

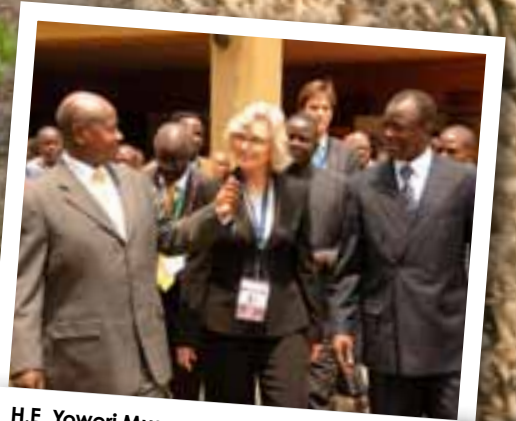
DIALOGUES

BUILDING BUSINESS BRIDGES WORLDWIDE

2ND SEMESTER 2010

EMRC's AgriBusiness Forum 2010

Food security: a business opportunity



H.E. Yoweri Museveni, President of Uganda and H.E. Emmanuel Nadingar, Prime Minister of Chad, sharing their visions in Kampala



Interview with Hon. Hope Mwesigye,
Uganda's Minister for Agriculture, Animal Industry and Fisheries
pg. 3

Review of AgriBusiness Forum held in Kampala
(3 to 6 October 2010)
pgs. 4-10

Next Agrotec Forum in Lisbon, Portugal (20-21 January 2011) - **pg.10**

Interview with H.E. Emmanuel Nadingar Prime Minister of Chad - **pg. 11**

Democratic Republic of Congo: time for reconstruction!
pgs. 12-15



Geoffrey C. Mrema
Director, Rural Infrastructure and
Agro-industries division, FAO

Promoting agribusiness and agro-industries development in Africa

Nowhere in the world is the need for increased focus on the development of agribusiness and agro-industries more apparent than on the African continent. If we consider for instance the level of agro-industrial value addition, we see that Africa still lags far behind other developing areas of the world, even in spite of the renewed economic growth and the improved macroeconomic performance of many African countries during recent years. We believe that this situation can and should be changed. For this reason, the focus of agribusiness and agro-industries work at the FAO has been increasingly turned to the African continent.

Indeed, the Food and Agriculture Organisation of the United Nations (FAO) advocates the promotion of agribusiness and agro-industries as one of the major means of fostering not only agricultural development, but broader socio-economic development as well. By this means it generates employment and income along the input supply, as well as the processing/distribution chains.

FAO development efforts in Africa are also carried out through field programmes, among which the Food Security through Commercialisation initiative, which is currently being implemented in 13 countries. They are also implementing many country-level projects on agri-food chain development in addition to being actively engaged in the provision of technical assistance, including capacity building and institutional strengthening activities.

An example of FAO's efforts in this respect is the important initiative launched in March 2010, in partnership with the African Development Bank, the UN Industrial Development Organisation (UNIDO) and the International Fund for International Development (IFAD) and under the umbrella of the African Union and NEPAD - the "African Agribusiness and Agro-Industries Development Initiative", or "3ADI". The 3ADI aims at increasing private sector investment flows into agriculture in Africa by tapping resources from domestic, regional and international financial institutions. It consists of a programme framework and an associated financial mechanism that together should bring a renewed impetus to the development of agro-industries in the continent. We appreciate the ongoing collaboration with EMRC, an institution that shares with us the goal of promoting food security in Africa through competitive, equitable and inclusive agribusiness and agro-industries.

Upcoming projects

- **Special Investment & Agriculture Forum in Chad**, co-organised with the Chadian Chamber of Commerce, Industry, Agriculture, Mines and Handicrafts (CCIAMA), N'Djamena, Chad, 8-9 January 2011
- **AGROTEC-EMRC International Business Forum: "Boosting Innovation in African Agriculture"**, Lisbon, Portugal, 20-21 January 2011
- **Africa Finance & Investment Forum (AFIF)**, May 2011
- **Agricultural Trade Missions: Promoting partnerships with India and Israel**, March & December 2011
- **AgriBusiness Forum**, October 2011

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Interview

Hon. Hope Mwesigye

Uganda's Minister of Agriculture, Animal Industry and Fisheries, Republic of Uganda

Kampala, October 2010



■ **Dialogues: What main benefits could the Ministry of Agriculture of Uganda draw from co-hosting the AgriBusiness Forum 2010 in Kampala?**

Hope Mwesigye: First of all, co-hosting this major forum was very exciting, as it is important to speak about food security and investment opportunities in our country specifically. The main benefit was to portray Uganda to foreign investors as a farming heaven in the heart of Africa. Since it is located on the Equator, there is hardly any winter or summer, and the daylight is constant all year round. Actually there are two rainy seasons and temperatures are mild, varying between 10°C at night and 30°C during hot days. So these comparative advantages towards our neighbours allow us to develop intensive agriculture. Our soils are very fertile, to the extent that until now, we are only using 1% of fertiliser for bigger plantations like sugar or tea. The Lake Victoria and the Nile River provide water for drier periods. Uganda actually controls 48% of the arable lands in East Africa. We can say that we are food secure; the problems that bring food insecurity have to do with distribution and these are issues that can be resolved. Indeed the



"Uganda actually controls 48% of the arable lands in East Africa; we can say that we are food secure."

countries that surround us offer a huge opportunity to export goods, so we consider our country a food basket for our neighbours. We already provide food to Rwanda, Tanzania as well as Southern Sudan, and the COMESA (Common Market for Eastern & Southern Africa) countries are next in line. So for me, this conference was extremely important since it comes at a time of food shortage worldwide, food prices soaring and its demand increasing. This forum represents an opportunity for us to boost the business around food production and it brought around 400 people coming from 41 countries: development agencies, researchers, businessmen, and potential investors.

