



Food and Agriculture
Organization of the
United Nations

FAO Investment Centre Annual Review 2017



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Annual Review 2017

FAO Investment Centre



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AfDB	African Development Bank
AP	Asia and the Pacific region
ATA	Agricultural Transformation Agency
CAADP	Comprehensive Africa Agriculture Development Programme
CDB	Caribbean Development Bank
CP	Cooperative Programme
EBRD	European Bank for Reconstruction and Development
ECA	Europe and Central Asia Region
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GAFFSP	Global Agriculture and Food Security Program
GCF	Green Climate Fund
GPS	Global Positioning System
IFAD	International Fund for Agricultural Development
IFI	International financing institution
LAC	Latin America and the Caribbean region
NAIP	National Agricultural Investment Plan
NENA	Near East and North Africa region
NGO	Non-governmental organization
P4R	Program-for-Results
SDG	Sustainable Development Goal
SMART	Strengthening Markets for Agriculture and Rural Transformation
SSA	Sub-Saharan Africa region
TCP	Technical Cooperation Programme

Message from FAO Deputy Director-General (Programmes)

Daniel Gustafson

With the adoption of the 17 Sustainable Development Goals (SDGs), the international community agreed to deliver on an ambitious development agenda by 2030. Food and agriculture can and must contribute enormously to achieving the SDGs.

FAO has dedicated itself to three of the biggest interlinked challenges that cut across a number of the SDGs: ending extreme poverty, hunger and malnutrition; promoting sustainable agriculture and the sustainable use of biodiversity and natural resources for development; and combatting and fostering resilience to climate change. In addition, the Organization is the custodian agency for 21 of the 232 SDG indicators.

Ambitious goals require extraordinary efforts and these efforts need to be financed. While estimates vary on exactly how much it will cost to achieve the SDGs, we all agree that it will take massive additional investment each year. FAO calculates that incremental resources of up to USD 265 billion a year are required to eliminate poverty and hunger by 2030. Public funding through official development assistance alone will never be enough to fill the gap. Now more than ever we need to mobilize private investment for development and explore innovative ways to make sure finances reach where they are needed most. Partnerships, solidarity and a willingness to come together across regions, countries and sectors are key for delivering on the 2030 Agenda.

Achieving zero hunger and the eradication of extreme poverty, among the other interlinked SDGs, requires a mix of public and private investments and risk-informed policies and interventions that ensure that the poor and most vulnerable benefit from the growth and employment opportunities generated. Working across FAO's five strategic programmes, the FAO Investment Centre is well placed to support this process. Through its longstanding partnerships with financing institutions and close interaction with member countries, it is already achieving impact at scale, furthering FAO's mission of making sure people across the globe have access to enough safe and nutritious food to lead healthy, active lives and helping countries realize their sustainable development goals.

“Making more and better investments in agriculture is one of the most effective ways to reduce hunger and poverty while safeguarding the environment. The challenge is to focus the investments in areas where they can make a difference.”

José Graziano da Silva, FAO Director-General, December 2012

Message from FAO Investment Centre Director

Mohamed Manssouri

I am delighted to share this first annual review of the FAO Investment Centre, showcasing some of the work we carried out with our partners in 2017 to increase the volume and quality of investments in agriculture and rural development for our member countries.

2017 proved to be a highly productive year. We continued to integrate the Organization's technical work into investment operations. We increasingly linked policy work with investment support as a way to scale up impact, and we generated new knowledge and innovations, keeping us at the forefront of the investment field. All told, when combining our investment activities – design, appraisal, technical assistance, supervision, evaluation work – we supported 153 investment operations in 68 countries in 2017. That translated to around 800 missions. About 70 percent of these activities were carried out in the sub-Saharan Africa and Asia and Pacific regions.

Our results directly contributed to FAO's strategic objectives as well as the SDGs, based on FAO's unique comparative advantages: convening power, technical knowledge, normative work, a global network and investment expertise. This success was also due, of course, to FAO's partners in the international financing institutions (IFIs).

The Investment Centre continued its longstanding partnership with the World Bank, which finances most of the investment operations we support. Our collaboration with the International Fund for Agricultural Development (IFAD) – our sister agency in Rome – kept moving forward, as we assisted in designing investment projects and enhancing the quality of IFAD-financed operations. 2017 also marked the 20th anniversary of FAO's fruitful partnership with the European Bank for Reconstruction and Development (EBRD), our fastest growing collaboration, which we hope will continue to evolve, supporting an enabling environment for private sector investment.

The demand for investment-related services is high – and it continues to grow. FAO's Director-General asked the Investment Centre to strengthen collaboration with regional development banks. As a result, we stepped up our investment support at the regional level by working with the African Development Bank (AfDB) and the Caribbean Development Bank (CDB), among others. We forged a new partnership with the Green Climate Fund (GCF), which led to FAO's first GCF-financed project, with some ten other projects in the pipeline.

Looking ahead, we aim to intensify our work with public and private financing institutions and investors to ensure that public policies and investments are effective and create the right conditions that will attract responsible investment from the private sector. We will pay greater attention to the quality of investments and the selection of the right sets of policies and instruments to lower risk and strengthen investor confidence over the long term. We will also seek to enhance our knowledge, devise innovative approaches and new partnerships, crowd in more private investments along the SDGs and boost green financing.

Year on year, our partners seek out FAO's high-quality support, technical expertise and impartial advice. With that in mind, we can look to the coming years with confidence.

Introduction to FAO Investment Centre

Founded in 1964, FAO's Investment Centre offers developing and transition countries a wide range of investment support services. The Investment Centre supports investments at country and regional level in food security, nutrition, agriculture and rural development, as well as sustainable natural resources management. It currently supports operations in around 70 countries.

A unique model

The Investment Centre partners with governments, IFIs, national organizations, the private sector and producer organizations to provide an array of investment support services. It brings innovation, knowledge and technical and policy expertise to bear on the investment process, providing support to countries in the design, implementation and evaluation of investment strategies, plans, programmes and projects.

The Investment Centre and its IFI partners co-finance the technical support provided to member countries in the design and implementation of investment operations. This allows us to remain an independent voice and act as a credible link between FAO's programme of technical assistance, financing partners and member countries. True to FAO's mandate, the Investment Centre provides impartial, objective advice in the interests of the people and countries it serves.

FAO's global mandate to support investment is provided through three geographic services: sub-Saharan Africa; Asia and the Pacific; and Europe, Central Asia, Near East, North Africa, Latin America and the Caribbean.

The Investment Centre comprises experts in economics, agricultural development, agronomy, crop and livestock development, climate change, natural resources management, forestry, irrigation and drainage, land and water development, land tenure, marketing, agribusiness and value chain development, monitoring and evaluation and rural sociology, among other disciplines.

Human resources mobilized by FAO Investment Centre in 2017

120+

*Investment specialists
(staff and
long term consultants)*

25

Support staff

40

*FAO technical experts
seconded from other
departments*

430

*Consultants
(International and National)*



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Bangladesh, 2017 - Renu Bala, president of the Panjor Bhanga Women's Milk Cooperative tends to her Friesian cows



