

IFC and agribusiness in a changing environment

IFC event on GAFSP and climate smart agriculture

RVO, Prinses Beatrixlaan 2, The Hague – 28 October 2016

Organized by Maxime Eiselin (IUCN NL), Jan Willem den Besten (IUCN NL), Commerijn Plomp (RVO), Sheila Kwint (RVO).

Executive summary

RVO and IUCN NL organized together with the International Finance Corporation (IFC) on 28 October a one-day event in The Hague in the framework of the World Bank Group-Netherlands strategic partnership 'Food for All'. The event convened more than 80 professionals in the private sector, knowledge institutions, NGOs and policy makers engaged in agribusiness in developing countries. IFC, the private sector arm of the World Bank Group, invests heavily in agribusiness in developing countries and emerging markets, and therefore has a great interest in exchanging experiences on investment opportunities, climate smart technologies and challenges in value chain operations. The main objective of the event was that both private sector and IFC bring current and upcoming activities and challenges in relevant countries to the table and explore opportunities for cooperation. This event was well received by the participants and some promising leads were established between IFC and several companies.



Main findings of the day

- The GAFSP program ([leaflet](#)) aims to meet the sustainable development goals to end poverty and achieve food security in every corner of the globe by 2030. To achieve this, IFC searches for partners that comply with an ambitious, reputable and competitive profile. A partnership with IFC means that you construct a strong and long-term relationship and that you get valuable support in scaling and replicating your business case.
- The event brought together supplier companies, value chain companies, NGOs, financial and knowledge institutions and policy makers that work agribusiness or related sectors. All organizations were engaged, shared experiences and helped each other in finding solutions.
- The presentations from IFC and the bilateral meetings were very valuable to organizations that wanted to engage with IFC and GAFSP.
- Finance for agribusiness in developing and emerging countries was the key topic of the day. Some participants had a focus on (empowering) value chains, others on the impact that investments could have on the global climate.
- A conclusion was that in order to achieve impact in climate smart agriculture and reducing deforestation, private sector green value chain initiatives and private sector finance must be aligned with public finance and government programs that ensure the necessary land-use planning, enabling environments, legislation and landscape wide monitoring and verification of impact.

The main recommendations for doing business with IFC were:

- IFC invests in strong and long-term partnerships.
- The counterparty should be reputable and competitive, have a track record in the industry and have a demonstrable capacity to comply with the IFC standards and thematic interests of IFC. The projects have to be scalable and replicable.
- IFC searches for blended finance solutions. The main products of IFC are long term loans.
- In practice, there is almost no linkage between the private and public window of GAFSP.
- Financial models should be as simple as possible. However partners that meet IFC's criteria are scarce, so often financial schemes become complicated with complex stakeholder web to cover first and second loss.
- In general there is enough money, but not enough bankable projects.
- A challenge in financial structuring is to look cross-sectoral using a landscape approach.
- Applying for an IFC product is a long term process. It is important to maintain contact with IFC during the application to show them progress in activities and improvement in bankability.

A team at RVO is at your disposal for advising you on how to work with IFC, how you can add value to IFC's activities, and what to expect. Don't hesitate to contact us: sheila.kwint@rvo.nl or commerijn.plomp@rvo.nl

Full report

Background of the event

Challenges for agribusiness worldwide

The Netherlands has an agricultural sector with a strong reputation and a sizeable export position. For reasons like year-round supplies, complementarities in the assortment and benefiting from the logistical structures, much agricultural produce is also imported, often from countries in different climate zones. Over the years, many home-grown technology providers have supported the Dutch primary producers. This makes many of the Dutch retailers, traders and agricultural processors, producers, technology suppliers and knowledge institutions, stakeholders in agricultural production worldwide. Agribusiness, maybe even more than other productive sectors, is impacted by external factors like weather, climate, various types of trade barriers and failing infrastructure. The event addressed challenges for agribusiness in developing countries, with a focus on climate change, food security and value chain empowerment. The event as such was intrinsically part of the cooperation between the Dutch government and the Global Practice Agriculture of the World Bank Group in the framework of the partnership “Food for All”. This partnership is focused on sharing knowledge. Recognizing that the Dutch agricultural expertise is not necessarily governmental, the event aimed for IFC to reach out to the rest of the so called Dutch diamond.

The need of climate smart agriculture for agribusinesses

Climate change affects companies in the agro-food and beverage sectors all around the world. They face increasing risks: from reduced productivity, new laws and policies, to reputational risks or volatile market prices. Effectively managing risks and opportunities of climate change is vital to secure long-term viability of companies and value chains. Integrating climate-smart agriculture techniques and projects in business operations can help firms to become more climate-resilient and in the meantime reduce pressure on forests and other ecosystems and the services they provide. Especially in developing countries, climate change implies challenges to food security and sustainable food production and trade.

