# **CONFERENCE REPORT**

# AFRICA FINANCE INVESTMENT FORUM 2012

17-19 Jun<u>e 2012</u>

Rabobank Headquarters, Utrecht, The Netherlands & Floriade - Venlo, The Netherlands

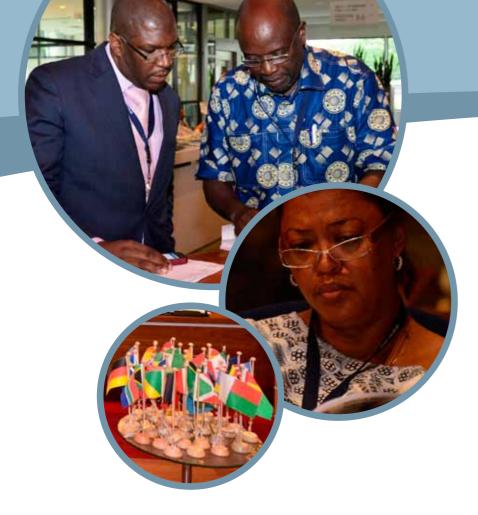




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AFRICA FINANCE & INVESTMENT FORUM 2012

Financial inclusion through SMEs & Cooperatives



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### → Acknowledgements

This publication is the report of the Africa Finance & Investment Forum (AFIF 2012), which was held in The Netherlands from the 17th to the 19th June 2012. The Forum was promoted and hosted by Rabobank and organised in collaboration with FoodFirst-Floriade, Heineken, FARA, FMO, Oikocredit, Amiran Kenya, and IFAD. We would like to extend our sincere thanks to these organisations, as well as to Hivos and VC4Africa for sponsoring the Project Incubator Award 2012.

AFIF 2012 enjoyed a significant turnout, with almost 250 participants from 37 countries around the globe, including 25 sub-Saharan African countries. Delegates came from a wide range of economic sectors and included SMEs, financiers, bankers, government officials, consultants, NGOs, researchers, international organisations and donors.

#### → Preface

The Africa Finance & Investment Forum (AFIF) is one of EMRC's showcase events, aimed at strengthening the private sector in Africa, by encouraging partnerships and attracting investments. The Forum is designed for entrepreneurs interested in securing finance for their projects, for investors (private and institutional) looking for projects, as well as for policy makers, financiers and bankers.

AFIF has become a permanent feature on the conference circuit centred on African affairs and the role of the finance sector in the continent's sustainable development. The Forum is a combination of Plenary Sessions, Workshops, Pre-organized B2B Meetings and Informal networking activities.

EMRC International is most grateful for the active participation of delegates, speakers, sponsors and partners in the 2012 edition of the Africa Finance & Investment Forum (AFIF), hosted and promoted in collaboration with Rabobank.

During the three-day forum, the appropriate financial tools to ensure the growth of the SME and cooperative sectors in Africa were highlighted as well as the role that commercial banks, development agencies and other organisations can play in providing the necessary tools for this sector to expand and become more sustainable.

#### → EMRC's Goals and Mission

EMRC is an international organisation whose mission is to promote sustainable economic development in Africa through the growing of business partnerships, with a specific focus on economic and trade relations with the private sector. EMRC includes a vast network of entrepreneurs, financiers and officials from over a hundred countries around the world.

In order to achieve its mission, EMRC develops the following initiatives:

- Africa Finance & Investment Forum AFIF
- The AgriBusiness Forum, which takes place annually and attracts around 500 experts and decision makers including private entities, financiers, donors, multinationals, researchers, governments, international organisations, NGOs and consultants from all over the world. First held in Europe, and now taking place annually in an African business hub, each edition of the forum revolves around a core theme that tackles the challenges and opportunities in the agro-food sector. The 2011 edition took place in October 2011 in Johannesburg, and was co-organized by EMRC and the UNDP, with the collaboration of FAO and Rabobank. In 2012, the Agribusiness Forum will take place in West Africa in November.
- Special Forums, Agricultural and Economic Missions EMRC promotes country visits organised with the goal of promoting inter-regional relations. The EMRC team accompanies a group of decision makers from the public and private sectors across Africa to meet their counterparts in other countries. The missions consist of site visits, knowledge-exchange sessions and business-to-business networking.

Two key components of EMRC events are the Project Incubator Award, and the B2Bbusiness to business meetings.

The **Project Incubator Award** is an EMRC initiative launched in 2008 at the headquarters of the Food and Agricultural Organisation of the UN (FAO) in Rome. The award aims to encourage innovation and entrepreneurship in Africa among small and medium-sized enterprises (SMEs). Held in conjunction with our two main business forums (Agribusiness & AFIF), a call is sent out for entrepreneurs to put forward their project proposals. Finalists present their business projects during the forum's plenary session and the winning project is announced at a gala event which forms part of the Forum proceedings.

The business to business (B2B) meetings allow participants of the Forums to forge partnerships and establish business links. EMRC has a large client base of African companies and financing institutions, international and bilateral organizations, NGOs and foundations working in Africa. The B2B meetings are a critical part of each forum, and are often listed by delegates as the highlight of their participation in EMRC Events.





#### → Rabobank's Goals and Mission

Rabobank Group is a full-range financial services provider that operates on cooperative principles. Its origins lie in the local loan cooperatives that were founded in the Netherlands over 110 years ago by enterprising people who had virtually no access to the capital market.

Rabobank Group is comprised of independent local Rabobanks together with Rabobank Nederland, their umbrella organisation, and a number of specialist subsidiaries. Overall, Rabobank Group has approximately 59,700 employees (in FTEs), who serve about 10 million customers in 44 countries. Rabobank Group combines the best of two worlds: The local involvement and personal touch of the local Rabobanks, with the expertise and economies of scale of Rabobank Nederland and its subsidiaries. In terms of Tier I capital, Rabobank Group is among the world's 30 largest financial institutions. Rabobank is consistently awarded a high rating by all rating agencies.

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. In line with Rabobank's own co-operative background, the Rabobank Foundation focuses specifically on establishing and promoting co-operative savings and loan systems as well as farmers' Producers Organisations to stimulate economic development.

#### → Introduction

In line with the United Nations' "International Year of Cooperatives", AFIF 2012's theme was entitled "Financial inclusion through SMEs & Cooperatives". The Forum was hosted by Rabobank, and organised in collaboration with FoodFirst-Floriade.

The 'cooperative way' of doing business is increasingly being viewed as a sustainable way to ensure economic growth and stability in emerging markets, especially since the global financial meltdown has led decision-makers to consider alternatives. Considering encouraging Africa's positive economic performance and growth rates over the last few years, AFIF 2012 provided an ideal platform to highlight and showcase Africa's achievements over recent years, but also its potential as an economic powerhouse in the 21st century.

The Forum was attended by a large contingent of participants from 4 continents, mostly from Africa. One of the highlights of the event was the presentation of the Project Incubator finalists and the announcement of the winner at the Gala Dinner. Anastácio Roque Gonçalves, of CESACOPA Angola, was named the Project Incubator Award winner. The other Project Incubator Award nominees came from Cameroon, DR Congo, Uganda and Senegal.

A distinctive feature of this forum was the organization of a series of business-to-business (B2B) meetings, which are tailor-made to ensure that as many business partnerships as possible are successfully organized. This year was no exceptions, with nearly 400 meetings taking place between 68 companies.