Kenya, 2017 - Joyce Makaka, a fish breeder on her farm in Lurambi, Kenya



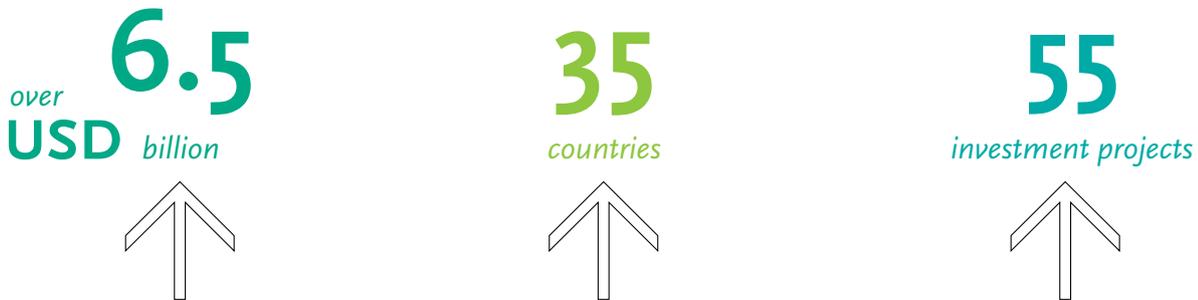
© FAO/Tony Karumbi

Facts and figures from 2017

Programme Support for Investment

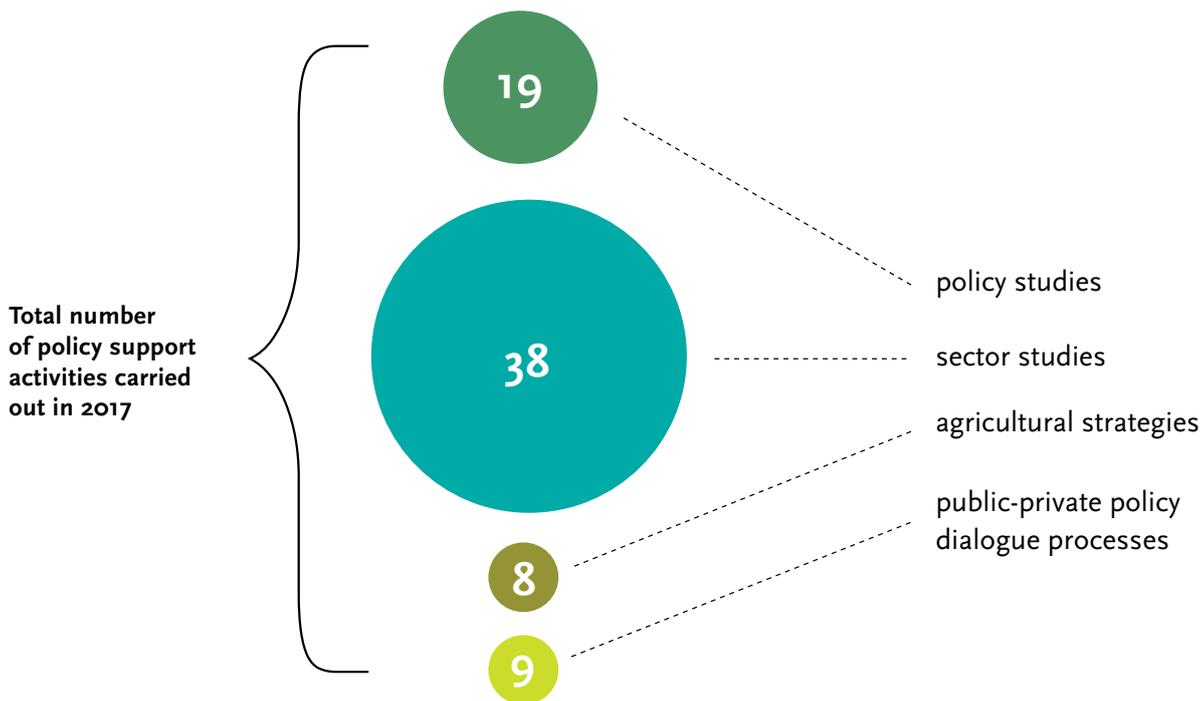
Total number and value of investment projects financed by partner IFI's in 2017 – with substantial assistance from FAO Investment Centre. See full list in Annex 1.

Total amount of investment mobilized during 2017



Policy Support for Investment

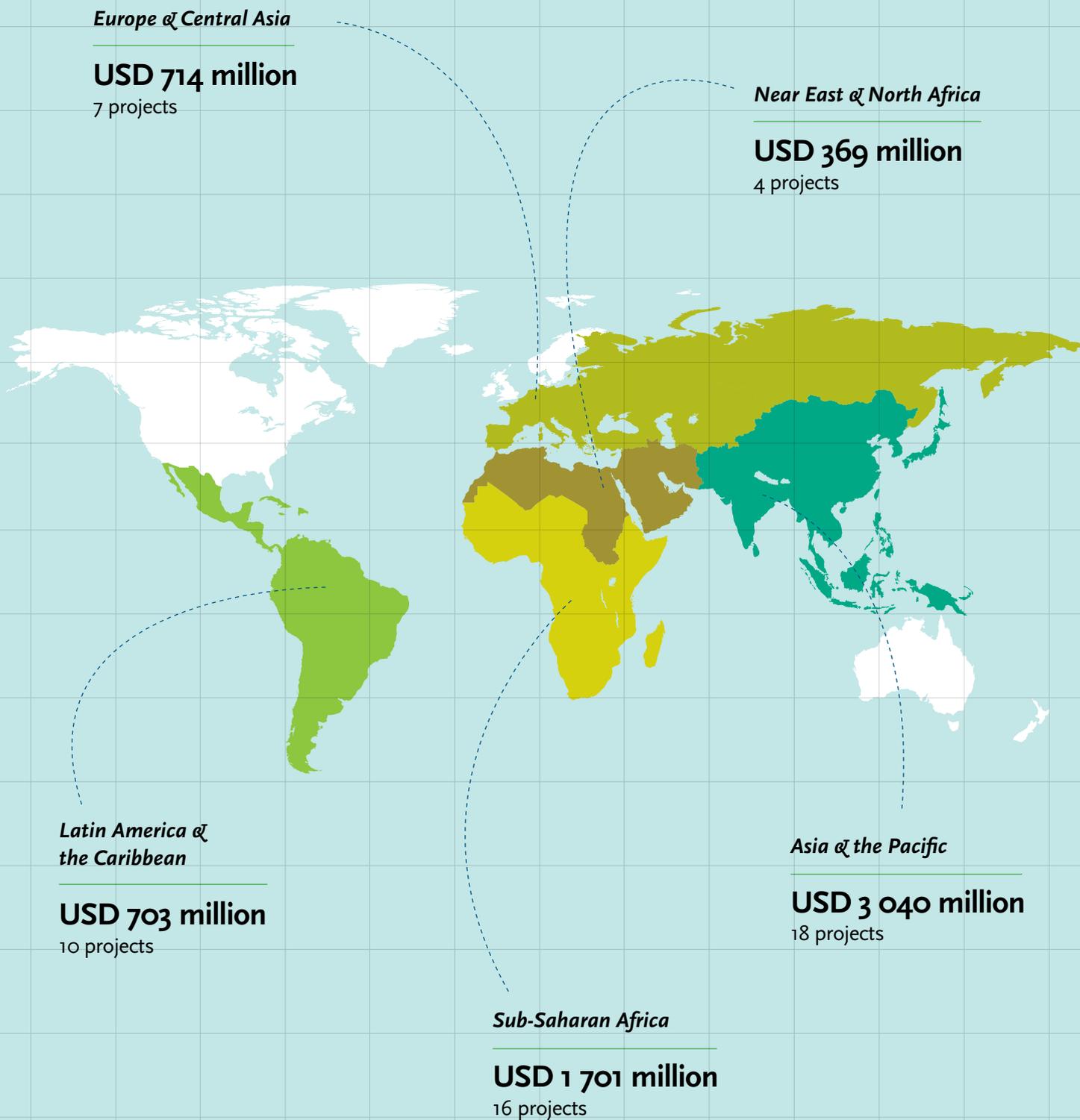
Total number of policy support activities carried out with partner financing institutions in 2017. See full list in Annex 2.



Communication and knowledge products



Number and value of investment projects financed by IFI partners, developed with FAO Investment Centre support, by region (2017)



- Sub-Saharan Africa
- Asia & the Pacific
- Latin America & the Caribbean
- Europe & Central Asia
- Near East & North Africa

Partnerships

The Investment Centre is the corporate focal point for partnerships with major IFIs to design investment projects, leverage resources and provide high-level technical support that responds to countries' needs.

Of all of our partners, three stand out as our main ones – namely the World Bank, IFAD and the EBRD.

While overall collaboration with regional development banks has decreased relative to previous years, some new partnerships are being strengthened, such as the ones with the CDB, or rekindled, as is the case with the African and Asian Development Banks.

World Bank: A cooperation dating back over 50 years

The Investment Centre's oldest and most important partner is the World Bank – the largest financier of the agriculture sector – which provides the majority of the Centre's core funding through a Cooperative Programme. The Investment Centre collaborates with the World Bank on everything from sector studies and project design to implementation, analytical work and evaluation.

In 2017, the Investment Centre provided assistance on 39 projects funded by the World Bank, for a total investment of nearly USD 5.5 billion (see Annex 1 for recipient countries, p. 38). Examples include work to improve the productivity, market access and resilience of small-scale livestock producers and agro-entrepreneurs in Bangladesh (see p. 20), a project in Ethiopia to make the country's livestock and fisheries sector more productive, resilient and profitable (see p. 23), and another venture promoting the sustainable management of water resources in the Dominican Republic.