IFC's search for bankable climate smart agriculture initiatives

IFC, being a strong promotor of private sector investment and improving the enabling environment of business and finance in developing countries, is heavily engaged in programs that promote food security and sustainable food production and trade. IFC is looking for ideas, technologies and investment opportunities in agribusiness for Dutch agro-food companies that are active in developing countries. IFC was therefore motivated to discover the impact and attitude of bankable state-of-the-art technologies and smart low-tech solutions that Dutch agribusiness (would like to) apply to solve climate-related agricultural challenges in developing countries.

IFC potentially creates opportunities for Dutch business in various ways: as a financier (loans or equity) of large investments in developing countries or developing markets, or by generating demand for expertise or equipment at their clients. Another way of working with IFC is through its corporate procurement: consultancy for sector strategies, baseline studies, evaluations, etc.

A second objective for IFC for organizing the event was to promote the Global Agriculture & Food Security Program (GAFSP) Private Sector Window – administered by IFC – as a source of funding for small- and medium-sized agribusiness. GAFSP is an innovative funding mechanism that is standing

out as an effective way to deliver development financing. More information about the private sector window of GAFSP can be found below.

RVO and IUCN NL linking demand and supply

RVO – or the Netherlands' Enterprise Agency - aims to better position Dutch companies, knowledge institutions and NGOs for contributing to the operations of the multilateral development banks. In IFC's operations there is always a call for potential investors, but there is also a need for suppliers of expertise and technology. Advising potential suppliers on where to turn to (and when) for opportunities is at the heart of the services of RVO's team for business development at International Financial Institutions.

IUCN NL aims to [mobilize Dutch private climate finance](#), which can be achieved when IFC investments are directed to Dutch climate smart agriculture initiatives in emerging markets. The alignment of public and private instruments and finance is essential. In addition, the impact and effectiveness of zero-deforestation and climate smart agriculture initiatives will depend largely on the extent to which private sector value chain programs are aligned with, and embedded in, public sector landscape programs and REDD+. This needs the right rules and regulations, safeguards and monitoring, reporting and verification of social and environmental impacts. Furthermore, IUCN NL would like to see that IFC's sound environmental and social standards will be mainstreamed among other institutions in the financial landscape.

Global Agriculture & Food Security Program

GAFSP invests in sustainable agriculture to reduce poverty and improve food and nutrition security in low-income countries. GAFSP targets the entire value chain in agriculture and related sectors through its complimentary Public and Private Sector Windows—recognizing that investments from both public and private sectors are critical to a well-developed, resilient food system, improved agricultural productivity, increased incomes, and the highest development impact.

GAFSP Private Sector Window provides private investments in agribusiness and financial institutions, as well as comprehensive advisory services. GAFSP can provide funds for agricultural investments that are smaller than the usual IFC investments. It aims to make specialized financing packages for small- and medium-sized agribusiness, include loans, risk-sharing products, and equity in low-income countries, which would be considered too risky for other investors. The Private Sector Window works to link businesses to farmer markets to create sustainable, integrated value chains.

The Netherlands committed to contribute USD 142.9 million to GAFSP's private sector window (as of August 31, 2015), making the Netherlands the largest donor to the private sector window. More information about GAFSP can be found in their [leaflet](#).

Highlights of the day

Plenary sessions (9:30-10:40h)

The day was opened by Marcel Beukeboom, Head Food and Nutrition Security at Ministry of Foreign Affairs of the Netherlands. He set the stage by describing that the Ministry values working with IFC because of their high environmental and social standards. The Ministry would like to see that Dutch companies in the agro and food sectors are frontrunners in combatting causes and impact of climate change. At the same time, IFC is interested to work with Dutch agribusiness, because Dutch agribusinesses have state-of-the-art knowledge and expertise about local and global agriculture.

Henk Jan Beltman, Chief Chocolate Officer at Tony's Chocolonely, gave a lively account of the efforts and impacts Tony's Chocolonely is making in empowering the smallholder farmers in the chocolate value chain. He argued that in West Africa, where 70% of cocoa being sourced from, modern slavery still occurs. Adults and children are being forced to work, sometimes without getting a salary. Tony's

Chocolonely aims to create a social paradigm shift in which the chocolate value chain is slave-free and a fair price is being paid to farmers. He described how this paradigm shift, just like commercial marketing, needs communication with the underbelly. Hence the deliberate choice for strong words like slavery, and the unequal division of chocolate portions in a bar. In addition, their chocolate is Fairtrade certified, deforestation and forest degradation is being avoided, while investments are being made to increase farmer productivity.



Left: Marcel Beukeboom during the plenary opening. Right: Henk Jan Beltman presenting.

Nina Zegger, Global Head of Climate Business, Manufacturing, Agribusiness & Services at IFC, presented the work of IFC on climate smart agriculture. She started her presentation with the World Bank definition of Climate-Smart Agriculture - an approach to managing landscapes—cropland, livestock, forests and fisheries—that aims to achieve three “wins”:

- (1) Increased productivity to improve food security and boost farmers’ incomes;
- (2) Enhanced resilience to drought, pests, disease and other shocks;
- (3) Reduced greenhouse gas emissions.