## → FORUM PROGRAMME

Day I	17 June 2012, Sunday – Rabobank, Utrecht
16h00	Registration throughout the afternoon (16h00-18h30)
16h45	WORKSHOP 1 – EMRC/IFC: How to prepare and present your project to potential investors  • André Laude, Chief Investment Officer, Western Europe – IFC (International Finance Corp.), World Bank, France  • Arthur Levi, Senior Finance Consultant – EMRC, Belgium
18h00	WORKSHOP 2 - HIVOS: Hivos – ProCIF – The Producer Entrepreneurship Catalyst & Incubation Facility - Helping small agriculture producers grow into larger enterprises • Leo Soldaat, Senior Advisor – Hivos, Netherlands • Angel Mario Martinez Garcia, Progresso, Netherlands
19h00	Special presentation: Gerda Verburg, Permanent Representative of the Netherlands to FAO, former Dutch Minister of Agriculture, Nature and Food quality, Netherlands
19h15	Ice-Breaking Event: Welcome Cocktail at Rabobank Headquarters

Day II	18 June 2012, Monday – Rabobank, Utrecht
09h00	OFFICIAL OPENING "AFRICA FINANCE & INVESTMENT FORUM 2012"  • Pierre Mathijsen, President – EMRC Intl, Belgium  • Pierre Van Hedel, MD – Rabobank Foundation, Netherlands  • Siep Hiemstra, President Africa & Middle East – Heineken, Netherlands
09h15	Key Note Speaker: Berry Marttin, Member of the Executive Board – Rabobank, Netherlands
09h30	PLENARY SESSION I: Available Financial Programmes to Cooperatives & SMEs in Africa Part 1 – International Financial Institutions (IFIs) Improving access to finance
	Moderator: Arthur Levi , Senior Finance Consultant – EMRC, Belgium  Michael Hamp, Senior Rural Finance Adviser – IFAD (International Fund for Agricultural Development), Italy  André Laude, Chief Investment Officer, Western Europe – IFC (International Finance Corp.), World Bank, France  Linda Broekhuizen, Director Financial Institutions – FMO, Netherlands  Indira Campos, Investment Officer – AfDB (African Development Bank), Tunisia

10h30	PLENARY SESSION I: Part 2 – Commercial Banks  • Banks as strategic links between Donor Financial Institutions and SMEs  & Cooperatives  • Cooperative Bank Model  Moderator: Arthur Levi , Senior Finance Consultant – EMRC, Belgium  • Elizabeth Ndemo, Head of Corporate Banking and Trade Finance - Co-operative Bank of Kenya
	<ul> <li>Hans Bogaard, Head AgriBusiness – Rabo Development, Netherlands</li> <li>Fabian Kasi, Managing Director – Centenary Bank, Uganda</li> <li>Jyrki Koskelo, Co-CEO – African Development Corp., former Vice President IFC, USA/Germany</li> </ul>
11h30	Coffee Break
12h00	PLENARY SESSION I: Part 3 – Innovative solutions to address the financial needs of SMEs & Cooperatives  Moderator: Erik Nyindu Kibambe, Journalist - Vox Africa  • Jean-Michel Severino, Managing Director – I&P (Investisseur et Partenaire pour le Développement), former Managing Director AFD (French Development Agency), France  • Stuart Coe, Fund Manager – Global Development Co-operative, United Kingdom  • Jean-Luc Perron, Managing Director – Grameen Credit Agricole Foundation, France
13h00	Special Presentation: "Strategic partnership to enhance investments in Africa's agricultural Productivity and Competitiveness"  • Prof. Monty Jones, Executive Director - Forum for Agricultural Research in Africa (FARA), Ghana & Member of EMRC Executive Board
13h15	Networking Lunch
14h15	PLENARY SESSION II: Sharing best practices – successful cooperatives in Africa and Worldwide  • Promoting effective links between local African Cooperatives and Multinational / International Organizations  • Key role of cooperatives in meeting growing food demand on local, national and international markets  Moderator: Prof. Monty Jones, Executive Director – Forum for Agricultural Research in
	Africa (FARA), Ghana  • Siep Hiemstra, President Africa & Middle East – Heineken, Netherlands  • Bagoré Bathily, Managing Director – Laiterie du Berger, Senegal  • Yariv Kedar, Head of Agro-Division – Amiran Kenya, Kenya





15h15	PLENARY SESSION III: Promoting investments in Africa  • Available Programmes addressed for SMEs & Cooperatives in Africa by the Dutch Government  • Financial and technical support to cooperatives, SMEs and MFIs in Africa  • Promoting investment in Africa - setting up the right legal framework  Moderator: Erik Nyindu Kibambe, Journalist – Vox Africa  • Froukje Verreijt – Dutch Ministry of Economic Affairs, Agriculture and Innovations / Foreign Affairs, Netherlands  • Barbara Marcussen, Microfinance Manager – Oikocredit, Netherlands  • Angela McEwan, Partner – Clifford Chance, Netherlands  • Robert Akoda Ocaya, Project Coordinator, Financial System Development
16h00	Programme – GIZ, Uganda  EMRC-HIVOS PROJECT INCUBATOR AWARD Introduction by EMRC and HIVOS and Presentation of finalists' projects  • Idit Miller, Managing Director – EMRC, Belgium  • Leo Soldaat, Senior Advisor – Hivos, Netherlands  • Ben White, Founder – VC4Africa, Netherlands  • Laure Djoukam – GROWFIN, Cameroon  • Katulanya Isu Deo – MECRECO, D.R.Congo  • Francis Nuwame – Flower of Hope, Senegal  • Julius Selwambala – Silver Upholders, Uganda  • Anastácio Roque Gonçalves – CESACOPA, Angola
17h00	Coffee Break
17h00 > 19h00	B2B – Business Meetings B2B matching service - pre-arranged meetings
19h30	GALA EVENING:     Presentation of the Project Incubator Award 2012 in presence of Government officials, Ambassadors, media and business community     Ben Witjes, Director Programmes and Projects – Hivos, Netherlands     Idit Miller, Managing Director – EMRC, Belgium

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Day III	19 June 2012, Tuesday – Floriade, Venlo
08h00	Bus Transfer from Utrecht to Floriade
10h00	Arrival at Floriade
10h30	Visit to Floriade – The world horticulture expo in Venlo is organized once every ten years in the Netherlands. In 2012, Floriade takes place at Venlo, a dynamic agribusiness cluster with major economic potential.
12h45	Networking Lunch at Floriade
14h00	FOOD FIRST-FLORIADE CONFERENCE: Part 1 – What are the possibilities, challenges and lessons learned of investing in agricultural development in Africa? Introductory Speech • Ton Dietz, Director of the African Studies Center, Netherlands
14h15	Keynote Speech Dr. Stefan Schmitz, Head Task Force for Rural Development and Global Food Security, Federal Ministry for Economic Cooperation and Development, Germany followed by Q&A
14h35	Keynote speech • Rudy Rabbinge, Sustainable Development & Food Security, Wageningen University
14h50	Questions from the Audience
15h00	Break
15h30	Part 2 – Different kind of cooperation: how can Africans seize the opportunities? Introductory Speech  • Diederik de Boer, Director Round Table Africa/Senior Project Consultant Maastricht School of Management Presentation 1:  • Piet Heemskerk – African Agribusiness Academy – Wageningen University, Netherlands
16h00	Presentation 2: • Gerard van Empel, Managing Director Rabo International Advisory Services – Rabobank, Netherlands
16h15	Discussion with speakers chaired by Gerda Verburg
17h00	Conclusions and Official Closure
17h30	Bus Transfer from Floriade to Utrecht



#### → DAY I – 17 JUNE 2012, SUNDAY – RABOBANK, UTRECHT

## Workshop 1: How to prepare and present your project to potential investors

The opening workshop of the Forum was an interactive exercise providing practical and useful advice on how best to present projects to potential investors.