The Investment Centre supported an initiative to improve the irrigation development and management capacities of government institutions in six countries in the Sahel region.

The Investment Centre supported the Bank's financing instrument Program-for-Results (P4R) in Pakistan, targeting institutional strengthening, among other things (see p. 24). It also supported an initiative to improve the irrigation development and management capacities of government institutions in six countries in the Sahel region, and the two organizations jointly published a comprehensive analysis of Somalia's agriculture sector to promote sustainable agricultural growth and resilience (see Annex 2 for more analytical studies p. 40). The Investment Centre also offered a fresh pair of eyes in evaluating the results of a World Bank-funded livelihoods project that is empowering India's rural poor (see p. 24).

International Fund for Agricultural Development:

A shared vision to combat hunger, poverty and malnutrition

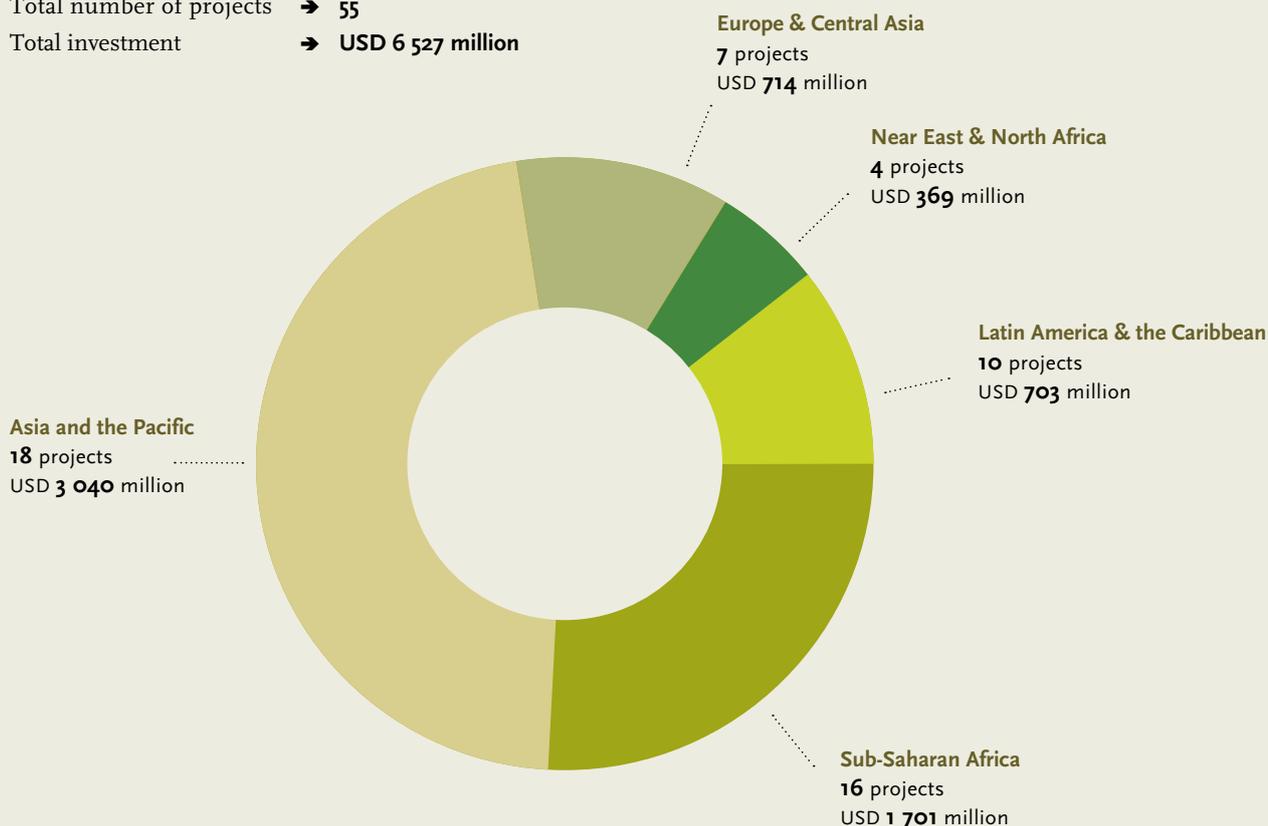
Partnering with IFAD allows FAO to tap into one of the largest rural investment portfolios among the IFIs. This collaboration is substantial, with the Investment Centre supporting on average 43 percent of IFAD's operations, or about 28 percent of its total investment portfolio. This support includes the formulation, implementation and evaluation of IFAD-financed projects and programmes that seek to reduce poverty, improve food security and promote rural development. The Investment Centre also provides capacity development services to bolster the competencies of rural people, particularly in accessing and managing financial services.

In 2017, the Investment Centre assisted 11 projects funded by IFAD for a total investment of nearly USD 950 million (see Annex 1 for recipient countries p. 38).

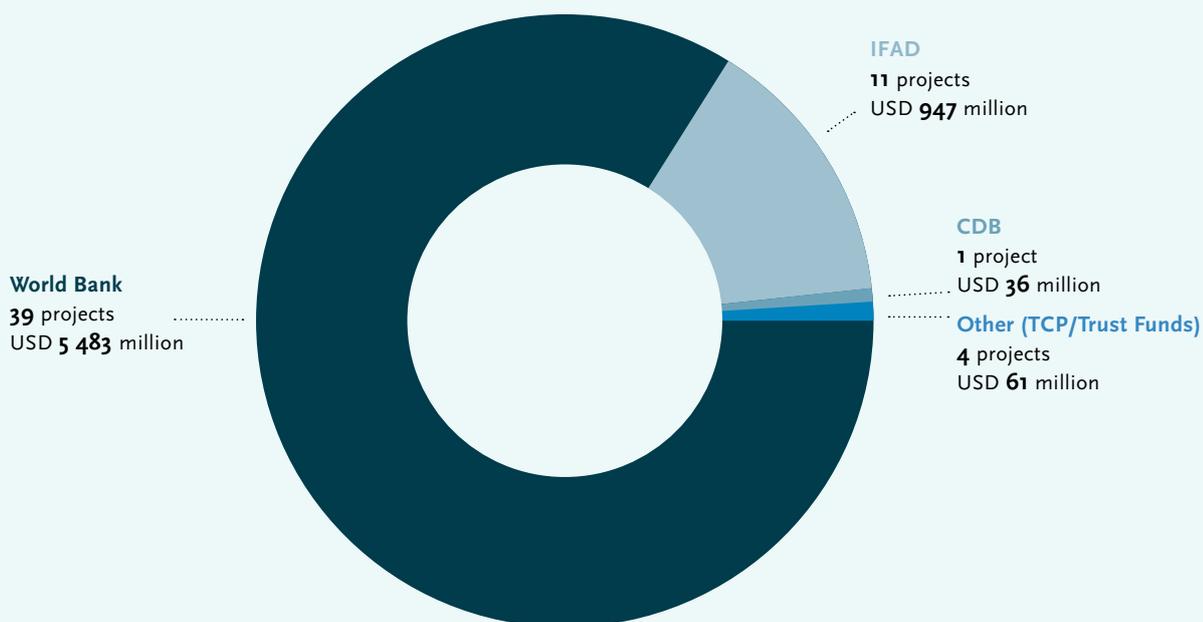
Much of the agencies' joint work focuses on strengthening the production capacities of family farmers, both in terms of quantity and quality, as well as the ability of farmer organizations to access better and more profitable markets. The aim is to improve livelihoods and food and nutrition security, with special attention given to women and youth. The Investment Centre, for example, supported the formulation of an agricultural value chains development programme in Côte d'Ivoire, as well as similar programmes in Guinea and Burkina Faso.

Number and value of investment projects financed by IFI partners, developed with FAO Investment Centre support, by region (2017)

Total number of projects → 55
 Total investment → USD 6 527 million



Number and value of investment projects financed by IFI partners, developed with FAO Investment Centre support, by financing institution (2017)



A series of training manuals developed by the Investment Centre on value chains, technical knowledge and resource management in Mali will help build the capacity of that country's rural financial institutions (see p. 29). In addition, the Investment Centre developed a programme for inclusive, equitable and sustainable value chains and better public infrastructure in two provinces of China, with a view to lifting smallholder farmers out of poverty (see p. 23).

