

*"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

PRESENTATION 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

AFRICAN DEVELOPMENT BANK



- 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.

BANKS PROGRAMME IN ZAMBIA



- ADB embarked on decentralisation in 2004
- Zambia joined on 1st 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

MTS AND JASZ DIVISION OF LABOUR



- 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

- US9.6m (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



THE END