Moderated by Mr André Laude, Chief Investment Officer for Western Europe at the IFC and Mr Arthur Levi, Senior Finance Consultant at EMRC, the session also served as an informal icebreaker. Delegates were divided into groups of 10, and given the assignment to select one company from within their group. A 20-minute preparation time was allocated, followed by 5 minutes for each group to present their project to the audience.

The workshop was a useful exercise on how to present a project in a clear, concise and convincing manner to potential investors, and included the following main recommendations:

- Follow a clear template to include all the crucial information an investor might need:
   Description of the company's current activity, description of the project, company
   structure and shareholders, market and competition, financing plan, risk analysis and
   mitigation, business plan with short, medium and long term objectives;
- Be clear, precise and to the point: The essence of a project can be conveyed in a few minutes, and investors will ask for details if they are interested;
- Be prepared for questions and make sure you have all the available facts at hand;
- Confident body language and presentation skills will help to make your case.

## Workshop 2: The Producer Entrepreneurship Catalyst and Incubation Facility

Mr **Leo Soldaat**, Senior Advisor at the Humanist Institute for Development Cooperation (HIVOS) presented workshop 2 along with Mr. **Angel Mario Martinez** Garcia from Progresso Programme. The mission of HIVOS, Mr Soldaat explained, was "to contribute to the creation of a free fair and sustainable world, in which men and women have equal opportunities for development".

HIVOS is based in the Netherlands, but is linked to 500 partners in 24 countries, including most Southern and East African countries, such as Uganda, Kenya, Tanzania, Mozambique and Zambia. Its global budget reached EUR 100 million in 2011.

Rural entrepreneurs are at the core of HIVOS's flagship green entrepreneurship programme, which aims to reduce poverty, improve food security, and mitigate climate change.

Funding is not the main issue, Mr Soldaat contended: What mattered much more was to efficiently allocate available resources.

The workshop's main aim was to showcase the Producer Entrepreneurship Catalyst and Incubation Facility, known as ProCIF. This model, Mr Soldaat explained, was currently being implemented in India over a period of 5 years, and presents clear potential for replication in African settings. **ProCIF** aims at transforming small producer organisations into credit-ready and sound enterprises. Within the next 5 years, HIVOS expects the incubation facility to have created 29 well-managed and economically independent producer organisations with market-based loans, as well as another 35 producer organisations in transition phase, benefiting from subsidized loans. The entire incubation programme would benefit 87,000 producers and their families by significantly reducing risk factors such as indebtedness and trade vulnerabilities. This is expected to increase net household income by up to 150%, and create additional employment opportunities.

ProCIF builds capacity at four levels:

- **Technical and environmental level**, through sustainable agricultural value chain analysis and the mapping of quality and systems;
- Trade and Financial level, by providing training on business plans, branding, pricing, packaging, logistics and market analysis, as well as providing cash flow and working capital;
- Organisational level, through governance processes, the transfer of management skills, accounting systems and monitoring
- **Social level**, by promoting gender equality, fair trade, empowerment and non-discrimination.





Gerda Verburg – Permanent Representative of the Netherlands to the FAO, former Dutch Minister of Agriculture, Nature and Food quality - The Netherlands

Workshop 2 was followed by a special presentation by Mrs Gerda Verburg from the UN Food and Agriculture Organization (FAO). FAO seeks to ensure food security for all through the provision of a comprehensive range of services in support of its member countries. The Rural Infrastructure and Agro-Industries Division (AGS) provides leadership in FAO's work on sustainable food chains, food losses reduction, public-private partnerships and enhancing the developmental impacts of agribusiness and agro-industries.

Mrs Verburg provided the delegates with an oversight of agriculture in Africa and the role of finance in its development. "This is a very good time", she told the audience, "to discuss finance in Africa, because Africa's economies are booming, and significant improvements in the agricultural and food processing sectors are very important drivers of this growth". Mrs Verburg called for more cooperation between the private and public sector to fuel this development, and further increase growth rates: "There are many significant opportunities for development which need to be seized upon by the private sector and by governments".

Mrs Verburg concluded her address with three recommendations to the audience:

- Transparency of goals is essential in order to achieve objectives making a profit is important, but focus must also be on investing in education and the improvement of skills:
- Ensure that you always understand the market and where you are positioned in the value chain;
- Think about small holder farmers as entrepreneurs and not simply as producers





#### → DAY II – 18 JUNE 2012. MONDAY – RABOBANK, UTRECHT

## Official Opening of Africa Finance & Investment Forum 2012

Idit Miller, Managing Director of EMRC, warmly welcomed new and long-term EMRC participants to the 2012 edition of AFIF. She started her address by emphasising this year's Forum theme, "Financial inclusion through SMEs & Cooperatives in Africa". Small and medium-sized enterprises and cooperatives are crucial drivers of economic development on the continent", she said. "It is our privilege", she said, "to have a prime example of a successful cooperative, namely Rabobank, as a co-host of this Forum". The Executive Director invited all the delegates to take this unique opportunity to learn from Rabobank's long experience as a cooperative bank. She also invited the delegates to actively network with potential investors, project developers, entrepreneurs and bankers and to learn from their experiences: "The B2B meetings and networking form one of the most important parts of the Forum, and we urge you to take this opportunity to build partnerships and play your part in driving development and increasing financial inclusion across the African continent".

Mrs. Miller then gave the floor to EMRC's President, Prof. **Pierre Mathijsen** who underlined the exciting potential of the African continent. The purpose of the AFIF and EMRC initiatives, Prof. Mathijsen said, was to "bring together to the same platform people who wish to invest in Africa and people who had the skills to transform such investments into tangible economic benefits for people in Africa. He highlighted that the most difficult part is to find a good project for which funding can be obtained: "There are increasing resources available to fund projects – but the real challenge is to channel these resources and ensure maximum impact for investments", he said. EMRC's President concluded his address by inviting all the delegates with an active and positive role in Africa to "work together to achieve our common goal: An increasingly prosperous and developed African continent".





**Siep Hiemstra**, President of Heineken Africa and Middle East, also welcomed the delegates. Being Heineken a regular speaker at EMRC events, he emphasised the great personal pleasure he took to be associated once again to an EMRC Forum. Heineken's connection to the African continent goes back almost a century, he reminded the delegates: "Africa has been one of the bases for Heineken's success in the world. We have been active on the continent since 1923, and we currently employ close to 22.000 workers on the continent. If we count their dependants, Heineken directly ensures the livelihood of at least 100,000 people in Africa". Heineken is also strongly pursuing a strategy of increasing local content in its African supply chains: "We now source 45% of our raw materials locally, and our aim is to increase this proportion to at least 60% by 2020". This local procurement policy and local content commitments would be further detailed in Mr Hiemstra's presentation during the specialised sessions in the afternoon.