European Bank for Reconstruction and Development: Stimulating private sector investments

2017 marked the 20th anniversary of FAO's collaboration with the EBRD, its main partner on private investment projects. Much of FAO's support to the EBRD centres around policy analysis and thematic studies, the facilitation of public-private policy dialogue and the creation of enabling environments to attract investment (see Annex 2 p. 40). In fact, last year the Investment Centre facilitated nine public-private policy dialogue processes in various countries (see Annex 2). One was a high-level forum in Egypt organized by FAO and the EBRD, together with the World Bank, to promote sustainable investment for food security in Egypt. The two agencies recently renewed their commitment to make agrifood systems in Central and Eastern Europe, Central Asia and the Southern and Eastern Mediterranean – the Bank's regions of operation – stronger, more inclusive and environmentally sustainable. Thanks to a methodology developed by FAO and the EBRD – and tested in Morocco – countries and investors can track the adoption of climate technologies in the agriculture sector, from solar-powered water pumps to energy-efficient cold storage (see p. 34). The two partners have also explored the potential of converting unused agricultural residues into bioenergy for heating, cooking and electricity in Egypt and Turkey.

FAO and the EBRD are working to bring more small-scale producers and small and medium-sized enterprises into modern food value chains by helping them raise food quality and safety standards. In Georgia, Serbia and Montenegro, the two supported the development of Geographical Indications – a public label that recognizes the link between a high-quality agrifood product and its place of origin, helping that product stand out in a competitive market. They have also assisted Tunisia and Morocco in upgrading their respective olive oil sectors to increase market opportunities and create jobs for young people, work that continues in 2018 (see p. 34).

The Global Agriculture and Food Security Program (GAFSP): Technical assistance to GAFSP-funded projects

In addition to working with IFIs, FAO collaborates with multilateral financing mechanisms, in particular the GAFSP. The Investment Centre supported the implementation of GAFSP operations in seven countries in 2017: Bangladesh, Bhutan, Laos, Myanmar, Rwanda, Senegal and East Timor. In Laos, for example, the Investment Centre provided technical assistance on the strategic investment planning component of a nutrition project, identifying key commodities that offer profitable business opportunities. As part of a new funding window to address 'the missing middle' – farmer organizations too large for microcredit but too small for commercial banks – the Centre designed projects to improve the agricultural productivity and market access of farmer groups in both Senegal and Bangladesh, linking the groups to the private sector. Projects were approved in early 2018, at the time of writing. To date, GAFSP has channelled almost USD 15 million in grants to recipient countries for projects implemented through FAO country offices, with the Investment Centre providing technical assistance to these operations.

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FAO also hosted the GAFSP's 'Knowledge Forum' at its headquarters in Rome in 2017 to share innovative ideas, best practices and practical experiences. Discussions ranged from ensuring greater impact for the rural poor to capturing results that demonstrate the added value of GAFSP projects, drawing lessons from projects nearing completion.

Green Climate Fund: Accessing global climate finance

A new collaboration between FAO and the GCF, sealed at the end of 2016, resulted in a first funding agreement in Paraguay - The Poverty, Reforestation, Energy and Climate Change Project, or PROEZA. The proposed USD 90 million project (with USD 25 million funded by GCF) will tackle climate change, poverty and hunger. It will also contribute to achieving Paraguay's climate adaptation and mitigation objectives by promoting reforestation and forest conservation in some of the country's poorest and most vulnerable rural communities, reaching about 17,000 families.

The Investment Centre has also been busy designing two further GCF funding proposals for projects in Pakistan and the Kyrgyz Republic that are expected to be submitted to the GCF Board in 2018, and has developed concept notes for various countries, including Armenia, Cuba, Georgia and the Philippines.

Caribbean Development Bank: Closer ties to tackle hunger, malnutrition and climate change in the Caribbean

FAO and the CDB signed a new agreement to help Caribbean countries reposition agriculture toward more inclusive growth, prosperity and sustainability. A study initiated by FAO on the state of food and agriculture in the Caribbean – including key agricultural trends in the Bank's borrowing member countries and investment opportunities – will feed into and guide the preparation of the Bank's new agriculture strategy. This new agreement positions FAO as an agricultural policy, investment and consultative partner, driving discussions on key issues for the Caribbean region. It also means that countries with membership in both organizations can now engage directly with the Investment Centre for assistance in project formulation and implementation of CDB-financed loans or grants.

Closer ties with the CDB have already led to the financing of a project in Jamaica where the Investment Centre provided a technical assessment to help diversify the country's agricultural production and identify the most suitable geographic areas for future investment (see p. 20).

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African and Asian Development Banks: Rekindling the partnership

While overall collaboration with regional development banks has decreased relative to previous years, some partnerships are being rekindled. The Investment Centre assisted the AfDB in the formulation of two project concept notes for Equatorial Guinea on the agriculture and fisheries sectors, and assisted in the design of a GAFSP-funded operation in Tanzania on controlling the fungal disease Aflatoxin. Fruitful discussions in 2017 with the Asian Development Bank might also pave the way for a revival of activities with this partner.

Policy Support for Investment

Creating an enabling environment for investments in food and agriculture is one of FAO's main objectives, and it is at the heart of the Organization's support to its member countries. Linking policy assistance with investment support is key for achieving impact at scale.

The Investment Centre helps mobilize and coordinate investments at country level, developing appropriate strategies and agricultural investment plans. In doing so, it helps countries make better investment decisions and align their policies and investments across various line ministries, (see an example of integrated investment support to the African region p. 17).

The Investment Centre acts as a neutral broker and facilitates dialogue among a wide range of public and private actors, including farmers – the biggest investors – banks and financing institutions. It often supports governments in setting up consultation platforms to institutionalize such dialogue and provides overall policy advice (see p. 17). This approach helps identify policy, legislative, regulatory and fiscal barriers hindering development, as well as options for more responsible investments.

In 2017, the Investment Centre produced 8 agricultural strategies, 19 policy studies and 38 sector studies and organized 9 public-private policy dialogue processes – paving the way for more conducive environments for public and private investment (see Annex 2 for list of policy support activities p. 40).

Egypt, 2005 - Freshly baked Egyptian flatbread (*Aish Baladi*) being transported through the streets of Cairo



New generation of investment plans in Rwanda, Malawi and Ghana (World Bank /AfDB)

The 2030 Agenda for Sustainable Development is ambitious, but Africa is committed to achieving an equally impressive set of targets even earlier – by 2025. The Comprehensive Africa Agriculture Development Programme (CAADP) is the continent's policy framework for agricultural transformation, economic growth, food security and nutrition. With the 2014 Malabo Declaration, the African Union broadened CAADP's scope to include other sectors such as infrastructure, natural resources, land tenure and trade.

In 2017, the Investment Centre helped develop a new generation of National Agricultural Investment Plans (NAIPs) in Rwanda, Malawi and Ghana to guide the expanded CAADP process, coordinating inputs from diverse experts and facilitating public-private dialogue to prioritize future investments. This inclusive approach helped create a sense of ownership among government staff of the NAIPs – crucial for the plans' long-term sustainability.

While Rwanda's NAIP builds on achievements from its previous plan, it is "focused less on infrastructure, which the Government has already invested widely in, and more on promoting an enabling environment, such as efficient institutions, knowledge capital, private sector involvement, quality and value addition,

climate-smart agriculture, nutrition and resilience," said Arnaud de Vanssay, Head of Section, Rural Development in the Delegation of the European Union to Rwanda, which financed FAO's support. The Investment Centre helped promote a stronger role for the private sector and a greater focus on farm profitability and commercialization to help Rwanda modernize its agriculture sector. In a spirit of innovation, Malawi's NAIP introduced a matrix comprising four programmes and 16 intervention areas cutting across themes, with a strong emphasis on nutrition, climate change adaptation, marketing, trade, value addition and resilience. The guiding principle is that no intervention can be seen in isolation. With this new structure, funds can be allocated by both programme and intervention area, making it easier for potential investors to identify priority domains, target groups and technical areas. "I am confident this new holistic approach will also avoid silos and support coordination among different ministries," said Readwell Musopole, Deputy Director of Planning in Malawi's Ministry of Agriculture, Irrigation and Water Development.

