

FORUM SUR L'ACCÈS AUX FINANCES POUR LA TRANSFORMATION DE L'ANACARDE

7-8 décembre Azalaï Hôtel, Abidjan, Cote d'Ivoire



AfDB's role in financing the cashew value chain

Atsuko TODA, 7 december 2017





60%

Employs 60% of its population

30%

Contributes to 25-40% of GDP

Agriculture in Africa

Yet...

- Less than 5% of Lending from Financial Institutions

5%



While...

- Africa's population is expected to reach 2,5 Billion by 2050

POP (BILLIONS)

3
2.5
2
1.5
1
0.5
0

2010

2050

Significant Investment needed to FEED Africa!

Cashew Sector

- ▶ Africa processes only 10% of the raw cashew nuts it produces
- ▶ Capturing more value from their cashew production by developing processing activities
- ▶ Development of new value-added products (processed kernels; cashew apple-based drinks, livestock and poultry feed, cashew nutshell liquid biofuel)
- ▶ Insufficient aggregation to enhance existing processing capacity and allow traders and processors to buy large quantities of cashews

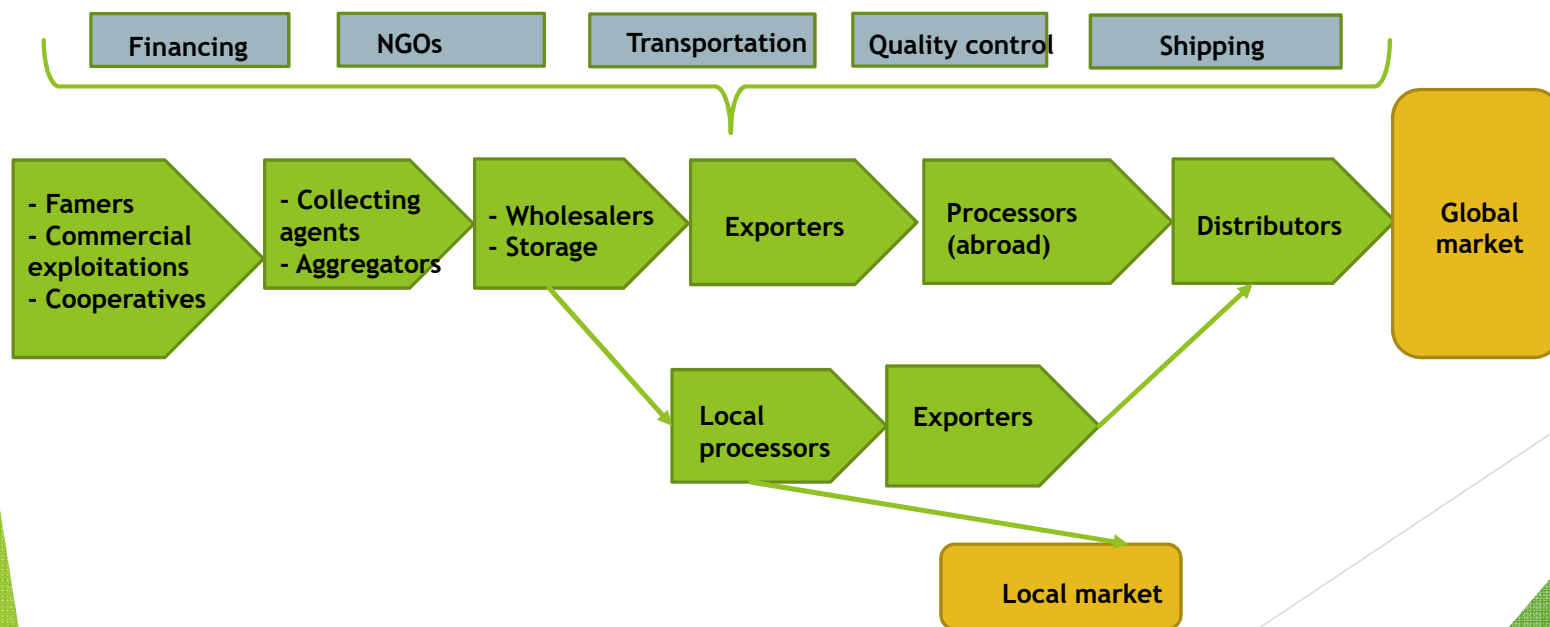


Key Performance Indicators

For Inclusive and Sustainable Rural Transformation

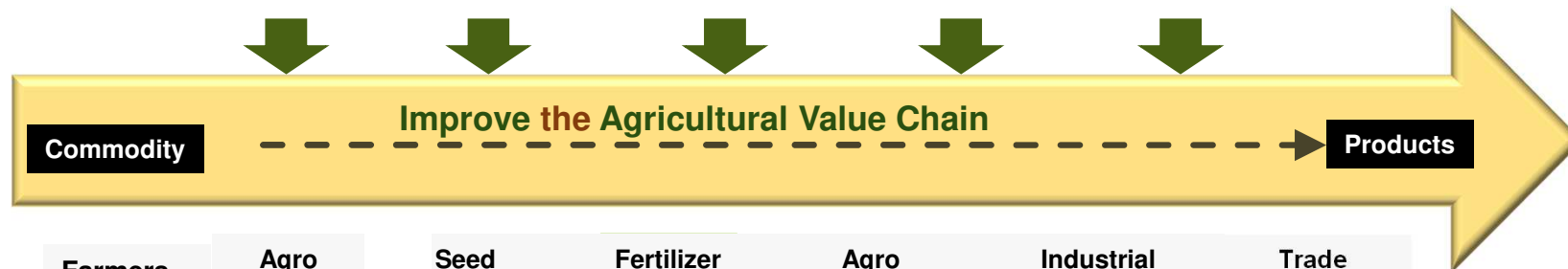
- Increased engagement of corporate players as anchors in key value chains
- Vibrant growth of Agriculture SMEs
- Increased credit to farmers, producer groups, cooperatives

The value chain approach: the case of cashew



Risk sharing mechanisms for increased agriculture finance

Public Goods support:
Roads, Irrigation, R&D, Storage, Price Stabilization, etc.