CSA thus is an integrative approach aimed at increasing productivity sustainably and ensuring food security by building climate resilience and reducing greenhouse gas emissions from agriculture. IFC’s CSA strategy is to support CSA by providing investments and advisory operations that contribute to one or more of its three pillars.

IFC is looking for disrupting projects in developing markets with a strong sustainability focus. The mandate of IFC is to “de-risk” these projects. This event matches IFC’s key industries (agribusiness), regions (projects in emerging markets), and challenges (climate change).



Left: Jan Willem den Besten (IUCN NL) and Commerijn Plomp (RVO) introducing climate smart agriculture. Right: Nina Zegger presenting the goals of the various breakout sessions.

Marinus Overheul, Counselor International Agribusiness & Institutional Development in Public



Private Partnerships at Topsector Agri & Food, presented the vision of Dutch business for climate smart agriculture in developing countries. He stated that the Netherlands has an important role to play in solving international agricultural challenges, if only because we have the capacity and expertise to do so. Topsector Agri & Food envisions working together with IFC more closely, in order to scale up projects that target the value chain, technological innovations, R&D, capacity building and training. He proposed that this can be in the form of long-term PPP projects together with the Ministry of Foreign Affairs of the

Netherlands.

Marinus Overheul investigating the various organizations attending the event.

Breakout sessions (10:55–12:05h)

Session 1: Climate smart irrigation and soil management in Africa – low tech.

Led by Richard Colback, IFC and moderated by Sheila Kwint, RVO.

The objective of the break out session, moderated by Ms. Sheila Kwint (Senior Adviser Netherlands Enterprise Agency), was to look more in detail at business opportunities that relate to climate smart irrigation and soil management in Africa, with a specific focus on low cost technologies. Almost 25 professionals participated in the meeting. They represented different types of businesses and organizations (research organizations, consulting companies, NGOs, investment banks, see list of participants attached).

Mr. Richard Colback, Senior Operations Officer and IFC Program lead for Sahel Irrigation, presented the current activities of IFC that relate to his field of work. He described several projects in Africa and Asia where IFC facilitated investment cases for low-tech products and advisory services for clients such as OLAM (India, Ivory Coast) and Sofitex (Burkina Faso). Richard always insists that potential partners make a detailed supply chain analysis before promoting any technical innovation or product. He also emphasized the need to adjust solutions to farmers' and agricultural commercial companies' demand to get quick return on investment. Considering the numerous challenges of large-scale agriculture in Sub-Saharan Africa, low-tech solutions often have the potential to be scaled up. Laurent Stravato, Agri-water specialist at IFC, completed the IFC presentation by describing the example of the Heineken project in Rwanda where an SME (EUCORD) is currently supporting Heineken and their local maize buyers. Technical support is provided to cooperatives (business plan, governance, trainings) to increase the crop productivity of maize production and then increase local sourcing supply of Maize (reducing importation). For Heineken, the objective is to increase the profitability of the local value chain to secure more local sourcing.

After the presentations of IFC, the workshop focused on concrete solutions/technologies implemented by Dutch SMEs or research institution in emerging markets to support climatic smart solutions for agricultural production:

1. Aart van den Bos, CEO at Soil & More, presented the current commercial composting facility established by his company in Ethiopia via the NAMA initiative. This facility aimed to restore soil fertility with recycled organic waste streams.

2. Annemarie Groot, Researcher in Policy Science Interactions at Wageningen University and Research, presented several technologies innovation tested (automated weather station) aiming to customize irrigation scheduling for smallholder farmers.

3. Daan Peters, Senior Consultant at Ecofys, presented the approach "Biogadoneright". This approach has already been implemented in Senegal and Italy and aims to generate additional biomass without displacing food crops, while increasing below ground carbon content. Several participants commented on the different technological solutions to better understand how to collaborate with IFC as it has clearly been expressed during the workshop that many Dutch SMEs, consultancy services and research organization do have innovative solutions from the hardware perspective (mentioned above) as well as software (capacity building customized workshop) and "orgware" (joint venture) to contribute to increase profitability for agricultural production (smaller aggregators to large buyers).

The IFC team recommended the participants that they should link up with large companies or investment companies to share business plan and demonstrate the profitability of their interventions/products. If their low-tech solutions are scalable and have already proven success with references at an interesting scale in the sub Saharan context, IFC is open to discuss and look together for potential opportunities to develop their products and markets in the IFC initiative entitled 'Sahel Irrigation Initiative'. Richard Colback is managing this initiative and is always looking for successful approaches that aim to increase the profitability of private sector investments.

Session 2: Investments countering deforestation / REDD+.

Led by Ahmad Slaibi, IFC and moderated by Jos Cozijnsen, Emissierechten.nl/Consulting Attorney.