Such initiative comes in parallel with the CAADP (Comprehensive Africa Agriculture Development Programme), signed in Maputo

in 2003 by all Heads of State of the African Union, whose principles are to invest at least 10% of the GDP in agriculture. That investment would grow the sector by about 6% per annum and would reduce poverty from now 28% to 8%. The CAADP has already been translated into development plans for 5 years, meaning from now until 2015, and Uganda is the first country to make projects ready for investment under the CAADP compact. This meeting comes at the right time, when we are sharing with the rest of the world what we have on our CAADP and what we need in terms of financial assistance, which concerns four priorities: first, increase productivity and R&D; second, have access to agri-inputs

and improved varieties of seeds; third, improve our irrigation technologies; and fourth, manage post-harvest solutions because we now lose 40% of our production due to mishandling. For that reason, we need to invest in warehouses, cold-storage systems, agro-processing, and value added chains.

■ **Dialogues: How does your Ministry contribute to improve the country's exports rate?**

HM: Our policy is to improve the access to markets. We entered the AGOA (African Growth & Opportunity Act) and EBA (Everything but Arms) agreements, the EU-ACP and now the Chinese and Indian markets, and they all need a lot of food supply. Therefore, issues of regulations, inspections as well as monitoring are very critical. We are also working to improve the policy framework in terms of

taxation or trade barriers related to agriculture. Finally, we promote capacity building and institutional development; we want to strengthen the agricultural training, the infrastructure for research capacities, and technical cooperation. You can thus realise that by doing so, the private sector has a crucial role to play. That is why we are encouraging Public-Private Partnerships.

■ **Dialogues: Talking about Public-Private Partnerships, what are the needs that you prioritise in order to develop agriculture, animal production and fisheries?**

HM: Actually, every area is a priority. For animals, we need to develop breeding techniques, in order to get better-shaped animals that yield more benefits. We are preserving our indigenous cows and also crossing some of them through an official body called NAGRI (National Agricultural Genetic Research Institute) that also deals with traceability. We are also importing semen. We are now going to process beef professionally, and we are helped by Norwegians in order to adapt our standards and enter the European market. In terms of crops, we have identified ten agro-ecological zones, and every area has its comparative advantages: some areas are compatible with coffee production, some others with tea, bananas, maize, rice, fruits

and vegetables. We've done this in order to have a more efficient production. Then we will gather farmers into associations, so that they can use this platform to resolve issues that affect them and address their worries to the government. In terms of fisheries, until now, we're doing almost only fish hunting, but we want to develop aquaculture, and so we're looking at caging, fish farming and fish ponds. We need to identify the specific species we can grow in order to obtain the maximum fish production, and to do so, we have created a training school. Finally, we are looking at food parks which will collect, package and eventually commercialise food products. We are now collaborating with two companies in this sector: Ambrosetti from Italy and Universal Empire, an Indian company. ■

EMRC AgriBusiness Forum 2010 in Kampala:

Food Security: a business opportunity



Following the success of the first AgriBusiness Forum held in Africa in Cape Town in 2009, EMRC successfully hosted the 2010 edition in Kampala, Uganda, in partnership with and under the patronage of the Government of the Republic of Uganda, represented by the Ministry of Agriculture, Animal Industry and Fisheries together with the Ministry of Tourism, Trade and Industry.

The conference was held from the 3rd to the 6th of October at the Munyonyo Resort situated on the amazing shores of Lake Victoria, Africa's second largest lake. Uganda was chosen as the host country for its excellent business incentives to attract foreign investment as well as the great example it provides of an agriculture-based economy.

The EMRC AgriBusiness Forum 2010 focused on "Food Security: a Business Opportunity" with the overall aim of boosting the African agro-food sector through the design, planning and implementation of diverse agricultural projects. The AgriBusiness Forum 2010 gathered over 400 participants from 42 countries and 5 continents, of which 26 were African countries, ensuring a robust representation of the African agribusiness sector. For 4

days, these industry leaders, cooperatives, SMEs, financiers, government officials, NGOs, researchers, international organisations, multinationals and donors from around the world put their heads together over the urgent matter of food security and its potential to generate business opportunities in Africa.

Ministers of several African States led business delegations to this year's forum including the President of Uganda, **H.E. Yoweri K. Museveni**, joined by **Hon. Hope Mwesigye**, Minister of Agriculture, Animal Industry and Fisheries and **Hon. Kirunda Kivejinja**, Third Deputy Prime Minister and Minister of Internal Affairs of Uganda; **H.E. Emmanuel Nadingar**, Prime Minister of Chad and his delegation that included the Minister of Agriculture, **Hon. Albert Pahimi Padacke**; and **Hon. Abou Sow**, Secretary of State for the Integrated Development of the "Office du Niger" area (Mali).

The AgriBusiness Forum 2010 programme was made up of ten plenary sessions and 5 workshops during which the panels of expert speakers explored numerous subjects relevant to the overall theme including: the challenges and opportunities for African agribusiness, capacity building, innovation, R&D, commercialisation, best practices, smallholders as an engine for growth, finance and investment in agricultural development, agro-food parks and corridors, value chain integration, post-harvest interventions,



water, trade, dairy, livestock and more. Two special country focuses took place, with the Ugandan delegation sharing their success stories and giving examples of Ugandan incentives for investment and the Chad delegation introducing the delegates to the myriad of agribusiness, investment and growth opportunities that are currently opening up in their territory. Proving yet again to be highly popular and an essential opportunity for business and partnership creation for all the delegates and organisations present at the forum, the tailor-made “Business to Business” sessions provided the ideal networking environment for facilitating cross-continental and inter-continental business.

The AgriBusiness Forum confirmed that indeed, Africa can play a very important role in improving food access while generating economic growth for the continent, and that food production can be increased thereby positively responding to the food production challenge of 2050: increase global food production by 70%.

EMRC was proud to have the President of Uganda, **H.E. Yoweri K. Museveni**, close the forum, wisely summing up the motivation for so many of the delegates in Kampala: “if one speaks about agribusiness or food industry, Africa is the place to be.”

In her closing speech, Vice-President and Managing Director of EMRC, Idit Miller, concluded the forum with a special thanks to the government of Uganda and pointed out that “the esteemed presence of His Excellency, President Yoweri Museveni proved, yet again, that food security is not only an urgent matter, but that our topic of elevating agribusiness opportunities in Africa is timely and our forum provided a much-needed platform for everyone present.”