The welcome speeches were concluded by a special presentation by **Berry Marttin**, Member of the Executive Board of Rabobank.

Mr Marttin began by outlining the importance of financial inclusion. As Europe and other parts of the developed world are struggling with one of the worst financial and economic crises of recent times, it is worth remembering that crises happen regularly in history, and are also opportunities: "If we go back 120 years, Europe was going through a serious financial crisis, but this also set the stage for the creation of modern cooperatives. At the time, during the industrial revolution, nobody wanted to bring finance to rural areas. As a result, people started creating their own solutions and started credit cooperatives, pooling their savings and thereby enabling members to borrow money at reasonable rates. Financial inclusion, Marttin emphasised, "is an essential condition for economic development, and this has much relevance for Africa today".



"The objective of cooperative banking is to provide its members with the financial resources they need to achieve their ambitions", he added. If population growth rates are accurate, we'll need to double global food production by 2050 in order to feed the expected 9 billion people who will inhabit the planet in a few decades", he said, "and this can only happen if we work together. Cooperatives provide an excellent example of how that can be done". Africa, of course, has a huge role to play on the supply side of food production: The continent contains 60% of the world's total unexploited arable land, so a large portion of the additional food production needed over the next decades is expected to be grown in Africa – this reality is one of the main factors behind Africa's growth prospects and potential.

The big challenge will be to ensure that the main enabling factors are unlocked: As the Netherlands can demonstrate, the quality of climate and soil are not necessarily the decisive factor when it comes to the capacity to grow large quantities of food. Indeed, despite unfavourable climatic conditions and relatively poor soil, the Netherlands produces an average of 8.5 tonnes of food per hectare, compared to a global average of 3 tonnes, and an African average of less than 2 tonnes".

Arguably, Mr Marttin said, what is more important to agriculture productivity are enabling factors such as:

- Adequate long term governmental policies
- Adequate Infrastructure
- Quality education
- Access to technology
- Access to finance

"By focusing on financial inclusion", Marttin continued, "the AFIF Forum seeks to emphasise the importance of access to finance as a key factor in enabling growth. The struggle to ensure food security for future generations starts now – it might be slightly daunting, but it is also an opportunity. We need to adopt a holistic view of the issue, look at the entire supply chain", he added. Rabobank has started looking at these issues more than 10 years ago. The bank took a strategic decision to build on its heritage as a cooperative bank, and to seek to expand its presence in countries and markets where there was no or little financial inclusion. The first step towards this is not only to provide financial resources, but also to increase financial literacy, especially in rural areas. Through its activities in rural areas, Rabobank and Rabobank Foundation are playing an active and decisive role in helping create the stage for real financial inclusion.



Marttin concluded his address by inviting the delegates to take concrete action on all the enabling factors he cited, and ensure that Africa becomes a major player in the global food supply chain. "My dream", he said, "is to see in the near future a young women on a very modern tractor owned by a cooperative, working her arable land, and using a mobile phone to conduct financial transactions, such as taking out a loan, selling crops, and ensuring her future, that of her family and of the continent itself".

## Plenary Session I: Available Financial Programmes to Cooperatives & SMEs in Africa

# Part 1 – International Financial Institutions (IFIs) - Improving access to finance

Moderator: Arthur Levi, Senior Finance Consultant, EMRC - Belgium

# Michael Hamp, Senior Rural Finance Adviser, International Fund for Agricultural Development (IFAD) - Italy

Michael Hamp, Senior Rural Finance Adviser for IFAD – Italy, opened Part One of Plenary Session One with his presentation on "Sustainable Approaches to Financial Deepening and Rural Outreach". He provided an overview of financial access in rural areas, specifically focusing on how IFAD's policies and competencies are harnessed to address financial access barriers in rural areas.

IFAD is a financial resource in Africa, as it seeks to promote access to finance, particularly agricultural finance, in rural areas by partnering with both formal and informal financial services partners to promote access to a wide variety of financial services. IFAD promotes a wide range of financial institutions, models and delivery channels. It supports demand-driven, market-based approaches in collaboration with the private sector, and it develops and supports long-term strategies focusing on sustainability and poverty outreach. Finally, IFAD seeks to promote an enabling environment for the provision of rural finance.

#### Indira Campos, Investment Officer, AfDB (African Development Bank) - Tunisia

Indira Campos, Investment Officer at the African Development Bank's Private Sector Department, followed IFAD on the podium. Ms. Campos' presentation centered around the AfDB's Agricultural strategy, its private investment framework, and its approach to supporting SME development, particularly in the agricultural sector. AfDB's sector strategy focuses on enhancing food security whilst fostering sustainable development, placing emphasis on agricultural infrastructure and natural resource management. AfDB is committed to raising productivity, revenue and income for smallholder famers, including women. Specifically, AfDB supports agricultural development by financing large scale agribusiness projects that promote linkages between the large commercial players and smallholder farmers, and by supporting the development of efficient financial sector intermediaries, including local commercial banks, regional and national development financial institutions and private equity funds.

AfDB invests both directly and indirectly in the agricultural projects through a variety of instruments, including technical assistance, lending, and equity / quasi-equity, provided they are: (i) strategically aligned to the respective countries' development priorities, (ii) commercially viable, (iii) expected result in development outcomes for the country, As a development financial institution, the Bank does seek to "crowd out" other sources of finance, and thus also seeks to achieve value added and synergy with the efforts of other partners.





#### André Laude, Chief Investment Officer Western Europe, IFC - France

André Laude, Chief Investment Officer for the International Finance Corp. (IFC) in Western Europe, was next in line, with a discussion of the IFC's "Global SME Finance Initiative". Mr Laude opened his presentation by outlining the factors that prompted the IFC and the G-20 to pursue a Global SME Finance Facility to promote access to finance for SMEs worldwide. SMEs account for two-thirds of full-time employment in developing countries, but lack of access to funds prevents SMEs from achieving their maximum productivity and job creation potential. Mr Laude asserted that the global SME finance gap is estimated at US\$700 to 850 billion, but he also acknowledged that different regions lack access to finance for different reasons. For example, finance is a key constraint for SMEs in all regions, particularly in Africa; but in South Asia, for instance, the key challenge is bringing informal SMEs into the financial system. The IFC seeks to address these constraints by supporting credit lines for SME financing, mitigating risk, building capacity and developing financial infrastructure.

## Linda Broekhuizen, Director Financial Institutions, Netherlands Development Finance Company (FMO) - The Netherlands

The first plenary session was concluded with a presentation from Linda Broekhuizen of FMO.

Mrs Broekhuizen began her presentation with an overview of FMO, drawing attention to its commitment to financial institutions, agribusiness and energy. Specifically FMO focuses on SMEs, mostly indirectly through financial institutions, recognizing their capacity for employment, particularly in low-income countries.

Mrs Broekhuizen argued that more innovative SME bank models are required due to the lack of securities / collateral, financial reporting and credit history. However, she noted that SME financing does provide positive returns on investment, as it has huge growth potential and is a profitable market.