Ahmad Slaibi, Economist Climate Change at IFC, presented the investment portfolio of IFC's investments in forestry, wood products and REDD+ through the Carbon Fund Initiative for Sustainable Forest Landscapes (ISFL). An investment case in Liberia showed that IFC is supporting a cooperative of 600 farmers on degraded plantations by providing them with credit for 7 years to upgrade their land. Another case under the ISFL involved collaboration with Nespresso to reduce deforestation and degradation in Nespresso's coffee sourcing landscape in Oromia State in Ethiopia, where the government initiated a Jurisdictional REDD+ Program. Mr. Slaibi also explained IFC's latest innovative finance product in this area: the Forest Bond. In Kenya, IFC is issuing bonds through the Kasigao REDD+ projects. Buyers of the bond will be repaid in the form of carbon credits generated by the REDD+ project. The project uses the money raised to increase land value and local incomes. It was pointed out that the companies behind the case studies had difficulties to access finance, because banks perceived the proposed investments too risky. IFC's due diligence showed that the companies complied with their standards and stepped in with this innovative financing model to mitigate risk. In this model local banks were used to give soft loans as a first or second loss, and NGOs were engaged to provide technical assistance. This model is replicable.

A discussion followed about the challenge for IFC to find companies that comply with IFC's high standards. It was also discussed that it is crucial to link and engage different actors that are required for an effective risk mitigation structure, from local farmers and NGOs to national banks, traders and value chain companies. A comment from the participants was that large numbers of local farmers



are not connected to international value chains. It is therefore difficult to reach scale with this group. Aggregators are therefore needed to bring together large enough numbers of farmers to make it bankable.

Daan Wensing, Program Director Initiative for Sustainable Landscapes at IDH,

presented the case of the implementation of their Initiative for Sustainable Landscapes in Kenya (ISLA Kenya). Through this initiative, IDH aims to restore and conserve 100.000 hectares of forests in the South West Mau Forest by 2030 through innovative and sustainable solutions to deforestation. To do so, ISLA Kenya addresses livelihoods, water, sustainable energy and holistic landscape management. The case study showed how important it is to consider all relevant actors that depend on, or impact each other across the landscape. The companies in the landscape for example realized that their greening interventions in their plantations were meaningless unless they also focused attention to the forests outside their plantations, that continue to be degraded and deforested as a result of ineffective government policies and unsustainable local practices. Only when all these actors start to work together in monitoring and designing of interventions, can landscape wide impact be achieved. IFC also applies this approach when making private sector investment cases. *Daan Wensing explains the case of ISLA Kenya.*

Adam Gibbon, Chief Technical Officer for REDD+ and sustainable agriculture projects at Althelia Ecosphere, presented a case study of the Tambopata-Bahuaja REDD+ and Agroforestry Project. The Althelia Climate Fund has participated with a EUR 9.15 million investment program in a REDD+ project in the Madre de Dios, Peru. The long-term conservation of 570,000 hectares of protected natural forest is made possible because the restoration of a sustainable agro-forestry system is financed in the buffer zone of the reserve. Local farming communities produce 'deforestation-free' fine aromatic cocoa in the agro-forestry system and are thus able to improve their livelihoods. Various companies buy carbon credits from this project area, including the four companies of the Dutch Platform BEE REDD+ Business Initiative. Althelia Climate Fund applies social and environmental standards that are similarly stringent as those of the IFC.

The following conclusions were drawn from this session:

- When natural areas in a multi-sectoral landscape are being threatened with degradation, an integrated and holistic approach is required in which all drivers of deforestation and environmental change are considered.
- A landscape approach means looking with companies beyond the impact of their value chains and to look for options to reduce that impact. It also means looking at the impact of other sectors and actors in the landscape. It needs to be ensured that government agencies, local communities and the various relevant companies communicate and collaborate around integrated approaches and solutions.
- Attention beyond the landscape is needed to catalyze sustainable climate smart agriculture activities: local, national and international regulations and laws have to be designed, reformed and implemented; various actors along the value chain from consumers and retailers far away from the landscape to financiers, insurers and finally aggregators, extension workers, cooperatives and the producers themselves in the landscape.
- This session was innovative because it brought a diverse set of Dutch practitioners and investors together that each work on different parts of the puzzle of this issue and that are in most cases looking for new financing possibilities. A community of practice will be developed for actors in the Netherlands to work together and exchange experience in financing sustainable landscape programs.

Session 3. Including climate change into agro investment decisions in emerging/developing markets. Led by Nina Zegger, IFC and moderated by Commerijn Plomp, RVO.

Many companies wanted to know more about the interventions that Nina Zegger presented in her case studies. Most interventions that Nina Zegger discussed were directed to cost savings that are also beneficial for climate mitigation and/or adaptation. In this way climate mitigation measures

create a direct benefit for the stakeholders in the value chain, which makes them more likely to last with time. In the break-out session Nina Zegger dived deeper into IFC's attempts to integrate climate aspects into the financing of agricultural investments, answered many questions by the audience, asked the audience about their own experiences and presented a number of IFC cases. She further explained how IFC involvement is structured. Other financial institutions such as Triodos, FMO and Rabobank also attended the session and shared experiences. Some interesting climate smart Dutch initiatives in the African dairy sector were highlighted. (Notes were not kept in a structured way during this session, because the seating capacity of the room was fully utilized.)