All in all, the pan-African AgriBusiness Forum 2010 was a resounding success and enjoyed by all attendees. EMRC would like to thank all the delegates for attending and we encourage every nation and organisation to continue to be the change you wish to see around you. EMRC would also like to thank all the partners and sponsors of the AgriBusiness Forum 2010: the FAO and Rabobank, the Alliance for a Green Revolution in Africa (AGRA), USAID, Syngenta Foundation for Sustainable Agriculture, Novus International, Heineken, FARA, Stanbic Bank, Africa Enterprise Challenge Fund, KPMG, ProInvest and IFDC, the East African Community, Actesa, Comesa, the Government of Chad, the European Union, the Agribusiness Trust, Winrock International and the media for their support.

We look forward to organising the AgriBusiness Forum 2011 and to continuing to play an active role in increasing economic investment, development and growth in Africa through the growing of agribusiness partnerships. ■

EMRC Awards 2010



From right to left: Hon. Mwesigye (Ugandan Ministry of Agriculture) and Idit Miller (EMRC) offering the Award to About Sow (Office du Niger), in the presence of Kassoum Denon (Office du Niger).

Each year, EMRC recognises an individual whose actions have outstandingly impacted the African agribusiness development as well as benefited the local and regional socio-economic development. This year’s AgriBusiness Award winner is **H.E. Modibo Sidibe**, Prime Minister of the Republic of Mali, in reward for his “Rice Initiative” launched in 2008, with the objective of making Mali’s crop production self-sufficient by 2009.

The strategy put forward aimed at increasing the productivity of the different systems in the country through the intensification of production and government support. Between 2007 and 2008, Mali produced 1.082.384 metric tons (mt) of paddy rice. The ambitious “Rice Initiative” programme targeted 1.618.232 mt of paddy – thus nearly a 50% increase. The planned production target was enough to cover the country’s needs of 900.000 mt of decorticated rice and allowed a surplus of 100.000 mt for export to neighbouring countries.

For this major operation, the government subsidised the seed costs by 60% and fertilisers by 50%. To improve field monitoring, 102 community-based extension agents were recruited, trained and even given motorbikes during their inspections. Paddy production reached 1.624.436 mt, therefore surpassing the 50% targeted increase, to the great satisfaction of the entire country.



Syngenta Foundation for Sustainable Agriculture

The Syngenta Foundation's overarching goals are food security for all, sustainability, and agricultural transformation that helps close the gap between rural and urban incomes. The Foundation focuses on small-scale farmers services and agricultural technology, and links to markets with which they can improve their production and livelihoods.

We always work in cooperation with local partners. Our mission is to make a difference for smallholders in developing and "emerging market" countries. By assisting these farmers to become more professional growers, we aim to achieve added value for rural communities and improve food security in sustainable ways.

The Foundation works in ten countries on three continents. In Africa, our current projects focus on Kenya and Ethiopia. As a non-profit organisation working in public-private partnerships, we tailor our activities to local needs. In Ethiopia, we are involved in a project to improve yields of the nationally very important cereals called 'tef'. In Kenya, our work follows three main avenues: on the research side, we support the Biotechnology hub for Eastern and Central Africa (BecA) in Nairobi. In the area of agricultural extension, we run projects to raise smallholder productivity and market access. The third project-focus is micro-insurance: our "Kilimo Salama" programme enables smallholders to ensure the purchase of modern agricultural inputs against losses caused by drought.

Unlike a for-profit company, the Syngenta Foundation does not seek commercial advantages for itself. Our aim is to build and work in partnerships that bring maximum benefits to smallholders. This means combining the complementary strengths of each organisation. We believe that we are uniquely well-placed to create such partnerships. The Foundation is an independent body with close links to extensive private sector expertise and resources, and repeatedly proves its ability to bring together NGOs, government agencies, universities and international research institutes. One current example is the partnership brokered between the corporation Syngenta and the public research center CIMMYT. Its aim is to breed wheat resistant to Ug99 stem rust, a devastating fungal disease which threatens harvests in Africa and far beyond. ■



EMRC – RABOBANK Project Incubator Award 2010

Aimed at encouraging and inspiring development projects within Africa, the EMRC - Rabobank Project Incubator Award brings to life the inherent innovation and entrepreneurial spirit of the continent. EMRC together with Rabobank Foundation launched this initiative at the 2008 AgriBusiness Forum in Rome, to encourage entrepreneurs to submit project proposals in a more bankable format.

The Rabobank Foundation is committed to improving the lives of underprivileged and disadvantaged groups of people in society by providing them with the opportunity to live full and independent lives. Rabobank Group is an international financial services provider operating on the basis of cooperative principles.

At the Africa Finance & Investment Forum (AFIF) held in Paris at the end of 2008, a US\$10,000 prize was awarded to MUPECI, a Cameroonian micro-finance institution for its Soya project. At the AgriBusiness Forum 2009 held in Cape Town the prize was increased to US\$15,000 and the winner was the Coopérative Générale de Sepingo of Côte d'Ivoire for their cashew nuts project.

In order to be selected, projects need to respond to several criteria, among others they need to make a meaningful contribution to the development of rural communities, have cooperative involvement and of course be implemented in Africa.

The EMRC - Rabobank Project Incubator Award 2010 was awarded to **Maria Odido** for her **Bee Natural Uganda** project. Bee Natural produces **bee-related products** such as honey, wax and candles in Uganda since 2007. It employs 23 beekeepers and trains them towards improving their production methods and then links them to equipment providers to enable them to increase and improve productivity. The business wants to diversify into other products such as the processing of carrot and pineapple jam, as well as orange marmalade, and is working with Makerere University in this regard.

The runner-up winner, **Everlyne Cherobon**, was applauded for her Emeden project which promotes rural agribusiness and cottage industries through an integrated system of beekeeping, sunflower and aloe vera farming.



Maria Odido, presenting to the audience her "Bee Natural Uganda" project.



Perspectives

KPMG Development Advisory Services Africa: at the cutting edge of development

Despite having enormous potential, Africa has perpetually lagged behind other continents in development. Mother Africa –the cradle of humankind– holds so much promise but remains shackled by a myriad of challenges. For sustained development to be realised, Africans need innovative and partnership-oriented approaches to policy and programmes. Development aid business-as-usual will not be good enough. Changes are required at many levels in the way aid is designed, managed and implemented. Professional organisations have a very important role to play, since they are engaged with an work for the the key actors in Africa including governments, donors, the private sector and civil society, at regional, national and local levels.