# Part 2 – Commercial Banks - Banks as strategic links between donor and financial institutions, SMEs and Cooperatives

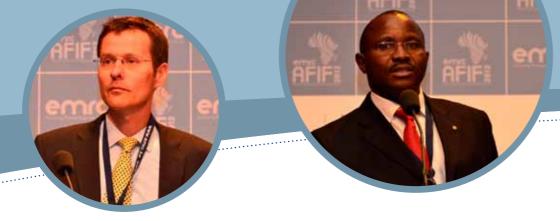
Moderator: Arthur Levi, Senior Finance Consultant, EMRC - Belgium

## Elizabeth Ndemo, Head of Corporate Banking & Trade Finance, Cooperative Bank of Kenya - Kenya

Elizabeth Ndemo opened Part Two with a discussion of banks as strategic links between cooperatives, DFIs and SMEs. She provided an overview of the co-operative movement and how the bank grew out of that movement. The Co-operative Bank of Kenya suffered losses in the early years and as recently as 2000, she said, but since 2007, the bank has turned a profit and became the fourth largest bank in Kenya.

The bank extends affordable credit facilities to Saccos (Savings and Credit Cooperatives) and its members, including the following unique products: Education savings scheme, member development loans, working capital loans, Sacco revolving advance and dividend reserve account. The bank builds capacity through its consultancy arm while focusing on agricultural financing. The bank partners with donors to enhance agri-business cooperatives and SMEs.







Mr Hans Bogaard of Rabo Development presented his discussion of Rabobank's approach of financing co-ops and SMEs in developing markets. His presentation began with an overview of Rabo Development's business model and focus countries, before moving on to how they support agribusiness. Rabo Development supports agribusiness through a two-pronged approach: Capacity building, and supply chain finance solutions. Both these approaches deliberately reach out to co-ops in developing markets.

By differentiating their market, Rabo Development devises financial solutions to the previously unbankable segments of the market, including co-ops. Rabo Development's segmented approach enables it to identify the risks that are specific to the underbanked, and devise appropriate solutions. This approach has helped Rabo Development to identify the key success factors of cooperatives. Mr Bogaard argued that these success factors, combined with financing and technical assistance, result in increased impact and business security.

#### Fabian Kasi, Managing Director, Centenary Bank - Uganda

Mr Fabian Kasi, of Centenary Bank (Uganda), gave the third presentation of the session, entitled "Banks as strategic link between donor and Financial Institutions, SMEs and Coops". He first provided the delegates with an overview of the positioning of Centenary Bank and its distribution of credit. Mr Kasi highlighted Centenary Bank's focus on agricultural financing, which is currently at 17% of the Bank's portfolio, compared to industry average of 6%. He then highlighted the bank's commitment to offer loans with unconventional securities, as well as their leasing, microfinance, animal traction loans, small savings products, micro-insurance, home improvement and mobile banking offerings. In addition, Centenary Bank also provides financial training and education. Centenary Bank sees the role of a bank as a link – a link to financing, to enable funding through donor guarantees, through capacity building, and through the use of its own infrastructure and distribution channels (for instance mobile banking). Mr Kasi concluded his presentation by contending that banks are an important link for extending support to other financial institutions, SMEs and Co-ops, due to their capacity, regulation and expertise. He proposed that linkages should be developed with the aim of making the financial institution sustainable.





Jyrki Koskelo, Co-CEO, African Development Corporation - Germany

Mr Jyrki Koskelo, former Vice President of IFC and currently Co-CEO of the ADC opened his presentation by identifying a few of the key themes in global development: Demographics, economic turmoil and environmental concerns. He went on to propose selected solutions to such concerns, including the development of local capital markets and a multi-tier banking system, by influencing public policy and directly supporting a green revolution. After addressing these broad-level topics, Mr Koskelo described the ADC's focus on the banking and insurance sectors in frontier markets of sub-Saharan Africa. Specifically, the ADC seeks to promote South-South trade, which, in their view, is one of the most significant growth markets over the next ten years. To support this market, the ADC initiated the Africa Agriculture and Trade Investment Fund, which provides access to capital for the agriculture sector, and trade in these high growth markets.

# Part 3 – Innovative Solutions to Address the Financial Needs of SMEs & Cooperatives

Moderator: Erik Nyindu Kibambe, Journalist, Vox Africa - Belgium

# Jean-Michel Severino, Managing Director, Investisseurs & Partenaires pour le Développement - France

The first speaker on the podium was Jean-Michel Severino, former Managing Director of AFD (French Dev. Agency), and currently Managing Director of Investisseurs & Partenaires pour le Développement (Investors and Partners for Development, or IPD). Small and Medium-sized enterprises, he began, play a crucial role in any economy: "SMEs form the backbone of the middle class. They generate and redistribute wealth, they create employment, and they therefore contribute to political stability and social upliftment. In the African context, SMEs are even more important for the future of the continent's economy", he continued.

Many SMEs in Africa face well-known structural challenges, according to Severino: These include the lack of infrastructure, the relative weakness of institutions and regulatory environments, a shortage of managerial skills, and lack of access to finance. Mr Severino then proceeded to focus on the so-called "missing middle" – in other words, the segment of the market that needs better access to finance, but is receiving comparatively little attention next to large scale organisations (who have no real





difficulty in raising finance) and micro-organisations, which are often catered for by micro-finance institutions. More capital needs to be channelled to this missing middle, where most of the SMEs are operating, he said.

I&D focuses on this specific market, and supports entrepreneurs and SMEs by providing equity finance as well as guidance in business management, with the aim of maximizing value creation for investors, while generating significant environmental, social and governance benefits.

A high volume of international investment, Severino told delegates, goes to bigger structures that allow in "one shot" to reach large impact/scale objectives. But looking at the impact of SMEs, and more specifically to the 50 small enterprises currently being supported by I&P, impact can be just as significant: These SMEs have already generated new 1400 jobs. Furthermore, the fact that these SMEs operate in the formal economy also means that they contribute to their countries' tax base, which in turn generates significant social benefits: 300 children can now go to school and access education as a result of increased tax revenue. This is just an example, Severino added, and the impact can be bigger still if we replicate this approach to the benefit of many more SMEs.

Mr Severino ended his presentation by calling for significantly more investment to be channelled through SMEs. "Actors that invest in SMEs in developing countries are different from so-called 'classic' investors", he said. Many of them have a donor or philanthropic background, but a shift is currently taking place, away from grant funding towards venture funding seeking some form of return on investment. It is crucial, Severino said, to focus on SMEs with industrial purposes: It is a lesson we can take from the economic development in the last 50 years, and that will be crucial for the upcoming years", he concluded.

#### Stuart Coe, Fund Manager, Global Development Co-operative - United Kingdom

Mr Stuart Coe started his intervention by projecting a short film about the role of the proposed Global Development Co-operative (GDC) in allowing access to finance by cooperatives.

In this, the International Year of Cooperatives, the GDC seeks to raise and distribute US\$ 50 million to address the challenge of access to fair priced medium-term finance that cooperatives in developing countries face.

Mr Coe argued that cooperatives play a unique role in reducing poverty and generating jobs, but lack investment capital. Therefore, the GDC aims to provide

loans to intermediaries and individual cooperatives and, furthermore, facilitate the provision of technical assistance. He challenged the audience to turn this initiative into a reality, and to create a model for the future, which would ultimately make a tangible difference to a significant number of communities.

