employment creation on farms and in supporting segments;
- off farm entrepreneurial business and employment creation;
- more affordable and better staple foods;
- foreign exchange saving and earnings;
- net local and global environmental benefits.

Indirect:
- Demonstrate pro-agriculture development of Corridors can have major and positive poverty effects;
- Demonstrate transformative investments in agriculture are good commercial bets;
- Demonstrate investment platforms can generate commercial returns;
- Develop and diffuse institutional mechanisms for promoting agriculture along corridors.
4. Africa’s “Spatial Development Corridors”
• African agriculture has potential to reduce poverty and finance economic growth

• Regional Development Corridor strategy – focused efforts across various industry sectors allows for increased impact and alignment of initiatives

• TransFarm Africa will seek to promote Corridor (and corridor agriculture) focus to donors and investors

• Pilot corridor: Beira Corridor (Mozambique, Zimbabwe, Zambia, Malawi)

• Other focus corridors: Nacala Corridor (Mozambique, Malawi, Zambia) Central Corridor (Tanzania, DRC, Burundi, Rwanda)
BEIRA Corridor – Mozambique, Zimbabwe, Zambia
Large “anchor investments” are taking place . . .

‘Anchor Investments’ in the Beira Corridor

**ROADS**
ADB has committed nearly $65mn towards the upgrading, rehabilitation and maintenance of various road projects in the Manica and Tete provinces.

**RAILWAY**
The Beira Corridor railroad comprises two main lines. The first is the Machipanda line linking Zimbabwe (and therefore Zambia and DRC) to Beira port. The second being the Sena Railway line linking Beira to Moatize (coal mines), the Malawi border and the Zambezi delta (sugar plants). The EIB and the EU have recently lent $94mn towards the Sena Line. A further $110mn has been committed by the World Bank for the entire project.

**MINING**
Tete province’s coal reserves are among the largest in the world. The largest project expects to see $1.5bn invested by Vale. Riversdale mining and Tata Steel will invest $800mn into their Benga Project mine.

**PORT**
Cornelde de Mocambique is developing a programme to rehabilitate the port, returning it to its previous operating capacity. Funding commitments are as follows:
- JICA: $17mn towards reinforcement of dredging capabilities
- EU: $60mn towards restoration of the access channel to its original design characteristics

**FERTILISER TERMINAL**
Yara International will invest $35mn in a fertilizer terminal at Beira. The port improvements, which include a holding warehouse to streamline distribution, will speed up fertilizer shipments and make fertilizer available year-round. This will significantly cut portside costs.

**HORTICULTURE**
Prio Agricultura is farming Cereals and Oil Seeds on 9,200 ha of land. The total investment size for this project is $48mn. Prio have also secured a second plot and are expected to begin works shortly.

**BIOFUELS**
Principle Energy is expected to utilise 14,000ha to invest $400mn towards Ethanol production. Located in Dombe, to flow out of Mozam port. The project is €13-15MW of extra power to be sold within Mozambique.
BAGC: a potential breadbasket region
Virtually no commercial agriculture in BAGC today . . .

- **10,000,000 ha**
  - Arable land

- **1,472,500 ha**
  - Smallholder farming

- **25,700 ha**
  - Commercial farming
  - (of which sugar cane: 22,000 ha)

- **1,200 ha**
  - Irrigated commercial agriculture
  - (excluding sugar)

(Mozambique only)
... but there is enormous potential
Infrastructure is essential...
... to stimulate major new investment

![Bar chart showing the number of new farms per year from 2010-2014 to 2025-2030. The chart indicates a significant increase in the number of new farms from 2020-2024 to 2025-2030. The number of new farms per year is as follows:
- 2010-2014: 5 farms
- 2015-2019: 10 farms
- 2020-2024: 30 farms
- 2025-2030: 40 farms

Legend:
- Sugar estate (10,250ha)
- Rice farm (3,000ha)
- Livestock and field crops farm (3,000ha)
- Medium mixed farm (300ha)
“Ready to go” projects identified

- Headquarters of family sector commercialisation programme, Planalto and progene seeds, Chimoio
- Central point of mango/lychee plantation zone
- Central point of banana plantation area
- Central point of citrus plantation area
- Central point of the honey production and collection project, it covers the majority of the corridor region

- Benga fresh produce supply venture
- Envalor limitada
- Chenez valley farm block
- Grown energy Zambeze
- Munda munda flood control/irrigation and planalto smallholder rice storage/milling/marketing project
A transformation by 2030
Regional integration – trade barriers

- Infrastructure – connecting the ‘missing links’
- One stop border posts – customs and immigration
- Visas
- SADC Free Trade Areas implementation
Thank you

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