KPMG remains steadfastly committed in rendering relevant support to Africa. Its commitment is underscored by the initiative to set up a specialised unit – the Development Advisory Services (DAS) – that is fully dedicated to offering the best possible advice to those key stakeholders. They have adopted a pan-African approach, employing full-time development experts within its DAS team, a network of champions across 20 African countries, and a large group of high-level associates.

Their team consists of over 150 ‘development warriors’ based across the continent with a rich and diverse professional background, coming from all spheres of society combining a diverse spread of prior work experience.

Their team professionals have worked in more than 50 countries and for over 25 of the largest bilateral and multilateral donors, the key regional organisations, multiple Governments as well as for large numbers of NGOs.

KPMG currently manages or supports some of the most innovative programmes on the continent, and even globally, such as: The Global Good Governance and Transparency Fund (GTF)

based in Sussex, UK; the African Enterprise Challenge Fund (AECF) in Nairobi, Kenya and their Southern and Western Africa offices; Trade Mark East Africa (TMEA) –that works in five East African countries: Kenya, Tanzania, Uganda, Rwanda and Burundi; the Land Community Fund in Mozambique (ITC) and the Accountability Programme in Tanzania (AcT). They believe that new approaches are required; that’s why the team spirit is all about doing things in new ways, in order to contribute to Africa’s growth and development. ■



Africa Enterprise Challenge Fund A true funding opportunity

The AECF is an “impact investor”, meaning it aims to contribute to poverty reduction in Africa by supporting private sector companies to develop, test and deliver innovative business ideas in agribusiness, rural financial services, renewable energy and adaptation to climate change across the African continent. The success of the AECF will be measured in terms of increased incomes and jobs for large numbers of people living in Africa’s rural areas.

instance, a company that applies for US\$ 1m from the AECF must provide at least US\$ 1m from its own resources to contribute to the project. The AECF provides “patient” capital that leverages in company and commercial funding to make projects happen, which otherwise would not.

So far, the Fund has run 7 competitions and has a further 4 currently operating. It has received over 1.600 applications and funded about 50 business ideas. If successful, these projects will benefit to more than 2,5 million rural poor people.

The AECF is unique because the response from the private sector has been greater than any previous challenge fund and the number of good business ideas that the fund has surfaced far exceeds previous experience. The AECF’s marketing approach has been very pro-active and its

way of working business friendly. Its operational efficiency has set it apart from its predecessors.

Competitions are open to all countries on the African continent and previous ones concerned Zimbabwe, Tanzania and fragile states. The AECF is a flexible platform that can be used to run competitions for any sector, region or country as requested by its funders. It is not clear yet which countries will follow in the footsteps of Zimbabwe and Tanzania... 2011 will tell! ■

The AECF manages competitions for the private sector to receive funds. Each competition has set starting and end dates, specific eligibility, selection criteria, and a transparent process to choose which companies and business ideas will be supported.

The AECF provides grants and interest-free non-recourse loans up to US\$ 1,5million per company. The applicant companies have to at least match their requests to the AECF with funding from their own or third party resources. For



NOVUS Giving women a chance

Novus International Inc. collaborates with partners in civil society around the world whose work aligns with the Novus Vision “To Help Feed the World Affordable, Wholesome Food”. Last year, Novus became the first private-sector company in the United States to sponsor the African Women in Agricultural Research and Development (AWARD) program and the first organisation to host a U.S. placement of an AWARD fellow. AWARD seeks to advance the careers of African women in agricultural research.

AWARD is a uniquely accessible program in that there is no age restriction. This is important because the majority of similar programs restrict participation to women up to 35 years old. Due to family responsibilities, many African women must leave school or the workforce, and are not in a position to return until later in life. Because the AWARD program has no age restriction, participating women have the opportunity to re-engage in and add value to the industry in meaningful ways. Novus has committed, over the next five years, to ten externships, hosting a fellow at one of their global research facilities.

In October 2009, Novus welcomed their first AWARD research fellow, Mena dos Anjos, a Senior Lecturer in Animal Nutrition at the University of Mondlane in Mozambique. Mena holds a Master of Science degree in Veterinary Medicine with a specialisation in poultry production and health from the Royal Veterinary and Agricultural University in Denmark.

Mena worked at Novus on a project to enhance locally available dried peas to create a more feasible and low-cost feed alternative for poultry. She has collaborated with researchers at Novus to understand the nutritional balance requirements when utilising these locally available ingredients.

After completing the program, Mena returned to her academic position in Mozambique. She will work to attract more young people to animal nutrition research, and she is applying the research she worked on at Novus. In her own words: “My goal is to help Mozambique’s farmers produce more poultry at a lower cost, raising incomes and increasing food security.” For more information on AWARD, visit www.gender-iversity.cgiar.org. ■

Stanbic Bank Proudly Ugandan

As Africa’s largest financial services provider, Stanbic bank’s parent company, Standard Bank Group, is expanding within 18 countries in Africa and 21 outside Africa, including all major financial centres of the world. These synergies place Stanbic Bank in a unique position to address customer needs whatever size, description or geography.

Uganda is well endowed with a favourable climate and fertile soils, giving it tremendous agricultural opportunities. The country is able to grow two seasons of crops per year giving it a great advantage in food production for self sufficiency and for export. In view of this, if farmers are appropriately supported through better agricultural production methods and financing, Uganda has the potential to become a food basket, not only for Africa but the world at large.

The instability in the neighbouring Great Lakes region has left some of these countries insufficient in food production, hence relying on Uganda to meet their food needs. These coupled with Uganda’s own few semi-arid areas create a ready market for Uganda’s agricultural products.