Plenary sessions (13:00-14:15h)

Niraj Shah, Senior Investment Officer Global Agribusiness at IFC, presented agribusiness opportunities in GAFSP Private Sector Window 2.0. In the GAFSP 2.0 phase (2016-2020) climate smartness, ecological sustainability and nutrition will play a greater role and advisory activities will come more to the forefront. Niraj showed the status of the GAFSP Private Sector Window investment portfolio as of Sept 2016. He stated that a GAFSP investment usually leverages about five times the private investment. The minimum loan that can be provided to companies is USD 1 million. Grands are not provided. Projects locations are mostly on the African continent.

Lucas Simons, CEO of ScopelInsight, presented his case study about working with IFC and Dutch investors in agribusiness. ScopelInsight believes in farming as a business. The key to transforming agricultural markets lies in the professionalization of farmers. The more professionally farmers actually operate, the more likely they are to access finance and inputs, to be able to invest and improve their livelihoods, and increase their professionalism even further. Lucas Simons stated that it is difficult to obtain investments from IFC. But once you have struck a deal, it is very worthwhile to work with IFC because they really give their best to make your company successful by leveraging your work and bringing new clients. Now ScopelInsight signed a 3 year contract with IFC to develop a method to measure the level of professionalism of farmers. Scopelinsight has a standardized and



scalable approach to measure and benchmark how farmers manage their business. The assessment tools can be used across any region, sector, crop and farmer segment, and are available in English, French and Spanish. Three SCOPE tools have been developed for different types of organizations. The insights that the assessment tools deliver can be used by financial institutions to tailor sustainable financing opportunities. Assessment profiles cover up to 85% of the information needs of financial institutions.

Lucas Simons explains the advantage of advancing

professionalism in agribusiness.

Harm Dijkstra, Senior Consultant Subsidies at FrieslandCampina gave a presentation about the private sector perspective for investing in agribusiness in developing countries and emerging markets. FrieslandCampina dairy activities integrate CSR goals and business interest in their worldwide dairy development program. The program helps to develop local farmers in three manners: raise raw milk quality and safety, increase farm productivity, and support farmers in getting a market for their product. FrieslandCampina uses a variety of tools to develop capacity local farmers: training, expert advice, knowledge partnerships, infrastructure construction, and field trips. Friesland Campina recognizes that there is a mutual gain for partnering and helping the local farmers, because the farmers have the opportunity to structurally raise their income through producing more and higher quality milk, which FrieslandCampina can sell then on to the consumer market. The case presented in Indonesia couldn't have been possible without extensive public

funding. It was developed with the idea of upscaling in mind and additional public sources will be needed to make that upscaling possible.

Breakout sessions (14:35–14:45h)

Session 4: Strengthening value chains and cooperatives.

Led by Alan Johnson, IFC and moderated by Commerijn Plomp, RVO.

This session started with an exchange of experiences, rather than a presentation. It followed the points raised in the ScopeInsight presentation, about increasing smallholder professionalism. The AMEA platform was presented, in which IFC works with IDH, ScopeInsight and ICCO and others. Securing the required quality standards is often a key topic. Various practical cases were highlighted by the audience, with some examples from the dairy sector and some examples of financing schemes. The audience consisted of a wide range of companies, in (eg.) banking, dairy and technology and some knowledge institutions. The cases highlighted by IFC indicated a considerable amount of GAFSP projects with Dutch involvement. The majority of GAFSP projects address the linking of farmers to markets.

Session 5: Climate smart irrigation and soil management in Africa – high tech

Led by Richard Colback, IFC and moderated by Sheila Kwint, RVO

The objective of this session was to discuss business opportunities that relate to climate smart irrigation and soil management in Africa that have a specific focus on high tech technologies. Almost 20 professionals participated to the session. They represented different types of business and organizations (research organizations, consulting companies, NGOs, investment banks).

Richard Colback, Senior Operations Officer and IFC Program lead for Sahel Irrigation, presented the current activities of IFC his working field. He described several projects in Africa where IFC facilitated investment for high-tech technology investment and provided advisory services to clients, such as to Netafim (Niger) and Heineken (Rwanda). Richard insisted on IFC advisory role to provide a detailed supply chain analysis before promoting any technical innovation or products. High tech solutions are needed to stimulate climate-smart solutions, such as solar energy or information services (e.g. weather forecast), and provide incentives for IFC investments. However sound low-risk business models need to be implemented to respond to farmer's demand and capacities to pay for the financial product, as well as the need of getting quick profitability. Laurent Stravato, Agriwater specialist at IFC, completed the presentation of IFC. He described the need to focus on interventions that lead to concrete results quickly, because of the numerous challenges of sub-Saharan market for high tech products (maintenance, cost of spare parts, etc.).

