"Development of Horticultural Markets
The Unfunded Potential for Rural Income Growth"

AFRICAN DEVELOPMENT BANK
SUPPORT TO HORTICULTURE PRODUCTION AND MARKETING INFRASTRUCTURE

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The African Development Bank
PRENTATION OUTLINE

- AFRICAN DEVELOPMENT BANK
- BANKS PROGRAMME IN ZAMBIA
  1. HISTORY
  2. MTS AND JASZ DIVISION OF LABOUR
  3. CURRENT PORTFOLIO
  4. AGRICULTURE SUPPORT
- FUTURE SUPPORT
  1. CSP/SNDP/CAADP
  2. PPP
  3. PRIVATE SECTOR
AFRICAN DEVELOPMENT BANK

- Opened July 1, 1966 with 10 staff members.
- Current HQ in Tunisia
- 53 Regional Member Countries (RMCs)
- 24 Non-Regional Members
- **Board of Governors; Board of Directors; President**
- 5 Vice-Presidents
- 30 Departments
- 545 professional staff
- 338 General Services staff
• Development finance institution
• Mobilizes resources for the economic and social development
• Fight poverty and improve quality of life
• Loans, equity investments, and technical assistance
• Research and knowledge building
Three Entities

Entity - AfDB

- African Development Bank (AfDB)

Key Features

- Flagship
- General Capital Increase cycles
- Initial authorised capital raised from $250m in 1962 to over $33.3bn in 2007
- Lends on non-concessionary negotiable terms
Three Entities

Entity - ADF

- African Development Fund (ADF)

Key Features

- Main concessionary window
- Replenished every three years
- Loans repayable over 50 years, 10-year grace period, service charge of 0.75%
- ADF grants for studies and capacity building.
Three Entities

Entity - NTF

- Nigerian Trust Fund (NTF)

Key Features

- Nigerian facility to support poor countries
- Loan interest rate of 2-4 percent
- Repayment period of 25 years, including a 5-year grace period.
• ADB embarked on decentralisation in 2004

• Zambia joined on 1\textsuperscript{st} September 1966

• Zambia first borrowed in 1971
  1. Over $1bn investments made since then
  2. About $58m in private sector investments
  3. ADB extended debt relief of $387m of HIPC/MDI

• Zambia Country Office opened in July 2007
• The Bank’s programme globally defined in **Medium Term Strategy (2008-2010)**.

• In Zambia, MTS adopted in line with **JASZ (2007 – 2010)**

• **JASZ supported FNDP (2006-2010)**

• **Bank’s four priority pillars of support under JASZ:**
  1. Infrastructure Development
  2. Regional Integration
  3. Governance (direct budget)
  4. Private Sector
CURRENT PORTFOLIO

- 17 public sector projects worthy $167 million
- Private sector projects total $43 million.
- Agriculture (8%) Water and Sanitation (47%), Private Sector (28%) and Budget Support (10%).
- Agriculture infrastructure projects are a priority (irrigation, feeder roads, markets, public infrastructure)
- Institutional support for public and private sector
### INTERVENTIONS RELATED TO HORTICULTURE PRODUCTION & MARKETING

**Project**

- Agriculture Research and Extension (ZAREP)
- Rehabilitation of Agriculture Sector
- Nakambala Sugar
- Agriculture Marketing and Processing
- Agriculture Sector Investment Programme
- Small Scale Irrigation Project
- Agriculture Marketing Promotion and Regional Integration Project
- Lake Tanganyika Integrated Regional Management Project
- Africa Food Crisis Response

**Features**

- **US$9.6m (1989-99)**
- **UA22.5m (1985-94)**
- **UA7.3m (1980-94)**
- **UA9.21m (1994-08)**
- **UA15.0m (1998-08)**
- **UA5.2m (2004-00)**
- **UA3.7m (2004-10)**
- **UA3.3m (2005-12)**
- **UA2.1m (2009-10)**
INTERVENTIONS RELATED TO PRIVATE SECTOR OPERATIONS INCLUDING HORTICULTURE

**Project**

- Line of Credit to Zambia National Commercial Bank (ZANACO) Limited
- Line of Credit to Investrust Bank Plc

**Features**

- US$ 10.0 m (2008)
- US$ 3.5 m (2008)
FUTURE SUPPORT

Programme Entry

- **CSP/SNDP/CAADP**: public investment programmes to guide the Banks support. Infrastructure remains priority

- **Private Sector**: Bank to expand its support to private sector: Greenfield, extension, diversification, modernisation:
  1. PPP models, SMEs, Lines of Credit with commercial banks in all sectors except real estate and trade.
  2. Loans, Equity, guarantees and underwriting
POTENTIAL AREAS OF INTERVENTION IN HORTICULTURE MARKETS

- Public sector Urban, Peri-Urban and Rural Assembly point wholesale Markets
- Private sector processing and storage plants for horticultural product value addition and export
- Freight facilities at airport and cross border facilities (PPP)
- Rural and peri-urban assembly/collection points for outgrower supporters
- All depends on request and appraisal by public and private sector