#### Jean-Luc Perron, Managing Director, Grameen Crédit Agricole Foundation - France

Mr Jean-Luc Perron gave the last presentation of the plenary session. He introduced the Grameen Crédit Agricole Foundation as a partnership that began in 2008 between a global banking / insurance group and Professor Mohammad Yunus of Grameen Bank. Drawing on Professor Yunus' experience, Grameen Crédit Agricole Foundation has a mandate to contribute to the fight against poverty through microfinance and social business.

The Foundation's priorities are agricultural and/or rural mid-sized institutions without easy access to financing in Africa, the Middle East, South and Southeast Asia. It addresses its priority areas through loans, equities and priority investments.

As a social business, social goals are at the centre of the Foundation's business operations. This means that although the business must turn a profit to be sustainable, all profits are reinvested to develop the business to better realize its social mission. From its inception until June 15, 2012, 60 project financings have been approved for a total amount of about €40 million. Mr Perron said that Grameen Crédit Agricole Foundation wants to increase that number by specifically targeting African agricultural institutions and by developing a project facilitator, the Grameen Crédit Agricole Social Business Fund.

## Special Presentation: «Strategic Partnership to Enhance Investments in Africa's Agricultural Productivity and Competitiveness»

#### Prof. Monty Jones, Executive Director, Forum for Agricultural Research in Africa - Ghana

Prof. Monty Jones gave a special presentation on "Strategic partnerships to enhance investments in Africa's Agricultural Productivity and Competitiveness". According to Prof. Jones, agricultural productivity is the key driver for economic growth and poverty reduction in sub-Saharan Africa. However, in an era of globalization, competitiveness is essential for sustaining productive growth. As a result, the agriculture sector needs further investment to improve productivity and competitiveness. Prof. Jones argued that agricultural services and enterprises are grossly under-funded and have limited access to finance, and therefore present huge opportunities for increased investment.







Both the public and private sectors have roles to play in agricultural investment. The public sector needs to provide regulatory services and infrastructure that make it attractive for the private sector to mobilise investments. Prof. Jones recommended public-private partnerships, as well as intra and inter-regional partnerships, which together, can provide the necessary investments and infrastructural changes to support domestic agricultural growth.

FARA is the apex organization for coordinating and facilitating agricultural research and development in Africa and has been mandated by the AU commission to serve as its technical arm.



## Plenary Session II: Sharing Best Practices – Successful Cooperatives in Africa and Worldwide

Moderator: Prof. Monty Jones, Executive Director, Forum for Agricultural Research in Africa - Ghana

#### Siep Hiemstra, President, Africa & Middle East, Heineken - The Netherlands

Siep Hiemstra, President of Heineken Africa and Middle East, opened the second plenary session with his presentation on "Sharing best practices – successful cooperatives in Africa and Worldwide". Mr Hiemstra provided an overview of how the economic climate in Africa has changed over the years and how that has affected Heineken's production. As Heineken focuses on sustainable business practices, the brewer has developed a comprehensive approach to sustainability.

One aspect of this approach is Heineken's public-private partnership projects. These projects have an impact on over 100,000 farmer families. These public- private partnerships between Heineken, NGOs and the Dutch governments share objectives of increasing productivity and profitability, increasing the quality of the products, and sharply reducing Heineken's dependence on imported raw materials. The process for developing these partnerships is to define the project, bring in government support and knowledge, co-fund the project. Heineken then provides a price guarantee on the production, and NGOs provide expertise as project managers.

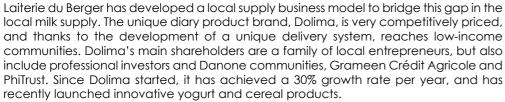
Mr Hiemstra also underlined that committing to the local sourcing of raw materials makes good business sense for Heineken. Specifically, by sourcing locally Heineken increases productivity and improves competitiveness, improves the livelihoods and incomes of farmers over time, and provides Heineken with a long-term secure and sustainable source of raw materials. It also helps to reduce exposure to changes in availability of material, and to reduce the company's global carbon footprint.

#### Bagoré Bathily, Managing Director, Laiterie du Berger - Senegal

Mr Bagoré Bathily began his presentation with an overview of Senegal, a country where 64% of the population lives on less than US\$2 / day and only 38% of food consumption is locally produced. The country has a long tradition of breeding cows. This in turn provided opportunities for local dairy production, a welcome development considering that Senegal currently imports more than 90% of traded milk.







#### Yariv Kedar, Managing Director Sustainable Agribusiness, Amiran Kenya - Kenya

Yariv Kedar, the Managing Director of Sustainable Agribusiness, closed the Plenary Session II with his presentation on the "Amiran Farmers Kit – a tool for food security & sustainable agribusiness". He described the Amiran Farmers Kit as a holistic approach to farming that includes such things as a greenhouse and drip irrigation system, as well as training and agronomic support. The Amiran Kit contains all needed nutrition for the crop for the whole season, as well as training and marketing. Ultimately, Kedar said, the Amiran method provides the complete solution: finance, technology, training, support and marketing.

Mr Kedar said that the strenath of the Kits was that they serve a variety of functions. They help strengthen food security and livelihoods, they empower youth groups and women, they have an educational impact, they contribute to conservation, they promote active government involvement and help create friendships and forae links between communities.

### Plenary Session III: Promoting investments in Africa

Moderator: Erik Nyindu Kibambe, Journalist, Vox Africa - Belgium

Froukje Verreijt, Dutch Ministry of Economic Affairs, Agriculture and Innovations/ Foreign Affairs - The Netherlands

Froukie Verreiit opened the third plenary session with her presentation on the Dutch Ministry of Foreign Affairs' Private Sector Investment Programme (PSI). Her presentation was an opportunity to provide information about the PSI, main investment criteria, and project examples.

The PSI helps to alleviate poverty and improve lives by supporting private sector development through innovative investments in 58 countries worldwide. Since 1998,





this has translated into € 800 million in investments (with a large portion going to the agricultural sector). Between 1998 and 2011, PSI has created 21,000 direct jobs and contributed to the employment of over 137,000 contracted outgrowers. PSI's model is to invest between 50-60% in a joint venture between a foreign and a local company. The partners must know each other well, have been operating for over two years, be financially sound. They must also be aligned with the core business of the new investment project, and have the appropriate knowledge and experience. Specifically, projects must be locally innovative, use technology that has been proven elsewhere, be commercially viable, with a maximum duration of 30 months (36 months for seasonbound / agricultural projects). They also need to have a measureable impact in socioeconomic terms.

#### Barbara Marcussen, Microfinance Manager, Oikocredit - The Netherlands

Barbara Marcussen from Oikocredit gave the second presentation of the session, on "Financial and Technical support in Africa". Oikocredit is an international development finance co-operative founded in 1975. It has over 45,000 investors and 595 members in over 80 countries, with lendable funds of € 590 million. It funds microfinance, agriculture, trade and other sectors such as health care and education.

Oikocredit has several regional and international offices in Africa, and an active portfolio of € 65 million. Its core funding principles are to encompass both financial and social returns. Investments must be economically sustainable, have adequate systems and control, and appropriate governance structures. They must also target poor and disadvantaged populations, distribute benefits widely, and have a positive ecological impact. Oikocredit offers three different types of financial support: Loans, equity investments and seed capital finance. They also offer technical support in the way of capacity building in five key areas, which help to ensure the success of the project: Social performance management, risk management, product development, market coverage and strategic positioning, and agriculture value chain development.