The innovation in Ghana was linking investment with policies. This third generation NAIP, consisting of five programmes, clearly spells out the policy tools to be implemented by the Government. To finance implementation, the Government will apply taxes and levies – for example, on food imports – in a way that will not affect consumer prices.

Toward a stronger wheat sector in Egypt (EBRD)

From technical consultations to public-private policy dialogue, FAO's work with the Egyptian Government and partners on Egypt's wheat sector is leading to greater efficiency, regulatory changes and an environment more conducive to private sector investment.

Egypt is one of the world's largest wheat importers, owing to its limited agricultural land. Almost two-thirds of the total wheat supply is used to produce *baladi* bread, a staple flatbread.

The wheat sector has strategic importance, and the State is heavily involved at all levels of the wheat value chain, from subsidized fertilizers to subsidies for the final product.

This has skewed the market and distorted incentives for private sector investment.

While reducing public subsidies and relying more on the private sector promise significant cost savings, reforms are politically sensitive.

FAO's foundation work – beginning with a joint analysis with the World Bank of Egypt's wheat supply chain in 2011 and culminating in a thorough sector review with the EBRD in 2015 – enabled the Organization to play a leading role in public-private dialogue on sector reform in 2017 through an EBRD-funded project.

Following the dialogue, the Government removed costly inspection requirements at foreign ports and clarified import

plant quarantine regulations. Domestic wheat procurement prices moved closer to import parity prices. The dialogue also led to the creation of the Egyptian Grain Suppliers Association, the first private sector institution giving grain suppliers a voice in discussions with the Government. FAO strengthened the technical capacity of the Association's members and public institutions on grain fumigation, international grain quality standards and sampling procedures and regulated pests.

Later in the year, FAO, the EBRD and the World Bank, in collaboration with the Government, organized a high-level agricultural investment forum, where the country's new investment law was presented. During the event, FAO signed a memorandum of understanding with a large Ukrainian grain trading firm to strengthen the efficiency of Egyptian companies involved in grain production, storage and transportation.

The Government of Egypt also reaffirmed its commitment to promoting sustainable investment in agriculture by signing a joint declaration with the three institutions.

"This project was awarded one of EBRD's 'Policy Movers and Shakers Awards'," said Iride Ceccacci, Principal Economist at the EBRD. "The awards, already in their third year, recognize the efforts and achievements of staff on projects that successfully combine investment with significant policy reform."

Programme Support for Investment

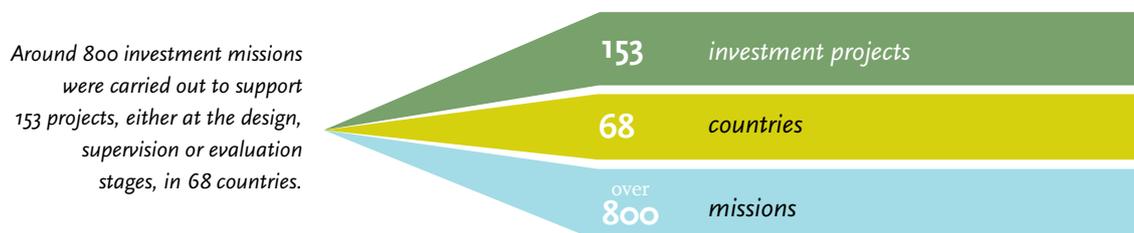
FAO is recognized as a centre of excellence for investment-related support. The nature of the support depends on the needs of the country and the financing partner and can involve any stage of the project cycle – strategy, design, appraisal, technical assistance, supervision or evaluation.

Most of the Investment Centre's assistance goes toward rural development; irrigation, drainage and water management (see the example of a scoping report in Jamaica, p. 20); and the agriculture sector, including livestock, agro-industries, marketing, processing and storage (see p. 23 and p. 34).

FAO's programme support for investment often covers cross-cutting issues such as family farming, territorial approaches, nutrition mainstreaming, integrated natural resources management, climate-smart agriculture and carbon balancing, among others. The Investment Centre also carries out socio-economic assessments and gender analyses to better link investment programmes and projects to the needs of targeted beneficiaries.

In 2017, the Investment Centre contributed to the design, technical assistance, supervision or evaluation of 153 projects in 68 countries. Over 800 missions and desk studies were undertaken to support member countries. The vast majority of these proposals were approved for funding by IFIs (see Annex 1).

Programme support for investment | Investment expertise provided throughout 2017



Supporting new investments by partner IFI's in member countries

Through the Investment Centre's design and appraisal support in the period leading up to and during 2017, a total of USD 6.5 billion in investment finance was mobilized for 55 investment projects in 35 countries.





MudflapDC
(CC BY-NC-ND 2.0)

Peru, 2015 - A fishmonger reading a newspaper while waiting for a customer at the Cercado Mercado in Lima



Nicaragua, 2010 - Coffee pickers collecting raw coffee beans for roasting

Ingmar Zahorsky (CC BY-NC-ND 2.0)

Bangladesh's livestock sector gets boost (Bank)

The Investment Centre helped design a USD 500 million World Bank-funded project to improve the productivity, market access and resilience of Bangladeshi small-scale livestock producers and agro-entrepreneurs. It was the largest loan ever granted by the World Bank to the livestock sector.

A thriving livestock sector can create jobs, especially for women, young people and the landless, raise incomes and improve access to nutritious and healthy foods in vulnerable rural areas.

With this in mind, the project is financing key infrastructure along Bangladesh's largely informal meat and dairy value chains – from proper storage and cooling systems to upgraded slaughterhouses and collection centres. It is also promoting climate-smart practices, such as improved feeding strategies, as well as animal health, food safety and livestock insurance to protect the assets and incomes of small-scale dairy and meat producers.

The Investment Centre helped bring a strong capacity development dimension to the project at all levels, from producer organizations to government ministries. The project is strengthening producer organizations to meet consumer demand, both in quality and quantity, through training based

on innovation, participation and 'learning by doing'. It is also reinforcing the capacity of staff within the Department of Livestock Services and other ministries to improve policy formulation, and set up a livestock information system for more reliable and current data.

Thanks to the promotion of productive partnerships and a matching grants scheme, selected business entities – *large agribusinesses, micro, small and medium-sized enterprises, and producer organizations* – will be able to access financing to grow and upgrade their operations with a view to tapping into higher-value markets.

"The project's design was the result of a lengthy consultative process with government and private sector actors," said Manievel Sene, World Bank Task Team Leader.

"There were a lot of different stakeholders at the table, including farmers, small and large agribusinesses, academia, NGOs, government representatives, donors, technical partners and private service providers, which makes reaching a consensus challenging. Nonetheless, the World Bank, with support from FAO, kept the dialogue moving forward to come up with a concrete technical proposal that reflects the views of all parties. Thanks to an FAO costing exercise, we were able to translate those ideas into actual activities and costs and develop a plan for implementation," he said.

Revitalizing Jamaican agriculture (CDB)

FAO is supporting a project financed through the CDB to diversify Jamaica's agricultural production – a move aimed at revitalizing the country's agriculture sector.

Like many other Caribbean nations, Jamaica's agriculture sector is in need of structural transformation. Trade liberalization and the end of preferential trade agreements with the European Union have caused substantial declines in agricultural exports. Over the last decade, the production of bananas and sugar has decreased by more than 50 percent and 30 percent, respectively, while overall earnings from traditional crop exports plunged from USD 56.6 million in 2004 to USD 28.5 million in 2015.

This decline has freed up large plots of land, which the Government is eager to reallocate to private farmers, including smallholders and larger, more commercially oriented producers. The project is promoting a shift toward more non-traditional crops like fresh fruits, vegetables, spices and medicinal plants, which have seen a slight increase in exports and continue to have high domestic demand. Given Jamaica's low rainfall and prolonged droughts, the project will also establish functioning irrigation systems. *FAO conducted a scoping report to identify the most suitable geographic areas for such investments.* It assessed the technical, socio-economic and policy issues

of eight sites pre-selected by the Government, looking at everything from water quality and soil suitability to private sector interest and legal and ownership issues. Following extensive discussions with government officials, interviews with potential farmers and field visits, *the FAO team recommended four sites be investigated further in the project's feasibility and design study.*

Luther St. Ville, Senior Operations Officer for Agriculture and Rural Development at the CDB, said: "FAO's sound technical analysis and the preliminary costing of expected engineering services that the team produced for selected sites were critical assets for the favourable outcome of this mission."