Next, Harry Derksen, CEO at the Waterwatch cooperative, presented a concrete high-tech solution in Myanmar. Harry Derksen has been managing a pilot in collaboration with a Dutch IT company to add satellite-based content to the Golden Paddy Platform. This platform shares climatic smart solutions (soil moisture, crop growth, flood- and drought) via a mobile app for farmers, retailers, brokers/traders and wholesalers.

Also several participants shared their concrete examples for the market development of solar irrigation pumps (e.g. Practica foundation). The Netherlands Space Office shared the initiative that they launched, entitled Geodata for Agriculture and Water.

From those discussed cases, the debate went into the critical challenges in scaling up high-tech products in relation to its cost. A key success factor is the need to develop sound business models that are adapted to the Base of the Pyramid. All participants agreed that there is a large market potential for high-tech climate smart solutions for agriculture. Obviously, it is necessary to learn from the failures of the past, particularly when creating new markets and when stimulating large companies' investment.

The IFC team recommended the invited businesses and organization to link up with large companies or investment companies to demonstrate the profitability of their intervention/products so they can collaborate directly with the clients of IFC. IFC will organize in partnership with RVO several business events aiming to facilitate those meetings (visit of Dutch business in Senegal, visit of Burkinabe entrepreneurs in Burkina, Sahel Irrigation initiative conference in Europe). If companies have already high-tech solutions that are scalable and have already proved success in the sub Saharan context, IFC is open to discuss and look together for potential opportunities to develop the products and markets. The IFC initiative 'Sahel Irrigation Initiative' can help with this. Richard Colback is managing this initiative and is always looking for successful approaches aiming to increase the profitability of private sector investments.

Session 6: The financial structuring of climate smart projects in developing countries.

Led by Nina Zegger, IFC and moderated by Stephanie Broeder, Netherlands Embassy Washington.

Nina Zegger presented the case study of the Roya Renovation Facility in Nicaragua, for the renovation of over 5,000 hectares of coffee plantations affected by La Roya, a coffee leaf rust disease that debilitates coffee trees and has resulted in strong yield reductions in Nicaragua. It was supported through the private sector arm of GAFSP. Together with ECOM Agroindustrial Corp. Ltd. a US\$30 million long-term lending facility" financed that will provide financing to producers. A subsidiary of ECOM, acts as agent and will identify borrowers, make and service the loans, and facilitate technical assistance to participating farmers.

GAFSP participation plays a catalytic role in reducing the risk profile of the project and creates the opportunity to reach farmers with competitive terms, supporting an innovative private sector initiative to deliver a level of additionality and impact beyond what is possible through IFC's regular operations.

Another case study was about the rubber renovation facility in Liberia. Here IFC works with local banks that comply with the IFC standards to cover first and second loss. The financial model can be replicated, but it was difficult to find a local bank that complies with the IFC standards.

The main findings from this session are:

- IFC invests in strong and long-term partnerships.
- The counterparty should be reputable and competitive, have a track record in the industry and have a demonstrable capacity to comply with the IFC standards and thematic interests of IFC. The projects have to be scalable and replicable.
- IFC searches for blended finance solutions. The main products of IFC are long term loans.
- In practice, there is almost no linkage between the private and public window of GAFSP.
- Financial models should be as simple as possible. However IFC finds it difficult to find partners that meet their criteria, so often financial schemes become complicated with complex stakeholder web to cover first and second loss.
- In general there is enough money, but not enough bankable projects.
- A challenge in financial structuring is to look cross-sectoral using a landscape approach.
- Applying for an IFC product is a long term process. It is important to maintain contact with IFC during the application to show them progress in activities and improvement in bankability.



The audience is listening to Nina Zegger explaining the financial structuring of a case study in Rwanda.

Bilaterals between individuals organisations and IFC (15:55-16:40h)

After the breakout sessions, organizations were offered an opportunity to have a bilateral session with IFC. About a dozen of participants were in time to have a private exchange of experiences with an IFC expert of choice, which in some cases led to a mutual understanding of leads or next steps.

Annex 1: Program of the day

IFC and Agribusiness in a Changing Environment			
Time	Session	Topic	
09:30	Plenary Opening	Introduction of the day Mr. Marcel J.M. Beukeboom, Ministry of Foreign Affairs	
09:40	Key note	Food production and challenges Mr. Henk Jan Beltman, Tony's Chocolonely	
10:00	Presentation	IFC and climate smart agriculture Ms. Nina Zegger, IFC	
10:20	Presentation	Dutch business and climate smart agriculture in developing countries Mr. Marinus Overheul, Top Sector Agri and Food	
10:30	Introduction & Logistics	Ms. Commerijn Plomp, RVO	
10:40	<i>Coffee break</i>		
Workshops / Break-out sessions			
10:55-12:05	1. Climate smart irrigation and soil management in Africa – low tech (IFC: Mr. Richard Colback/ Moderator: Ms. Sheila Kwint)	2. Investments countering deforestation / REDD+ (IFC: Mr. Ahmad Slaibi / Moderator: Mr. Jos Cozijnsen)	3. Including climate change into agro investment decisions in emerging/developing markets (IFC: Ms. Nina Zegger / Moderator: Ms. Commerijn Plomp)
12:05	<i>Networking Lunch</i>		
13:00	Presentation	Agribusiness opportunities in GAFSP Private Sector Window 2.0, Mr. Niraj Shah, IFC	
13:30	Cases	Working with IFC, GAFSP and Dutch investors in agribusiness Scopelnsight –Mr. Lucas Simons Investing in developing countries and emerging markets' agribusiness from a private sector perspective Friesland Campina – Mr. Harm Dijkstra	
14:15	<i>Tea Break</i>		
Workshops / Break-out sessions			