#### Angela McEwan, Partner, Clifford Chance - The Netherlands

Angela McEwan was next on the podium. She opened her presentation with a discussion of the challenges facing investors, including the variety and complexity of legal systems, varying approaches to contractual issues and documentation, as well as approval timina.

Many investors are enthusiastic about prospects in Africa, said Mrs McEwan, but one should be cautious not to generalise approaches from a legal perspective, considering





how many different jurisdictions and legal traditions are present on the continent. Across African jurisdictions, however, Clifford Chance's regularly comes across three very broad themes, McEwan said:

- Documentation Investors and local borrowers often come from different legal traditions, and parties' needs have to be taken into account when setting up contractual documents
- Securitization of loans and investments is another crucial dimension: Investments and loans need to be secured against adequate collateral, and it is important at an early stage to know what the requirements are in this regard.
- Turnaround time for concluding transactions: The timeframe expectations differ widely between North and South in this regard, and this needs to be managed on both sides of any transaction.

To tackle these challenges, McEwan stressed, lawyers need to understand local issues (which means working closely with local advisors and actively promoting communication courses with local partners). They also need to adopt a pro-active approach – and endeavour to gain an understanding of transactions right from the beginning.

# Robert Akoda, Project Coordinator, Financial System Development Programme, GIZ - Uganda

Mr Robert Akoda of GIZ closed the last plenary session with a presentation on "Financial and Technical Support to Cooperatives, SME's and MFIs in Africa". Specifically, GIZ promoted access to agricultural and rural finance through three tactics: policy dialogue on agricultural finance, the development of rural and agricultural finance products, and capacity building / institutional strengthening.

Mr Akoda went on to describe how GIZ pursues these three tactics to promote access to finance. Specifically, GIZ tracks trends that inform policy makers and stakeholders, and distribute the information through the Agricultural Finance Yearbook, highlighting their successes, promoting innovations, and probing the causes of failures. Secondly, they stimulate marketing finance and investment in small-scale commercial farms by working with a private sector player in the value chain. Lastly, GIZ works to stimulate production through donor-funded technical assistance, and by working to enable greater professionalism of the Tier IV sector in Uganda and strengthen the security of member deposits.

### AFIF 2012 Project Incubator Award

Introduction by Idit Miller, Managing Director - EMRC International, Leo Soldaat, Senior Advisor – Hivos & Ben White, Founder - VC4Africa.

The award was sponsored this year by the Humanist Institute for Development Cooperation (Hivos), a leading Dutch organisation with a worldwide presence and in partnership with Venture Capital for Africa (VC4A), a global platform connecting entrepreneurs and investors throughout Africa,

### **Selected Projects:**

#### Laure Djoukam, GROWFIN - Cameroon

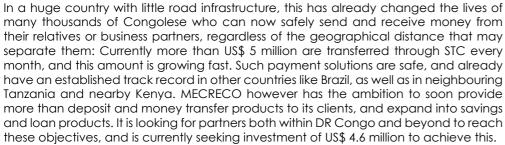
Mrs Djoukam of Growfin Micro-Finance presented "Bringing Managerial Leverage to rural communities in Africa". Growfin serves a community of over 3,200 farmers, 87% of whom are women and 60% of whom are under the age of 35. By identifying the main problems of its community, Growfin's goal is to organize and finance the value chain of agricultural products such as cassava, cord and soybean in Cameroon and the Central African Republic. Specifically, Growfin seeks to provide micro-loans and leasing, technical assistance, a virtual market, and a collective financial guarantee based on the social and cultural values of the farmers.

Growfin's goals are to tackle three main risk factors: Market, Performance, and Operations. The virtual market tool minimizes losses that are caused by a lack of market access. Leasing and contracting improve performance, while training and mentoring improve operational performance.

#### Katulanya Isu Deo, MECRECO - D.R.Congo

MECRECO stands for Centrale des Mutuelles d'Epargne du Congo – or the Central Savings Association of Congo. The Democratic Republic of Congo is a giant among African nations, with an estimated population of 70 million people. However, only 2% of the country's people have access to the formal banking system, and the proportion is even lower in rural areas. MECRECO was registered in 2008 as a savings association, and today boasts more than 100,000 members. There are 21 cooperative associations and 38 branches around the country. One of MECRECO's main objectives is to transform the Congolese financial landscape and improve financial inclusion for all. Mobile technology and mobile phones will play a crucial part in this process. STC, a partner firm of MECRECO, already offers the fastest mobile money transfer service in Congo.





With current levels of financial inclusion being so low, the DR Congo's potential to grow is massive, and opportunities abound for financial services providers. If the banking sector can start attracting funds from the Congolese diaspora, additional sources of funding will be made available for rural entrepreneurs and their organisations.

#### Francis Nuwame, Flower of Hope - Senegal

Mr Francis Nuwame from Flower of Hope presented "Making Agriculture Profitable For One Million Youths Through the Social Franchising Of Agricultural Condominiums". He opened his presentation with a slightly provocative question: Is poverty a curse or a blessing? He mentioned that 1.5 million teenagers in Senegal were reaching adulthood with no education or professional training. Agriculture provides a significant opportunity to reduce poverty and reduce unemployment, which currently is estimated to stand at 60%. Mr Nuwame argued that due to low access to resources, skills, and technology, poor infrastructure and markets, and incoherent agricultural policies, Senegal imports 70% of its food and uses less than 10% of its irrigable land.

Flower of Hope has sought to tackle these challenges over the last ten years through turn-key irrigated agri-condominium plots; coaching, financial and technical support; social franchising; and helping the poor to become both producers and consumers. Mr Nuwame argued that over the years the benefits have included improved access to land, credit, markets and modern technologies; professional entrepreneurship and innovation; and non-discriminatory opportunities, which ultimately lead to income and employment, empowerment, and increased responsibility of citizenship and parenthood.

Although Flower of Hope boasts a 30% return on investment, the challenge for Flower of Hope is to secure medium to long term debt financing, equity financing and technological / market support.





#### Julius Selwambala, Silver Upholders - Uganda

Mr Selwambala presented the last project incubator proposal of the conference – "Microfinance and Food Security: A three-way north-south partnership to empower women in agriculture". He said the aim of the initiative is to empower women through agricultural loans, to utilize technology to promote north-south connectivity, to improve agricultural practices among women farmers, and to increase productivity from subsistence farms in Uganda. The project faces some problems, however, including lack of access to capital by women farmers, inadequate capital base for Silver Upholders Microfinance to grow its loan portfolio, and poor agricultural practices among women farmers, which leads to low productivity.

The project is a collaboration between Silver Upholders Microfinance, the Ugandan MFI, Inuka.org, a technology platform that connects foreign investors with women entrepreneurs, and the Nkokonjeru agricultural co-operative, which identifies the women farmer candidates. Mr Selwambala said that despite the creative collaborative effort, the project still lacks administrative staff to manage the initiative, as well as capital to promote the project, and lack of active management from all stakeholders. As a result, the project needs more sources of capital to support the project and to promote it to social investors, he said.