Up to 1,000 farmers on farms ranging from 2 to 10 hectares could benefit from the project, which marks an important step toward reviving FAO's partnership with the CDB as well as FAO's growing reputation with the Government of Jamaica.



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Bangladesh, 2017 - Renu Bala, president of the Panjor Bhanga Women's Milk Cooperative milking one of her Friesian cows



Jamaica, 2011 - Small-scale farmers attending to their beehives in St. Thomas



UNDP Jamaica / Laura Raccio (CC BY-NC-ND 2.0)



Ethiopia, 2017 - Veterinarians carrying out essential vaccinations on herds to support pastoral livelihoods in drought prone areas of Ethiopia and Somalia

China, 2005 - Woman pulling cart with her daughter on the road from Kunming



Making Ethiopia's livestock and fisheries sector more productive and profitable (World Bank)

The Investment Centre and the World Bank are working with the Government of Ethiopia to make the country's livestock and fisheries sector more productive, inclusive, resilient and profitable.

The USD 170 million project is targeting four priority value chains – poultry, red meat, dairy and fish – to help 1.2 million households in the highland areas whose livelihoods depend on livestock and fisheries boost the volume and quality of their production and earn more money.

“Dairy subsistence farmers could increase their milk production by 1.5 times and dairy cooperatives could triple the volume of milk they collect and sell, while more specialized farmers could double daily egg production and cultivate five times more fish,” said Carolyn Turk, World Bank Country Director for Ethiopia.

Given the country's unstable institutions, low capacity and poor health and food safety services, the project is also focused on developing the long-term capacity of the Ministry of Livestock and Fisheries – an off-shoot of the Ministry of Agriculture and Natural Resources, created in 2013 – and other key public and private actors and livestock and fisheries cooperatives.

To link farmers to markets and help them be more profitable, the Investment Centre introduced productive alliances into the project, drawing on its experience with the approach in Latin America and the Caribbean. Through this arrangement, small-scale producers connect with commercial buyers and the public sector through business plans that focus on productive investments, technical assistance and business development.

Multi-stakeholder commodity platforms, facilitated by the Ethiopian Agricultural Transformation Agency (ATA), and public awareness campaigns are helping ensure the productive alliances' success by bridging demand and supply and identifying potential partners. FAO contributed to forging this partnership between ATA and the Government of Ethiopia, which was a major project breakthrough.

Thanks in part to FAO's efforts, the Government is increasingly engaging with the private sector, seeing the business opportunities identified in the livestock and fisheries sector as crucial for achieving the country's priority goals and the SDGs – from reducing poverty and improving food security and nutrition to stimulating overall economic growth.

Poverty reduction through agribusiness development in China (IFAD)

Poverty eradication is a top priority for the Chinese Government, whose strategy focuses on value chain development, training, job creation, access to finance, safety nets for poor people unable to work and voluntary resettlement of rural dwellers living in marginal and deprived areas.

Against this backdrop, FAO and IFAD aim to bring poor smallholder farmers into commercial agriculture by promoting fair arrangements between farmer cooperatives, medium-sized enterprises and local government, whereby capacity and governance are enhanced, market access is ensured and risks are mitigated.

The two agencies are focusing their interventions around public-private business plans in three provinces of China – Ningxia, Sichuan and Shaanxi. Their activities include: capacity development for farmer cooperatives and, to a lesser extent, private sector actors; support and advice on technical matters along the value chain; improved access to rural finance, including the use of equity financing; private sector investments in productive assets and services; and a good dose of innovation on market access by bringing in food

safety, e-commerce linkages from producers to consumers, Geographical Indications and different types of certification.

FAO has been involved in this process from the start – from contributing to the elaboration of the IFAD Country Programme Strategy to developing the concept and later the full investment proposal. FAO provided expertise in mission leadership, poverty reduction strategies, infrastructure design, financial and economic analysis, environmental safeguards and food safety.

FAO was also instrumental in involving the largest e-commerce operator in the world, ALIBABA, in the investment proposal. This online global trade giant will develop the capacity of cooperatives and small and medium-sized enterprises for enhanced access to e-commerce platforms, screen business plans according to their investment readiness and co-finance value chain investments through its private equity branch.

Matteo Marchisio, IFAD Country Programme Manager for China and Mongolia, said that the design process set a new record “as it only took eight months for the full cycle to be completed. That has to be attributed to the excellent collaboration between the Government, FAO and IFAD.”

Agricultural and rural transformation in Pakistan (World Bank)

The World Bank's Strengthening Markets for Agriculture and Rural Transformation (SMART) project is helping farmers in Pakistan's Punjab province increase their crop and livestock productivity, improve their climate resilience and foster agribusiness development.

The USD 300 million project is supported through the World Bank's Program-for-Results (P4R) – a new financing instrument that leverages a country's own institutions and processes and links the disbursement of funds to tangible results.

The Investment Centre was heavily involved in SMART's design, particularly the livestock sector review, development of project activities and preparation of results indicators that government departments must attain before further funds are disbursed.

Punjab's livestock and dairy sector – which produces 65 percent of the nation's supply – is due for a boost. Demand for dairy products is outpacing supply, with the gap met by low tariff milk powder imports. **Small-scale dairy farmers, most of whom are landless, dominate the sector, and there is no formal competitive market, dairy supply chain or quality assurance.**

In response, the project is shifting resources away from subsidies and toward building institutional capacities to

transform this important sector. It is building laboratories to improve food quality and safety standards and creating farmer service hubs to provide quality dairy inputs and intensive training on breeding and food safety certification. **The project is also helping farmers grow diverse higher-value crops, like vegetables, fruits, pulses and oilseeds, whose demand is rising much faster than lower value crops like wheat.**

“Punjab contributes to over 70 percent of national cereal production and its agriculture sector employs 47 percent of the province's 110 million people. **Through the World Bank's innovative financing instrument, the project will strengthen national institutional capacities to achieve rural transformation, improve the regulatory and enabling environment and give the private sector a firmer footing in which to operate,**” said Mina Dowlatchahi, FAO Representative in Pakistan.

FAO is carrying out a Technical Cooperation Programme project to assist the Government of Punjab in implementing SMART and has developed a GCF funding proposal for climate resilient agriculture and climate-smart water management to be implemented in five districts of Punjab.

Self-help groups empower India's rural poor (World Bank)

When the World Bank wanted an end-of-project evaluation of its Bihar Rural Livelihoods Project, it turned to the Investment Centre, a trusted partner.

Bihar is one of the poorest states in India. Malnourishment, social marginalization and migration are rife, and many people are deeply indebted to moneylenders or landlords, which can sink families for generations.

The project, which began in 2007, has reached more than 1.8 million women through self-help community groups across 10,000 villages – transforming these women's networking skills and ability to save, rotate funds and link with banks for productive loans.

The Investment Centre's job in 2017 was to pull together the massive amount of data to see if and how the project was contributing to positive changes, such as reduced debt, increased incomes and greater food security. Using a participatory approach, the evaluation team conducted workshops to draw out lessons and interviewed large numbers of people, including women from many different types of households. As an outsider, FAO was able to look at the project

with a fresh pair of eyes and really probe the data to make sure there were no major gaps or inconsistencies.

The evaluation found many positive spin-offs from the project. Community groups, for example, now act like watchdogs for their members' needs, helping them access other entitlements such as pensions and insurance, procure food and kerosene and manage public distribution systems, cutting out intermediaries. **In fact, the State is increasingly depending on these groups to deliver key services to people most in need.**

FAO's partners are using the evaluation to shape future programmes. And even though the Bihar Rural Livelihoods Project was not an FAO project, the results of the report are leading to interesting collaboration across the Organization – from analysis of the project's impact on nutrition outcomes to lessons for reducing rural poverty in other countries.



© FAO/Farooq Naeem

Pakistan, 2011 - Rural women participating in field training as part of a small enterprise development project



India, 2011 - Farmers learning about participatory hydrological monitoring as part of a ground water systems project in Madanapalle

© FAO/Noah Szelam

Capacity Development for Investment

Capacity development is central to all of FAO's investment support. The Investment Centre's capacity development services are highly specialized and designed to strengthen the ability of people and institutions – government ministries, knowledge centres, service providers, producer organizations, and the private sector – to make better investment decisions. The goal is to leave lasting capacities in the countries we serve.