Stanbic Bank has strategically positioned itself with specific products targeting agricultural financing, which among others include:

- The SBU, AGRA and Kilimotrust Agribusiness loan Scheme
- The Bank of Uganda Agricultural Finance Scheme
- Agricultural Machinery and Equipment Leasing
- Agribusiness Loans

In addition to the above, creating a specific department to handle agricultural financing has placed Stanbic Bank at a vantage point in financing agriculture in Uganda, since producers are organised in Associations or Cooperatives, thanks to traders, processors and exporters using one or a combination of the above mentioned products.

Top of the list in terms of priority for investments of Stanbic Bank is agriculture, since it’s the highest employer and the 2nd largest contributor to Uganda’s GDP. Uganda still has opportunity sitting in the unbanked and under banked segments of the market and it is Stanbic Bank’s intention within the next 3 to 5 years to focus on establishing effective solutions and products that serve the needs of this end of the market. ■



Interview

Dr Namanga Ngongi

President, Alliance for a Green Revolution in Africa (AGRA)



The Alliance for a Green Revolution in Africa (AGRA) was launched in 2006 to become an agent of social and economic transformation in Africa.

Its two founding partners, the Rockefeller Foundation and the Bill & Melinda Gates Foundation, have been joined by a remarkable number of high-profile stakeholders aiming to achieve a uniquely African Green Revolution.

They include, among others, the African Union's New Economic Partnership for Africa's Development (NEPAD), the Consultative Group on International Agricultural Research (CGIAR), the African Development Bank (AfDB) and the UK's Department of International Development (DFID). AGRA's board is chaired by Mr. Kofi Annan, former Secretary-General of the United Nations.

■ Dialogues: What is AGRA's overview of the current global food crisis, and what role does it play in finding solutions to curb the problem?

Namanga Ngongi: Quite simply, Africa does not produce enough to feed its people. Lacking an abundance of good seeds and healthy soils, African agriculture has fallen far behind that of every other continent. Africa's farmlands yield one-quarter of the global average.

The main problem is not a lack of technology. It is that national governments, and multilateral institutions, have not invested enough in basic programmes and infrastructure that will turn smallholder farming into a viable economic enterprise. Agriculture receives, on average, just 4 to 5 percent of African national budgets. In addition, investments in agriculture from outside Africa have declined significantly over the past 20 years.

AGRA's integrated approach to agricultural change spans the entire value chain, putting in place synergistic programs to transform smallholder farming.

■ Dialogues: What is the strategy of the "green revolution" and how do you adapt the concept to Africa?

NN: AGRA has developed a comprehensive plan to transform African agriculture through integrated programs in seeds, soils, market access, policy, and partnerships, combined with innovative financing. Together, these innovations will trigger sustainable change: a green revolution for Africa.

Our work is highly focused. AGRA's efforts began by assembling a critical mass of resources in places where there is the best chance of success – the breadbasket regions of Africa. These areas have relatively abundant rains, good soils and infrastructure, and many smallholder farmers. With smart planning and sound investment, they can change from being areas of chronic food insecurity to breadbaskets of productivity.

■ Dialogues: Which achievements are you most proud of and what piece of advice would you give to smallholder farmers in order to increase their income?

NN: Working with partners to support agriculture along the value chain which includes: training of scientists, multiplication and dissemination of seeds, linking farmers to markets, access to finance and an enabling policy environment. These are all critical interlinked ingredients that assure us of success.

Farming is a business. Agriculture, irrespective of the size of the farm, generates business. And every entrepreneur, whether it is a smallholder farmer or a large commercial farmer, needs to feed his family and get an income from his farm. For this to happen, farmers

need to look for solutions and demand for services that will help them achieve this.

■ Dialogues: How did your attendance at the Kampala Forum help raise awareness on your activities, and what are your wishes for the future development of the Alliance?

NN: Opportunities like the AgriBusiness Forum in Kampala advance the cause of a green revolution for Africa. We have the land, the soil, the water resources, the energy, the experience, and we are improving the tech-



According to the principles of the Comprehensive Africa Agriculture Development Programme (CAADP), signed in Maputo in 2003 by all Heads of States of the African Union, at least 10% of their GDP are to be invested in agriculture. Such investment would grow the sector by about 6% per annum and would reduce poverty from now 28% to 8%.

nologies needed to end the undernourishment that today affects nearly one in every three Africans.

This is the commitment and vision of AGRA. By investing in smallholder farmers through improved knowledge, better technologies, access to credit, and through partnerships large and small, we are empowering a new generation of agricultural entrepreneurs. Working across the entire agricultural value chain, we can make a difference in the life and livelihood of hundreds of millions of Africans. ■

Improving rural household incomes

In rural Uganda, USAID LEAD project is working to improve household incomes and food security by integrating farmers and related small and medium-size enterprises (SMEs) into market-led value chains to increase their productivity, trade capacity and competitiveness. Using the Farmer Field School (FFS) methodology of technology transfer, the project has trained over 498,000 smallholder farmers in crop production, post-harvest handling and farming-as-business management, helping them move from subsistence to commercial farming. As a result, 203,505 hectares of land are under improved management practices and 703,519 metric tons of targeted agricultural commodities have been produced.

Via public-private partnerships with 42 agriculture-related private companies and associations, the project has linked nearly 270,000 producers to agro-input dealers, processors and traders. These linkages, along with direct LEAD TA support and other initiatives have resulted in US\$ 944 million in exports and 75,799 new on- and off-farm jobs. USAID LEAD has also put in

place Development Credit Authority (DCA) loan guarantee facilities for three financial institutions to help farmers access business finance. USAID LEAD has assisted three financial institutions through cost-sharing grants to open branches in hard-to-reach rural areas and established over 500 Village Savings and Loan Associations (VSLAs) and provided training to ten Savings and Credit Cooperatives (SACCOS) to improve the bankability of rural producers. Over 150 farmers have accessed loans and 26,876 farmers have opened savings accounts with LEAD's partner financial institutions. Using structured trade finance, USAID LEAD is supporting millet growers to export their produce to Unga Ltd in Kenya.

To increase the competitiveness of Uganda's coffee in international markets, USAID LEAD developed Fine Robusta Coffee Protocols, a standardised method of differentiating Robusta quality on world markets. The protocols are expected to increase Uganda market share and garner premium prices for Robusta coffee producers.

