

Session title:	Unlocking African PDBs catalytic role (for increased investments in sustainable food systems)
Session number:	1
Type of session:	Webinar
Day:	Monday, 6 September 2021
Time:	10:00-11:00 EAT
No. of participants:	57
Session Organizers:	International Fund for Agricultural Development (IFAD)
Moderator:	James Marc de Sousa Shields
Rapporteur:	Yinuo Sheng- IFAD Intern (Global Engagement, Partnership and Resource Mobilization)
Relevant outcome:	<p>Experiences of good practices of African Public Development Banks (PDBs) to catalysing private and public investments on sustainable food systems were shared.</p> <p>Challenges, opportunities, and best practice experiences in expanding access to inclusive and sustainable financial products and services to support job creation within inclusive and sustainable food systems were identified and shared.</p>
Objectives:	The plenary platform-streamed event on unlocking African PDBs catalytic role aims at linking national and international/regional PDBs, commercial banks, donors/investors, and SMEs/farmers organizations in the effort to create sustainable inclusive and green rural finance value chains. The potential of African Public Development Banks (PDBs) in catalyzing investments for sustainable food systems will be assessed. Moreover, the event will examine challenges, opportunities, best practices, and experiences of PDBs and relevant players in catalyzing and channeling more public and private finance to transform food systems in Africa.
Speakers:	(*Name, Title, Organization)

1. Mr. Gilbert H. Hounbo, President, International Fund for Agricultural Development
2. Mr. Remy Rioux, Chief Executive Officer, Agence Française de Développement (AFD)
3. Ms. Antonella Baldino, Cassa Depositi e Prestiti (CDP)
4. Hon. Aichata Toure Mme Cisse, National Bank for Agricultural Development, Mali
5. Ms. Atsuko Toda, African Development Bank (AfDB)
6. Mr. Nadjirou Sall, National Council for Consultation and Cooperation of Rural People (CNCR), Senegal

Main highlights:

(*For Insights and newsletter. To be based on the theme of the day. Fill in in bullet form)

KEY CHALLENGES

- Not enough new financing products are promoted
- The need to have resources to facilitate high quality project identification, preparation and appraisal has not been met; new techniques and new understanding to reinforce commitments by PDBs to reach these segments are required
- PDBs need concessional lines of credit to catalyse investments and address market failures
- Joint several liability and guarantee between farmers has completely collapsed in Mali
- Smallholders do not have official deed showing that service belongs to them
- Smallholders have low rate of (financial) literacy and bank account holdings
- uncertain weather conditions pose a threat to food production
- Lack of infrastructure and remoteness of rural area makes marketing agriculture products difficult
- The processing capacity of rural area is poor and slows down industrial products growth

INNOVATIONS PROPOSED

- Identifying a number of guarantee products, and trying to mobilize blended finance
- Emphasizing that government, international organization, businesses, financial players and civil society should collaborate and develop together
- Taking farmers out of the cooperative system, allowing them to be targeted for individual support
- Spreading financial education to improve smallholders' financial literacy
- Developing insurance products to better respond to weather hazards
- Improving the processing capacity of rural area, allowing more value added to food systems

- Finding right tools and technologies to modernize family smallholding

RECOMMENDATIONS/ NEXT STEPS

- Private sector should have a central role in designing cutting-edge but financially viable projects, while donors and development finance institutions must focus on allocating resources efficiently, to mitigate nonmarketable risk to finance these projects
- Efforts should be made to improve the governance and capacity of PDBs, in order to increase their efficiency and effectiveness
- PDBs should address market failures and develop a comprehensive role in agriculture sector and consider the entire value chain
- Use the second edition of Finance in Common Summit as an opportunity to consolidate the role of Coalition, establish partnerships among financial institutions, donors, PDBs and civil society, increase and redirect financial flows for achievement of 2030 Agenda and the Paris Agreement targets

Session Summary:

(*To go in final report. Max 300 words. Fill in prose)

The session offered a platform for PDBs, governments, donors, and investors to discuss main challenges and identify concrete actions to foster a catalytic role for African PDBs in sustainably increasing investments in sustainable food systems. It emphasized the crucial role of PDBs in catalysing investments to transforming food systems, making it more sustainable.

Mr. Gilbert H. Hougbo and Mr. Remy Rioux highlighted the large financing gap to transform food systems, and underlined PDBs' crucial role in the transformation, due to their public mandates. During the panel, 4 speakers discussed some main challenges faced by African PDBs, including and not limited to lacking capacity and good governance, inability to target individual farmers, not establishing sound multi-stakeholder partnerships, and not delivering suitable services and products for smallholder farmers. Smallholder farmers also have limited access to finance because of the lack of deeds proving their property of land, low financial literacy rate, little access to markets, low processing capacity, and extreme weather conditions.

The panelists also proposed some practices and innovations for African PDBs, including mobilizing blended finance, improving their governance and capacity, establishing multi-stakeholder partnership and coordinating with governments, private sectors and international organizations, and targeting smallholder farmers as individuals and giving them individual support.

Tweetable quotes with timestamp:

(*For podcast and to go to AGRF Communication for social media. Minimum 3 per session)

- “Partnership represents the main route to fully realize PDBs’ potential, catalyse finance for agriculture and food systems transformation.” – Ms. Antonella Baldino (47:18)
- “There are diverse Public Development Banks, the innovations, the priorities, the ways of working... we have to understand them to understand the new answers to support PDBs’ full potential.” – Ms. Atsuko Toda (49:16)
- “For family smallholdings, we need to find the right kind of tools to modernize farming, and upscale small plots.” – Hon. Aichata Toure Mme Cisse (50:33)

How has the session contributed to the AGRF outcomes?

*(For end of AGRF communique/ Press release. List 3 - 5 top outcomes)

- Highlighted African PDBs’ crucial role in mobilizing resources to transform food systems
- Discussed and identified important challenges (e.g. lack of adequate resources to facilitate high quality project identification and to catalyse sufficient funding) learned by African PDBs in de-risking agricultural finance
- Proposed some actions (e.g. investing in PDB governance and capacity, mobilizing blended finance, concentrating on multi-stakeholder partnerships) to better help transform the food system for African PDBs

COMMITMENTS

No direct commitments were made during the session.