FAO has developed tools and learning resources to improve the investment process.

The Investment Centre provides on-the-job investment training, peer learning and formal courses on various subjects, including investment planning and design, monitoring and evaluation, and technical and sector-related areas. FAO has also developed tools and learning resources to improve the investment process – including tools for economic and financial analysis, value-chain analysis, climate risk and impact assessments, nutrition-sensitive assessments and land administration monitoring and evaluation. And it collaborates with academia and research institutions to adapt and upscale their use.

Resources such as RuralInvest (learn more about the tool on p. 29) and the Investment Learning Platform support the investment process and build the capacity of stakeholders. The Learning Platform, for example, provides practical guidance for planning, formulating, implementing and evaluating public investment in agriculture and rural development.

Investment Learning Platform





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Egypt, 2017 - Use of new hydro farm techniques for sustainable agri-aquaculture development in desert and arid lands



Ethiopia, 2010 - A training course of facilitators for the establishment of Pastoral Field Schools (PFS) being held under the shade of a tree



©FAO/Ciullo Napolitano



Mali, 2013 - Cotton farmers comparing field data as a part of a capacity development programme in Cinzana

Morocco 2015 - Taroudant Russell, a citrus farmer, applies biopesticides on his citrus trees as part of an integrated pest management programme



Toward greater financial inclusion in Mali (IFAD)

Four out of five Malians living in rural communities do not have access to financial capital to develop economic activities. An IFAD-funded rural microfinance programme is working to change that by improving the access of around 500,000 low-income rural Malians to financial services.

The Investment Centre led the programme's design in 2009 and continued to support its implementation in 2017. The Centre not only helped develop an effective approach to financial inclusion, but it assisted the Government in creating a viable refinancing mechanism to strengthen the sustainability of the participating microfinance institutions.

This refinancing mechanism is a major innovation for Mali's financial sector, as it facilitates microfinance institutions' access to concessional loans. It also provides a long-term response to the inadequacy and volatility of rural savings, as well as a sustainable alternative to the challenges faced by rural microfinance institutions in accessing the financial market. Lessons from the programme indicate that there is no future for the financial inclusion of the rural poor without a sustainable refinancing mechanism dedicated to rural financial systems.

Thanks to the programme's participatory approach, 105,000 rural women – roughly 4,000 groups – are among

those now banked and solvent clients of the microfinance institutions.

These groups have been trained on financial literacy, business plan preparation, networking with financial institutions and management support.

The programme has also strengthened and professionalized 15 microfinance institutions through the implementation of adapted management information systems, training on agricultural and rural finance methodologies and tools and tailored financial products, including microleasing, warrantage and 'saving-credit with education', a tool incorporating education on topics such as nutrition, good hygiene and sanitation and functional literacy.

Another important programme component has centred on restructuring and consolidating the microfinance sector to bring microfinance institutions into compliance with new regulations. This has helped improve the quality of institutional governance, reporting and internal controls.

Preparing bankable business plans with RuralInvest

Participatory, interactive and bottom-up – that is the essence of RuralInvest, a tool developed by FAO nearly two decades ago for preparing sustainable agricultural and rural investment projects and business plans. FAO continues to fine-tune the tool, which is now available in nine languages.

RuralInvest can be used by local communities, entrepreneurs, field technicians and financing institutions to assess the financial feasibility, risks and overall sustainability of a proposed investment. Investments, generally small or medium-sized, range from income-generating projects that improve rural livelihoods to non-income-generating projects that benefit communities, such as improved healthcare services, drinking water supplies and sewage disposals.

E-learning courses, face-to-face trainings and complementary video tutorials make up the full RuralInvest package offered by FAO.

In December 2017, a practitioners' workshop helped calibrate the training tools to better meet users' needs, upgrade the website and take stock of the impact of RuralInvest. For example, Jane Ndeti, a forest investment manager with the Kenya Forest Service, was one of the first Kenyans to receive training on RuralInvest in 2009. By 2017, her team of 44 officers had trained

over 700 groups on RuralInvest. More than 2,000 farmers have since benefitted, and the loan recovery rate stands at an impressive 99.9 percent.

In Mozambique, the Government is encouraging financing institutions and commercial banks to disburse small-scale loans to help rural farmers invest and grow their businesses and move beyond subsistence farming. It has chosen RuralInvest to assess the proposed investment plans. FAO has trained local staff from the World Bank and the Eduardo Mondlane University on the tool, especially its income-generating component. Pedro Arlindo, World Bank Task Team Leader, praised the training for "providing analysis of various business plans, for example on the production of fruits and vegetables and their supply to urban markets, as well as investments in mechanization for higher maize and bean yields." The University now plans to incorporate RuralInvest training into its master's course on rural development to create the next generation of trainers and ensure the development of high-quality agricultural business plans.

Investing in Knowledge Sharing and Innovation

The Investment Centre promotes a culture of knowledge sharing, learning and innovation.

Regional information exchange networks: Three regional networks – each co-managed by an IFI partner – promote the exchange of knowledge and experiences among public and private actors involved in agricultural investment: **Agronoticias**, for Latin America and the Caribbean; **EastAgri**, for Eastern and Central Europe; and **MedAgri**, for the Southern and Eastern Mediterranean.

2017 saw the launch of the newly revamped Agronoticias website, introducing a more user-friendly platform featuring external news and editorials. The site also provides a gateway for the general public and combines expert work with analyses on current events in the region, like the importance of building resilience to drought in Mesoamerica's Dry Corridor or to hurricanes in the Caribbean. EastAgri, founded in 2002, and MedAgri, developed in 2012, are important knowledge-sharing hubs on agriculture and agribusinesses aimed at public and private sector stakeholders. Highlights from 2017 include information exchange on strengthening cooperatives, promoting sustainable value chain development, exploring the use of agricultural residues for sustainable bioenergy and developing origin-based labels, including Geographical Indications, for traditional agrifood products.

Knowledge sharing events: The Investment Centre hosted its annual knowledge sharing event – Investment Days – in July 2017, bringing together around 140 participants, including Investment Centre staff from headquarters and the decentralized offices, FAO colleagues, guest speakers and partners from the public and private sectors and academia to discuss global agricultural investment trends, challenges and opportunities. **The event, in its 8th year, was organized around the theme 'Innovation for Development'**. Innovative financing – such as blended finance and impact investing – was one topic of debate. Another session showcased innovations in digital technology that are making agriculture more inclusive and efficient, from a crowdsourcing application that helps small coffee farmers in Mesoamerica better manage their coffee systems, to unmanned aerial vehicles enhancing small-scale agriculture. The event also featured some technological innovations for growing food in dryland and desert areas, agroforestry practices that are minimizing and reversing land degradation and examples of how cities are using the latest technologies, public-private partnerships and policy to provide sustainable, affordable and nutritious food to their citizens. Another innovation changing food systems is e-commerce, which is rapidly becoming an important alternative marketing channel for smallholder farmers in rural areas, allowing them to market their produce to the right audience at the right time, buy agricultural inputs and access a broader range of consumer products and services at a lower cost.

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Publications and multimedia: These include policy guidelines, regional and country thematic papers and sector studies. In 2017, the Investment Centre produced 7 publications, 100+ feature articles, 5 videos and 2 multimedia reports.



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Innovation: FAO promotes innovative approaches and solutions to food and agricultural challenges. The use of digital technologies – like the Collect Mobile app in Kazakhstan, for example – is making agriculture more inclusive by creating better access to information, markets and services for farming households, even in the most remote areas (see p. 33). Other innovations include climate technologies in agrifood systems that help countries reduce their greenhouse gas emissions and adapt to climate change. FAO and the EBRD recently developed a methodology to track the uptake of such technologies, testing the approach in Morocco (see p. 34). Countries using climate technologies to reduce their carbon footprint could more readily access climate finance from mechanisms such as the GCF and the Global Environment Facility.

Communication and knowledge products

100+



Articles

plus Eastagri, MedAgri and Agronoticias

3



Major events

Investment Days, July 2017

20th anniversary of FAO-EBRD collaboration, November 2017

Promoting sustainable investments in Egypt's food security, December 2017

7



Publications

2



Multimedia reports

Bangladesh and Ukraine

5



Videos

Modern technology improves traditional livelihoods in Kazakhstan (EBRD)

FAO and the EBRD have adapted a mobile app – Collect Mobile – from the OpenForis suite (a set of free and open-source software tools) to help milk processors in Kazakhstan geo-locate the hundreds of raw milk suppliers scattered across the massive country.