Farmers Agro Dealers Seed companies Fertilizer companies Agro processors Industrial manufacturers Trade and exports

Appropriate Risk Sharing Instruments along the Agricultural Value Chain



Seasonal Financing

- De-risk the financial value chain
- Unlock commercial financing for agriculture

Term Financing

- Systemic change in financing for agriculture
- Finance for Private Sector and Agribusiness
- RSF to leverage FI Funds
- Financing agriculture as a business



Finance structure: Blended Finance

- **Delivery model:** providing projects with affordable capital and private investors with an acceptable risk-based return by financing the project with a blend of concessional and non-concessional capital. Possible with the provision of technical assistance to support investment outcomes.
- **Potential investors for concessional capital:** GAFSP, EU, Bill & Melinda Gates & Governments.
- **Outcomes: Mobilization of private capital flows**



Products & Offerings

FAFINA

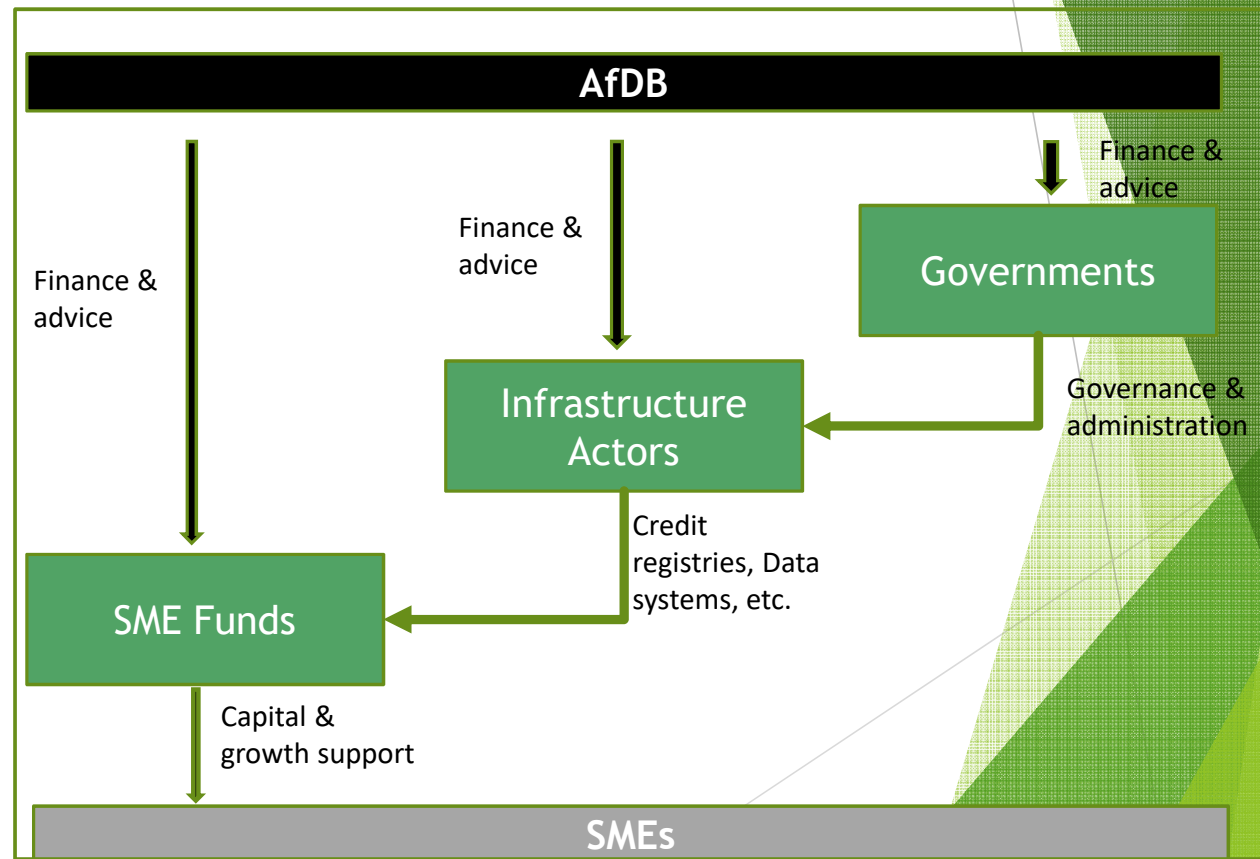
Objective:

Support the growth of Ag SMEs of the sector

Delivery Model:

SME funds that provide agricultural SMEs with equity and working capital finance with:

- project preparatory support,
- concessional first loss guarantees
- technical assistance



Questions to Companies

What are some of the key drivers in the sectors?

What are some critical challenges and solutions?

What is your business plan?

AFRICAN DEVELOPMENT BANK GROUP



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THANK YOU / MERCI