The Orphans and Vulnerable Children's (OVC) component has supported households of 19,496



OVCs in Northern Uganda to boost their agricultural productivity and food security. This included social and technical support like the provision of training in life skills and improved agricultural inputs to OVC households. ■

Note: The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development (USAID) or the United States Government.

AGROTEC-EMRC International Business Forum 2011

Boosting Agricultural Innovation in Africa

Venue: FIL – International Fair of Lisbon, Portugal

20-21 January 2011

Lisbon is set to host the 1st edition of the AGROTEC-EMRC International Business Forum - the meeting place for the international agribusiness community to debate the important theme of Boosting Agricultural Innovation in Africa. Co-organised by EMRC and the Portuguese Industrial Association / Business Confederation (AIP-CE), the forum will take place at FIL (International Fair of Lisbon) from 20 to 21 January 2011. EMRC's objective is to contribute to the sustainable growth and development of the agro-food and agro-industry sector through the pro-

motion of business partnerships with and across Africa. Around 250 delegates are expected from the private and public sectors of Europe, Africa, the Middle East, Latin America, Asia and the USA. Delegates include entrepreneurs, farmers, development organisations, micro-finance institutions, researchers, bankers, NGOs, project developers, donors and agricultural experts from around the world.

AMONG THE PARTNER ORGANISATIONS:

FAO - Food and Agriculture Organisation of the United Nations; ITC - International Trade Centre; KPMG; IFC - International Finance Corporation – World Bank; PROINVEST (EU); INSEAD Business School; FMO - Netherlands Development Finance Company; EMBRAPA Brazil; African Development Bank; AIA - Industrial Association of Angola; FARA - Forum for Agricultural Research in Africa





Interview

H.E. Emmanuel Nadingar Prime Minister, Republic of Chad



Kampala, October 2010

■ **Dialogues: The AgriBusiness Forum 2010 in Kampala devoted a special session to Chad in order to present its investment opportunities. What are the key messages that you wanted to address during this international conference?**

Emmanuel Nadingar: The forum that just took place inspired us in our own projects in Chad, given our large projects in agriculture and livestock industries. Despite the resources that exist in our country, the territory and the fertility of our soils, some farmlands are not yet valued. Our country is known for being a cattle-raising country and full of water. So Chad has some strengths, but it must be said that the troubling times experienced by Chad have disrupted the development of agro-pastoral activities. In addition,

weather disruptions have not brought the rains needed for optimal farm, and so overall, given this situation, we can say that Chad is in need of food resources.

■ **Dialogues: What are, for Chad, the priority areas in agricultural development?**

EN: Led by the Head of State, H.E. Idriss Déby Itno, major projects are under consideration: land development, acquisition of farm equipment to cultivate large fields, the purchase of seeds and fertilisers to increase production. The Chadian government has taken steps to enhance the arable areas, and the 2010 target for the country is precisely to make 20.000 hectares of land cultivable. In addition, we need to process our commodities, on both agricultural and livestock sides.

Chad's prospects in the area of livestock are

huge because the slaughter of cattle and sheep herds can transform our derivatives, whether using the flesh, skin or horns: everything can be exploited. Chad considers this sector as a priority and invests considerable resources in this area, but given the emphasis on the population's needs (population has almost doubled in the last 20 years, from 6 million in 1993

used to irrigate the land. At farm level, we are currently conducting an identification of livestock and structuring farmers' organisations. We want to achieve food self-sufficiency, but we also believe that Chad may become a country of first order in terms of agriculture, and achieve the status of a food provider as when it fed a number of countries in this sub-region.



The National Programme of Food Security (PNSA) aims at improving agricultural mechanisation in Chad; tractors are being built in a factory in N'Djamena, thanks to the financing of the Indian Government's "Team-9" initiative.

to 11 million in 2010), promoting the sector through adequate funding is our primary duty. Therefore, you understand our interest in participating in the AgriBusiness Forum 2010 to find financial and technical partners that can help us meet these challenges.

■ **Dialogues: The resettling of peace in the country has helped launch some programmes, including the multi-sectoral program of food security. What are its main features?**

EN: The current phase focuses on finding foreign financing for infrastructure development, equipment and buying inputs. We want to produce enough for the present population, and subsequently improving agricultural mechanisation. We also collaborate with India to give us tractors and pumps, which will be

partners must realise, first hand, the atmosphere and the current climate in our country. In the background, this forum would allow people to understand that Chad is embarking on the path of democracy.

Today the press is free, political parties express themselves without restraint and the electoral process is initiated, paving the way towards good governance. As I am speaking, we have brought former members of the government to court. Then, Chad has a lot to show: its potential in mining and oil resources are two good examples. Nevertheless, traditional industries like handicrafts, agriculture, livestock and fisheries should be able to modernise. Ultimately, we want people to understand that Chad has changed, that it cares for its development, and that it is time to invest at this stage of reconstruction. ■

Democratic Republic of Congo:

TIME FOR RECONSTRUCTION!

DEMOCRATIC REPUBLIC OF CONGO

Capital: **Kinshasa**
Official language: **French**



- Currency: **Congolese Franc**
- Exchange rate: **1€ = 1.192 CDF**
1US\$ = 900 CDF
- Government: **Republic**
- President: **Joseph Kabila Kabange**
- Area: **2.345.000 km²**
- Population 2008: **66 million**
- GDP 2008: **US\$ 11,1 billion**
- Inflation: **16,7% (2007); 18,0% (2008); 44,2% (2009)**
- Goods Exports (%GDP): **34,1%**
- Natural Resources: **Almost any mineral (especially Copper, Diamond, Gold, Uranium, Bauxite, Coltan, Cassiterite, Coal, etc.); petroleum and natural gas (exploration phase)**

The country just celebrated its Golden Jubilee of Independence last June, and despite the President's efforts to implement the "five major public projects" launched last year -Infrastructure, Health & Education, Employment, Housing, Water & Electricity - the population still suffers from a weak purchasing power, poor health conditions, energy shortages and food insecurity.