#### Anastácio Roque Gonçalves, CESACOPA - Angola

Representing the Service Centre for Agribusiness Development Amboim Cooperatives (CESACOOPA-SCRL) of Angola, Mr Anastácio Roque Gonçalves gave a presentation on his proposal for investment for the "Installation of Coffee Quality Control Laboratory". His project aims to install a processed coffee quality control laboratory, which will reduce logistical costs, improve the export value chain, and create the proper environment for fair trade and coffee certification.

He argued that the project's viability was enhanced by several factors, including the fact that there already was an existing and organized cooperative in Amboim, that global demand for coffee currently exceeds supply, and that there is great further potential for yield and quality to be improved. Furthermore, Angola's economy needs to diversify and reduce its dependence on oil and diamonds. Specifically, the project will train more than 100 farmers (over half of whom would be women) from 13 cooperatives and grower groups, in basic laboratory techniques and cupping training. The cupping training will meet international cupping protocols and help move the Robusta Amboim Coffee brand into the future. Ultimately, these low cost coffee laboratories will enable rural communities and coffee cooperatives to adopt practices for cupping and good quality coffee.







CESACOPA Angola was nominated as the Project Incubator Award winner at the Africa Finance & Investment Forum 2012. The Award ceremony was held during AFIF 2012 Gala Dinner on the 18 June in the presence of Hivos's programmes and projects Director, Mr. Ben Witjes and the conference partners and delegates.

### DAY III - 19 JUNE 2012, TUESDAY - FLORIADE, VENLO

# FoodFirst-Floriade conference organised as part of AFIF 2012: Investing in Food Security & Food Markets in Africa.

About Floriade: The world horticulture expo in Venlo is organized once every ten years in the Netherlands. It is a series of interrelated events in which the horticultural sector is presented. In 2012, Floriade took place at Venlo, a dynamic agribusiness cluster with major economic potential.

The recent G20 in Chicago emphasized the importance and urgency of global food security. Africa is emerging as a potential giant in the world food supply chain: it is the only continent with opportunities for major increases in cropping area and productivity. This outlook is already changing the economic and (geo-) political status of the continent. This conference focuses on the new modalities of cooperation involving the (local) private sector and how the concessionary funds of development cooperation can best be allocated. The aims and goals of all partners involved – public sector, private sector, scientists and NGOs, from Africa and from outside Africa – do not necessarily coincide. What are the possibilities, challenges, and lessons learned from investing in agricultural development in Africa, also with regard to fostering its sustainable development and its food security?

# Programme FoodFirst – Floriade Information and text provided by FoodFirst – Floriade

Part 1 – What are the possibilities, challenges and lessons learned of investing in agricultural development in Africa?

Introductory speech by Ton Dietz, Director African Studies Centre, University Leiden - The Netherlands

In many countries (from the 10 Dutch preferred receivers), food production is growing faster than the population. Nigeria especially is booming. For two countries, Burundi and Kenya, however, the situation is alarming. Urban growth is higher than the total population growth, and food production has to face up to the urban explosion.

Improving food security is not only about improving food production and value chains. It is also about public-private partnerships to improve agrohubs, and spread knowledge and support clusters in and around the big cities. And it is about separate policies to reach the poor, both in more marginal rural areas, but also in the cities.

Keynote speech <u>Stefan Schmitz</u>, Head Task Force for Rural Development and Global Food Security, Federal Ministry for Economic Cooperation and Development - Germany

Africa is not a continent of problems, it is a continent of opportunities. The image we have of Africa must be corrected. One third of African countries have growth rates that are equal or higher than those of Asian countries.

Demand for agricultural goods has increased, and that leads to new opportunities. The FAO expects a doubling of demand for food by 2050, and Africa has a high potential for realizing this production. The private sector needs to play an increasing role in this regard, and we need more innovative capacity.

More sources of financing is also needed for Africa, as well as new policy frameworks. The recent famine in the Horn of Africa has shown that long term investing in agriculture is essential. Local projects or single product approaches do not work; a broad approach to agriculture together with businesses will however make a difference.







Keynote speech Rudy Rabbinge, Sustainable Development & Food Security, Wageningen University - The Netherlands

Availability of food is much better than ever before, except for Sub-Sahara Africa where population outgrows production. The contrasting realities of hunger in some parts of the world and obesity in others, show that it is not the amounts but rather the access of food which is a problem. A more prosperous and middle class in emerging markets are also causing dietary changes and increasing demand for animal products, with huge effects on the demand for crops.

We need a Green Revolution in Africa, and the failure of a Green Revolution so far is one of the major reasons for Africa lagging behind.

# Part 2 – Different kind of cooperation: how can Africans seize the opportunities?

Introductory speech: Diederik de Boer, Director Round Table Africa / Senior Project, Consultant Maastricht School of Management - The Netherlands

Clusters are "geographic concentrations of interconnected companies, specialized suppliers, service providers, and associated institutions in a particular field" (Porter, 1998). Clustering is good for businesses. Enterprises in the cluster together do better than those who are not part of the cluster. Reasons include the availability of a skilled labour force and of specialized service suppliers, improved market access, and better circulation of information. These clusters are comparable to the "Top Sector Policy" of the Netherlands, and the clusters around Schiphol Airport and Rotterdam Harbour. Experiences with these clusters in Africa include the corridors in Mozambique and Tanzania, the cluster development by On The Frontiers (Porter) in Rwanda, and the Round Table Africa, an initiative of Maastricht School of Management.

Presentation Piet Heemskerk African Agribusiness Academy, Wageningen Africa Business Academy - The Netherlands

Started to tackle agro business in Africa and The Netherlands. Pointing at the government is not the right way; the idea is to create a community of best practices where one can also share problems and solutions.

Q&A with Gerard van Empel, Rabobank Development

Discussion Chaired by Gerda Verburg

Conclusions and closure: Jos van Gennip

Could there be the momentum now to come up with a master plan for Africa? Improving food security depends on:

- local ownership and foreign investments;
- supply and access;
- public and private (government has a task; private sector to take its own initiative);
- investment versus land grabbing;
- dealing with growing urban demand and global demand.

#### → Conclusion

Closing the proceedings during the Gala Evening on the 18 June, Idit Miller, Executive President of EMRC, expressed her thanks for the sponsors who made AFIF 2012 a successful forum: "Without our sponsors, it would be very difficult to organise such a complete programme. We also thank Rabobank for co-hosting the forum, as well as our partners FMO, Hivos, Heineken, Amiran Kenya, FARA, IFAD and OikoCredit. As with previous editions of AFIF, we had the privilege here in Utrecht of hosting an impressive line-up of multinationals, financial institutions, lawyers, and entrepreneurs to help us bring about this forum, build partnerships for African entrepreneurs, and promote the role of cooperatives in driving financial inclusion and economic development across the continent".

Wishing safe travels to all the delegates, Mrs. Miller added that the date and venue for the next EMRC event, the 2012 Agribusiness Forum, would be announced within the next few weeks, and urged all delegates present to attend. "Over the past 2 decades, EMRC has promoted an optimistic message about Africa's potential and opportunities. This hard work is paying off: We have seen huge positive changes over the last two decades in the African continent, and with each new Forum, this view is further entrenched, far beyond Africa itself. We are looking forward to continuing our work tirelessly, towards deepening and strengthening our commitment to our partners and members, but also to ordinary people in Africa, who benefit directly from the work that is being done here. We look forward to seeing you again in a few months' from now", she concluded.



Hosted by:





