14:35	4. Strengthening value chains and cooperatives (IFC: Mr. Alan Johnson / Moderator: Ms. Commerijn Plomp)	5. Climate smart irrigation and soil management in Africa – high tech (IFC: Mr. Richard Colback / Moderator: Ms. Sheila Kwint)	6. The financial structuring of climate smart projects in developing countries (IFC: Ms. Nina Zegger / Moderator: Ms. Stephanie Broeder)
15:45	Wrap-up		
15.55-16.40	Bilaterals and networking (10-15 min. each, with drinks, also for others) and market place of suppliers (optional)		
<i>Reception</i>			

Annex 2: List of participants (besides RVO, IFC and Ministries)

Name of organisation	First name	Last name
Aidenvironment	Jan Willem	Molenaar
Agri Pro Focus	Anne-Marie	Slaa
AgriPlace	Nico	Broersen
Agrofair Benelux B.V.	Karin	Bleijlevens
Agriterra	Cees	Van Rij
Aidenvironment	Cormac	Petit
Aqua for All	Marlies	Batterink
Bosman Van Zaal	Ronaldt	Thoen
Chainpoint BV	Maarten	van den Berg
Dutch Water Partners	Roel	Toonen
Dyka B.V.	Herve	Camerlynck
Dyka B.V.	Wybe	Westra
East West Seeds	Rutger	Groot
Ecofys	Daan	Peters
Ecosphere +	Adam	Gibbon
Emissierechten.nl / Consulting Attorney	Jos	Cozijnsen
Enclude B.V.	Cathelijne van	Melle
Enclude B.V.	Marlou	Rijk
European Cooperative for Rural Development (EUCORD)	Niels	Hanssens
Everest Energy	Pjotr	Schade
FairClimateFund B.V.	Nadine	Planzer
FarmTreeServices	Frank	Van Schoubroeck
Ferm O Feed BV	Peace	Quadt
FMO	Anne	Schoemaker
FMO	Rianne	Heijboer
Food & Business Knowledge Platform	Nicole	Metz
Form international	Paul	Hol
Form international	Rutger de	Wolf
Friesian	Martin	de Jong

Friesland Campina	Andrea	Ferrazzo
Friesland Campina	Harm	Dijkstra
HoAREC&N	Abiy	Ashenafi
ICRA	Gieljan	Beijen
ICRA	Richard	Hawkins
IDH	Daan	Wensing
IUCN NL	Jan Willem	Den Besten
IUCN	Fraser	Brown
IUCN NL	Joseph	Lumumba
IUCN NL	Maxime	Eiselin
IUCN NL	Heleen	van den Hombergh
IUCN NL	Gerhard	Mulder
Land Life Company	Ingeborg	Mägi
MPower	Ir. Bon	Uijting
Mueller	Jos	Ten Horn
Mueller	Peter	Fopma
Nelen & Schuurmans	Alexander	Hoff
NewForesight	William	Saab
NSO	Adri	Bakker
Partners for Innovation	Emiel	Hanekamp
PRACTICA foundation	Gert Jan	Bom
Rabobank	Ben	Valk
Rabobank (RIAS)	Hans	Boogaard
Rabobank	David	Gerbrands
SCOPEinsight	Eline	Arnoldy
SCOPEinsight	Lucas	Simons
SensorTagSolutions bv	W.H.	Stenfert Kroese
SNV	Rik	Overmars
Social Equity Foundation/Fund	Tony	Fernandes
Soil & More International	Aart	van den Bos
Solidaridad	Jan Maarten	Dros
TNO	Caja de	Vries
Triodos Investment Management	Michaël	van den Berg
VanderSat	Nadja den	Besten
VanderSat	Celine	Nobel
Wageningen CDI	Joep van	Mierlo
Wageningen Economic Research (LEI)	Prof dr.Ruerd	Ruben
Wageningen University & Research	Jennie van der	Mheen
Wageningen University and Research	Adriaan	Vernooij
Wageningen University and Research, (Alterra)	Annemarie	Groot
Water Footprint Network	Guoping	Zhang
Waterwatch Cooperative U.A.	Harry	Derksen
Weather Impact	Gerrit	Hiemstra

Annex 3: CV's IFC participants



Nina Zegger is the Global Head, Climate Business in IFC's Manufacturing, Agribusiness & Services Department based in Washington, D.C. Nina spent 1991-1993 at IFC's office in Warsaw, Poland following a fellowship at the Wharton School's Multinational Research Advisory Group focused on transition economies.