Indeed, the country's economic growth slowed down to 2,5% in 2009 (from 6,2% in 2008) owing to structural problems and the effects of the world economic and financial crisis. It mainly affected the country through shrinking trade and foreign direct investment (FDI) because of lower world demand and a drop in prices for the DRC's main exports. Growth should recover to 6,5% in 2010 and 8,8% in 2011 as the world economy picks up, debt relief is granted, reforms are made and an agreement with China to build infrastructure in exchange for mining concessions to a Chinese-led consortium goes ahead.

The macroeconomic structure came under great strain in 2009 because of the international recession. The trade deficit grew, government revenue fell, the central bank had to finance the budget deficit, the Congolese franc (CDF) lost 45,2% of its value against the US dollar (USD) and inflation averaged 44% over the year. The government tightened the budget to restore macro-economic stability and, with foreign help and spending cuts, the public deficit was reduced by the end of last year. The government made various reforms and took steps to improve the business climate, setting up a "Doing Business" steering committee. Great progress was made towards joining the African Business Law Harmonisation Organisation (OHADA).

Mobilising domestic resources remains a big challenge for the government. Public revenue greatly increased between 2001 and 2009 but not enough to meet spending and development needs. Tax collection and management is well below capacity and held back by major structural flaws.

The government signed a new agreement with the International Monetary Fund (IMF) in December 2009 under the Extended Credit Facility (ECF) after amending its agreement with China. The DRC may reach completion point under the Heavily Indebted Poor Countries (HIPC) Initiative by 2011 and so qualify for the Multilateral Debt Relief Initiative (MDRI).

Strengthening and Dynamising its Foreign Policy

The political and social situation was calmer in 2009 but remains fragile. Violence continues to plague the East of the country, especially targeting women, despite peace agreements and joint operations by Congolese, Rwandan and Ugandan troops to hunt down remaining rebels. Despite the fact that the DRC strengthened its position internationally and within regional organisations, the economic crisis made life tougher for the population and the chances of achieving the Millennium Development Goals (MDGs) by 2015 faded*.

That is why Dialogues proposes to meet two personalities -from private and public sectors- in order to share their points of view on the current situation, and promote their partnership needs: Mr Mwemena, Hon. Director of SADER, an agribusiness company in Katanga, and Mr Massampu, CEO of SNEL, who will expose the energetic needs of such a vast country. ■

*Source: African Economic Outlook, which combines the expertise of the African Development Bank, the OECD Development Centre, the United Nations Economic Commission for Africa together with a network of African think tanks and research centres.



Interview

Nestor Mwemena Kamabwe

President of SADER, Democratic Republic of Congo

Kinshasa, May 2010



■ **Dialogues: What is the scope of SADER activities and the company history, leveraging on the agricultural future of the Democratic Republic of Congo?**

Nestor Mwemena: SADER started in Kinshasa in 1995 with two activities: road transportation between Kinshasa and Kikwit, and business consulting. Following its significant investment in the province of Katanga in 1996, SADER embarked as farm operator with Gecamines based on a contract to operate the agricultural concession of Kasonga.

The operation of a 1.200 hectares area for a period of three years allowed selling tractors, agricultural inputs and various equipments. Unfortunately, the first two activities were interrupted in 1998 because of looting and the economic crisis put an end to the commercial sales branch in 2000. At the end of

the sharecropping contract with Gecamines in 2000, SADER acquired its own agricultural concession, covering an area of 5.000 ha in North-West of Likasi in Katanga Province. So far, SADER still grows corn on 1.500 hectares, and assists the surrounding farmers through the promotion and creation of rural cooperatives.

Since its inception, SADER is also involved in civil engineering, construction and electricity. We have conducted several electricity studies and work, infrastructure rehabilitation, construction of dispensaries and public latrines. SADER is a private multidisciplinary company whose main objective is to promote the welfare and development of populations.

■ **Dialogues: What are your needs to grow and become a major agribusiness company?**

NM: At least 80% of the Congolese population live in rural areas, in a very precarious

situation and extreme poverty, despite the agricultural and energy potential: only 17% of the population have access to drinking water, 10% to electricity and 64% live in makeshift homes. To meet the demands of the people, our greatest needs are financial, technology transfer, partnerships with external expertise and support from the Congolese government and private or international funders.



■ **Dialogues: What is your opinion of the food sector in Congo, and the role of the private sector to boost it?**

NM: For the past thirty years, this industry has known several difficulties, including market access, production of quality seeds, storage and disposal of products, and finally food processing. Moreover, conflicts have drastically reduced the available agricultural labour force. Therefore, the food sector in the DRC is experiencing weaknesses in productivity, re-

“ Given the demonstrated deficiency in meat and in order to ensure a balanced diet to the population, SADER gives a priority to a project of producing a million chickens a year through a fully integrated system. ”

sulting in increased imports of essential commodities, declining agricultural exports, and hence food insecurity.

Despite favourable natural conditions, the agricultural sector was reduced to subsistence activities for some decades.

About 97% of arable land in the DRC has a season cultivation of six to eight months in the year. In addition, the country has about 135 million hectares of farmland, representing 34% of the country, where less than 10% only are highlighted, which is extremely small. Ultimately, the secondary sector is very underdeveloped and characterised by a strong state presence, thus marginalising the private sector.

Most companies are public or mixed, often with a majority share of the state. Despite the ongoing privatisation process, the state remains the dominant operator in most economic sectors. At the current stage of globalisation, liberalism, and regional integration, the private sector suffers from a lack of competitiveness against foreign products because of supply difficulties and the small domestic market.

■ **Dialogues: What are your priorities and future developments**

that will enable SADER to contribute to the poverty reduction in the DRC?

NM: Food self-sufficiency involves both quantitative approach - ensuring that each individual has enough food to meet his needs - and qualitative approach - balance ratios to provide enough basic nutrients to the body.

Given the demonstrated deficiency in meat and in order to ensure a balanced diet to the population, SADER gives a priority to a project of producing a million chickens a year through a fully integrated system. Indeed, this project includes the corn and soybean production, the operation of chicken breeders farming, hatcheries, broiler farm and the entire system of slaughtering and processing chickens. The

cost of the integrated project is about US\$ 14 million, whose funding is to be sought. Based on existing studies, this project gives off a good financial return with a debt service ratio of 9,33%. We hope this project can soon start to get the country out of the food crisis. ■



Interview

Daniel Yengo Massampu

CEO of SNEL (National Electricity Company)
Democratic Republic of Congo

Kinshasa, May 2010



■ *Dialogues: Four years after the Presidential elections, the Democratic Republic of Congo sends a message of peace and modernity to the international community. The National Electricity Company is a key actor in the economic development of the country, as its role precisely consists in supporting this process. Which appraisal would you draw up about these 3 years at the head of SNEL and what are your priorities for the future?*



An airview of the two huge Inga dams.

Yengo Massampu: As a whole, the situation evolved positively. Let's take a metaphor about the weather: if it is minus 20°C and that you heat the room to reach minus 5°C, the temperature is still under zero degrees, although it is a huge progress... This summarises somehow our situation: we started from very low and make continuous efforts to stabilise technical management parameters while controlling our financial resources. As a result of our administered tariffs, the cost per kWh is too low to be profitable, which is a problem.

Second problem: our customers. The State and public enterprises consume nearly 50% of the electricity we produce, but unfortunately they are bad payers. Facing these difficulties in payments from the State, the President of the Republic obtained from donors -the World Bank and African Development Bank- to pay for the State's energy consumption during 2009.

A first part has been paid over six months, from January to June, and the remaining part is being paid by the AfDB at this time. So this contribution is an important factor for us since it allows us to initiate more quickly the process of modernisation.

In addition, we distribute energy proactively, according to the President's wish to provide more comfort in remote places where electricity does not exist. Our role is therefore to pay attention to the poor, but we need the means to implement this social policy.

From a technical standpoint, we are also evolving as we rehabilitated power plants, and signed contracts with partners to increase their output. We have increased the plants at Zongo, Entilo and Kolwezi, to name but a few. In addition, we rehabilitated plants like N'seke, Katanga, and we are in PPP with a multinational company to restore a group in Inga 2 until the World Bank programme comes and takes it over. Concerning that, we talk mostly about potential since some funds that have been mobilised experience disbursement rates of 6% only. So a lot of patience is needed to try to evolve. However, our needs are huge and urgent. Regarding power transmission, we improved the Inga-Kolwezi axis by establishing partnerships with mining companies, whether French or Canadian.

■ *Dialogues: The 10th European Development Fund has been granted last May to the DRC, which is an allocation of around 300 million Euros. What is the scope of your needs, which justify these resources granted by your sponsors?*

YM: The electrification rate of the DRC is unfortunately close to 10%. This is catastrophic

for a country of sixty million inhabitants. The needs are enormous in the energy sector. Even if we rehabilitate production facilities as Inga, they cannot serve everyone, and we must develop other energy sources. The idea is to introduce micro-power centers across the Republic, to have small associated networks, which will add value to the sanitation of distribution centers in large cities.

On the other hand, we have an almost permanent sunshine, so we could build solar power stations. We also discovered a large reserve of gas in the East, in the province of Kivu. Rwanda has already established a small plant of about 5 MW, which would supply Goma or Bukavu. We would like to install power plants of 10-20 MW and a platform of 200 MW that would reduce a little bit our big deficit on this Eastern part of the Republic. Finally, the oil reserves in the basin of the coastal zone could also supply gas to produce electricity.

In conclusion, we now focus on serving the large towns and rehabilitating machines that are stationary. Among these priorities, the implementation of micro-hydropower plants and installation of gas-powered and even solar energy stations could provide pathways for the future.

■ *Dialogues: What is the status of the Inga project, which would allow not only to produce electricity for the country but also to sell power abroad?*

YM: Nature has been very generous on the development of the Inga site, because it allows us to fit into electrical energy in a phased manner, without destroying the previous implementations. The transition from Inga 1 to Inga 2 was therefore carried out in an additional way.

Moreover, according to the pre-feasibility studies, Inga 3 could provide a power of 4.320 MW and we are now at the stage of seeking funding. Operators such as BHP Billiton are also interested. If we completely rehabilitate Inga 1, Inga 2 and the central Zongo, we have more or less 1.800 MW. The extra, it's true, may be exported. But this would consist in



Images © Frederic Joubert

only 10% of the site's capacity, which could go up to 4.400 MW with 52 machines.

We also have two major projects in Katanga also awaiting funding, although one of them has almost already got a Chinese financing: the Busanga project. But with the European Union, we're also developing the North-Kivu to Katanga binding, and making it going back to Goma in order to join the network that comes from Uganda. In North Kivu, we also have significant hydro-electric sites that we can develop, apart from gas operations.

On the other hand, we are almost absent from the Eastern province, as its small plant can barely meet the needs of the city of Kisangani, and therefore we do not even think about the development of other areas of this province. Before all this, we must conduct studies to determine the economic viability and know where we will put the power unless we have signed agreements for sure

with neighbouring partners, or other mining operations that are also clearly present in this area.

But this does not necessarily consist in bringing international investors; we must also identify good regional partnerships. Indeed, after the reconciliation between the Heads of State

“ **From a technical standpoint, we are also evolving as we rehabilitated power plants, and signed contracts with partners to increase their output. We have increased the plants at Zongo, Entilo, N'seke and Kolwezi, to name but a few.** ”

of Uganda and Congo, we developed the Aru site in collaboration with Uganda in order to promote the electricity connection of border cities.

■ *Dialogues: According to you, as CEO, what are the most important values to infuse to one's staff?*

YM: A manager must be attentive to his staff and visionary enough in order to pave the way everyone will have to follow. He will also address priorities which form the basis for development, and prioritise actions that are sources of spillovers. Finally, it is important to adopt a strict discipline in financial management. Overall, management should be appropriate to

better allocate the resources we have and achieve the results we discussed earlier.

When we see the Head of State's will to actually move forward, for instance by declaring this year a social one, and agreeing to prioritise the energy sector, it is a strong signal that the investors should notice.

Up to now, the authorities trust us, so we are obliged to respect and honour our commitments. Improving the rate of electricity service is our priority and we will reach that goal. This will give a note of hope to the people and we are confident that comfort brought to the population will gradually be a source of development by itself. ■

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International Business Forum



Boosting Agricultural Innovation in Africa

20-21 January 2011, Lisbon – Portugal



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