From 1994-2006, Ms. Zegger executed corporate and project finance transactions in IFC's Latin America & Caribbean Department. She then held various roles for IFC in manufacturing and services globally, including as Global Sector Lead for Building Materials. Since 2007, she has focused exclusively on devising strategies, developing business and supporting investments in Climate Business – Energy Efficiency, Renewables, Green Buildings and Climate Smart Agri. Nina contributed significantly to the design and growth of IFC's Green Building program to a \$2 billion business to date. She manages her department's climate investment program of ~\$1 billion. Recent focus areas include her department's solar value chain strategy and investment activities and the crafting of IFC's approach for Climate Smart Agri. She has worked on numerous transactions spanning debt, equity, and other products, including a structured debt fund targeting the energy access space in Africa and Asia.

Nina seeks to translate "climate change" in ways that make investment sense from a private sector perspective. She has special interest in developing business models and financing solutions to scale up climate smart technologies and impact in emerging markets.

Nina has a BA in International Relations with concentration on Economic Development from Brown University and an MBA from Wharton (University of Pennsylvania).



Richard Colback

Richard Colback is the Senior Operations Officer - Global Water Specialist/ Agriculture based in Washington DC. He leads the MAS Advisory water platform which focuses on providing technical support to projects, introducing climate resilient technologies and practices, and developing investment opportunities related to the use of irrigation to increase profitability and sustainability in agriculture. He is also the IFC project lead for the Sahel Irrigation Initiative which focuses on developing irrigated agriculture in the Sahel region and leverages the resources of the IFC, IDA and FAO in partnership with local governments, private sector clients and implementation by regional development agencies.

Before joining IFC, Richard worked in an irrigation engineering technical advisory and market development role across Asia and Africa with Booker Tate and the Commonwealth Development Corporation. He has worked in Africa, India, and the Caribbean on numerous projects including: design of large scale drip irrigation projects; irrigation infrastructure to improve water use efficiencies, and operation of village level water supply and sanitation systems, amongst other projects. He has also worked as a

Strategic Management Consultant with Bain and Company focused on realignment of processes for the funding of national infrastructural projects in South Africa.



Ahmad Slaibi

Ahmad Slaibi is an Operations Officer leading clean energy and resource efficiency programs in the International Finance Corporation's Advisory Services. Dr. Slaibi works on a variety of climate-related initiatives at the nexus of energy and environment focused on resource efficiency and agri-forestry landscape management. Prior to joining IFC Dr. Slaibi worked in the World Bank on energy efficiency, forestry management, and nature resource management projects. He has a PhD in Applied Economics from Cornell University, a Master degree on Agricultural Economics and Development from the American University of Beirut (AUB), and an Agricultural Engineering degree from AUB as well.



Alan Johnson

Alan Johnson is a Senior Operations Officer in IFC's Agribusiness Advisory Services based in Addis Ababa, Ethiopia. He is the global lead for Stronger Smallholder Supply Chains, a program aimed at linking smallholder producers to the commercial supply chains of IFC agribusiness clients. Alan manages a number of maize and soy supply chain projects in East Africa. He was previously based in Washington DC as a Global Product Leader for Farmer and SME Training in IFC's Sustainable Business Advisory. Alan joined IFC in 2008 from the UK Department for International Development (DFID) where he led DFID's global programme, "Making Markets work for the Poor". He has a Masters Degree in Agricultural Economics from the University of New England in Australia where he was a Commonwealth Scholar.



Niraj H. Shah

Niraj H. Shah is a Senior Investment Officer with the Global Agribusiness Group based in Washington DC. He is the IFC Global Sector Lead for the Agri-commodity trading sector. Prior to taking on this role, Niraj led business development for the Private Sector Window of the Global Agriculture and Food Security Program (GAFSP), which is managed by IFC. He has been deeply involved in the design, structuring and execution of a number of innovative blended finance transactions under the GAFSP umbrella. Between 2007 and 2013, Niraj was the IFC Sector Lead for Agribusiness and TRP (Tourism, Retail and Property) for South Asia, based in India and later for the Caribbean, based in the Dominican Republic. Niraj joined IFC from Edelweiss Capital, a full-service Indian investment bank, where he was the Head of Mergers and Acquisitions. Prior to that, he worked at Ernst & Young, Lazard India and ICICI Bank. Over the past 21 years, Niraj has worked in different areas including project finance, management consulting, distressed debt, private equity and investment banking. His industry experience spans diverse sectors including agribusiness, hospitality, real estate, media & telecom and manufacturing. He is a Cost Accountant and an MBA from the Indian Institute of Management (IIM), Ahmedabad.