Kazakhstan's milk industry has excellent potential to grow, but it still faces many challenges. About 80 percent of the country's milk comes from small family farmers; however, the country does not have enough milk collection centres, and distances from farms to dairy processing plants can span hundreds of kilometres, leading to high transportation costs and spoilage. By conducting field-based surveys using this innovative app on GPS-equipped phones or tablets, Kazakh dairy companies can collect and analyse information on the volume, seasonal availability and quality of existing raw milk sources. They can optimize collection routes to reduce transportation costs, forecast needs for cooling tanks or refrigerated transport and save time on paperwork.

With the app, the companies can also advise dairy farmers on everything from improved hygiene and farm management practices to feed supplements. And they can learn more about the growth potential of suppliers and the obstacles preventing them from producing high-quality milk.

Everyone benefits. Farmers boost their incomes through stable sales and improve production thanks to better information. Processors gain from more efficient supply chains. And consumers are guaranteed a high-quality Kazakh product.

FAO has also created a series of animated videos called 'Smart Milk' to raise awareness on good practices in dairy farming.

Kazakhstan, 2017 - Milk procurement managers from Kazakh dairy companies attending the FAO training on Collect Mobile try out the new phone app



Tunisia seeks to keep pace in competitive olive oil market (EBRD)

Among the world's top olive oil exporters, one country continues to harvest olives by hand. In Tunisia, where olives have been cultivated since the time of the Phoenicians, workers climb ladders and sweep the branches with the aid of a small rake. While Italy, Spain and Greece – the world's other major olive oil producers – have modernized their sectors by investing in new mill technology, storage facilities and marketing, Tunisia lags behind.

FAO and the EBRD are helping Tunisia keep pace with the highly competitive global olive oil market and respond to changing consumer demands by focusing on adding value, raising oil quality and ensuring the sector's sustainability and inclusiveness.

Public-private dialogue has helped foster knowledge sharing, identify better investment opportunities and improve the country's policy environment for greater growth. A key milestone was the preparation of a strategic and operational plan for the olive oil sector, which was submitted to the Minister of Agriculture.

More than 100 farmers and oil millers received training to help them become more competitive – from improved production and orchard management practices to better approaches for

processing and storage. Thanks to a study tour organized by FAO and the EBRD to Italy's Apulia region, a group of Tunisian olive growers, olive oil producers, traders, government representatives and other industry actors learned more about sector organization, modern production technologies and marketing practices from their Italian counterparts.

FAO and the EBRD have also organized high-level round tables to discuss recent innovations, trends, quality control and improved irrigation, critical in a country as dry as Tunisia. After attending one such event, Fathi Kanzari, who specializes in organic olive oil, decided to modernize his operations. "My decision to install a two-phase extraction system and more advanced irrigation is already paying off. Our oil recently won the international Biol award for the best organic olive oil: bottled and ready for sale," he said.

FAO and the EBRD recently launched a pilot project with a group of olive oil millers and farmers to highlight the need for further investment in the sector to consolidate results already achieved.

Tunisia is gradually positioning itself in the global market for bottled organic oil – the first step in the country's long-term strategic plan to turn its olive oil industry into a sustainable, competitive sector well equipped to respond to international demand.

New methodology on climate technology uptake piloted in Morocco (EBRD)

With funding from the EBRD and input from the International Energy Agency, FAO developed a methodology that guides countries and investors in assessing the market penetration of diverse climate technologies in the agrifood sector, as well as relevant policy and investment opportunities. FAO tested the tool in Morocco, a water-scarce country strongly committed to tackling the impacts of climate change.

Globally, the agrifood sector contributes to over 20 percent of total annual greenhouse gas emissions – a percentage expected to rise as demand for animal-based foods increases. But the agrifood sector has excellent potential to be part of the solution, with several technologies aimed at shrinking the sector's footprint already on the market. The challenge is finding the right fit for these technologies and identifying opportunities for their quick implementation.

"Better data and analysis are urgently needed to help us make smarter investments in energy efficiency, renewable energy and climate resilience," said Gianpiero Nacci, Associate Director of the EBRD's Energy Efficiency and Climate Change team. "This tool helps us achieve this objective."

In Morocco, FAO evaluated and ranked 12 climate technologies, drawing on the expertise of five FAO divisions.

Their findings, published in a study, identified conservation agriculture as one of the most promising options. The study has attracted considerable interest thanks to the quality of its analysis and comprehensiveness. It also gives the Government a valuable starting point to identify incentives to make the country's agriculture sector more environmentally friendly.

The pilot project in Morocco recommended setting up an 'Open Innovation Platform' to encourage information exchange on technical, policy and financial issues related to the use of clean technologies in the agrifood sector – including stories from agribusiness companies that have successfully switched to those technologies.

FAO and the EBRD are working on similar studies in Kazakhstan and the Kyrgyz Republic to analyse options for investing in climate technologies and tapping into existing climate finance mechanisms to advance climate change adaptation and mitigation efforts.



Tunisia, 2012 - harvesting olives by hand – a centuries-old tradition – is still practiced alongside modern orchard management

Morocco, 2016 - New climate smart technologies offer promise to small agribusinesses while reducing GHG emissions.





Burkina Faso, 2016 - Everyday life on the road from Ouagadougou to Djibo

Turkey, 2017 – Trainees learn about drying peppers as part of an FAO youth training scheme for Turkish workers and Syrian refugees



Future Perspectives

Through the decades, FAO Investment Centre has remained relevant by adapting its skills and expertise to respond to a challenging and constantly evolving investment landscape. Looking ahead to 2018, there are a few key areas of interest for the Investment Centre where demand from member countries and IFI's is set to rise. These include stronger linkages between policy and investment and effective mechanisms to crowd-in investment from a multitude of sources. There are also promising investment opportunities in social impact investing and green climate financing for which FAO, is ready to bring its expertise to bear.

Innovative financing a potential gamechanger: The Investment Centre is exploring ways in which institutions can make better use of limited public funds and ensure that private sector investments are financially sustainable and socially responsible. Blended finance – combining public and private money, including remittances, to improve food security, create jobs and reduce poverty – is gaining traction. It enlarges the outreach of public pro-poor interventions by linking with private investments and bank loans, generating benefits for a wider public. Public money helps de-risk operations by strengthening the capacity of entrepreneurs to pay back the private investors while also ensuring that the money invested is producing results in the social sphere. Impact investing – private capital investments that generate social or environmental benefits while also turning a profit – is also gaining traction. And the market has strong potential for growth, especially with the rise of socially and environmentally responsible investment.

Blended finance – combining public and private money, including remittances, to improve food security, create jobs and reduce poverty – is gaining traction.

Growing the Green Climate Fund portfolio: The GCF, established in 2010, became a new funding partner for FAO in 2016. The flagship project in Paraguay – the Organization's first successful submission to the GCF – has given FAO the credibility to mobilize resources for other large-scale projects that tackle the poverty-hunger-climate change nexus. Multi-stakeholder consultations and climate vulnerability mapping underpin the investment design process, alongside climate, social, financial and economic analysis following the principles for responsible agricultural investment. Climate resilient technologies, water monitoring and management and carbon balancing assessment tools are just a few of the innovative approaches and expertise that FAO as a whole and the Investment Centre in particular bring to the design of green financed projects – those implemented by FAO plus the pipeline of projects designed for IFI partners.

Climate resilient technologies, water monitoring and management and carbon balancing assessment tools are just a few of the innovative approaches and expertise that FAO and the Investment Centre bring to the design of green financed projects.

What is clear is that if the international community is to end poverty and hunger by 2030, protect the earth's resources for generations to come and address other complex global problems, investing in innovative solutions and greater collaboration between the public and private sectors are an absolute must.

Annex I

List of projects approved by partner financing institutions in 2017

Sub-Saharan Africa Region (SSA)

<i>Date approved</i>	<i>Country</i>	<i>Project title</i>	<i>Financing institution</i>	<i>Total investment (USD million)</i>
05.01.2017	Africa regional	West Africa Region Fisheries Program AF	WB	20.15
03.02.2017	Africa regional	AF West Africa Agricultural Productivity Programme WAAPP C1 (BEN-GAM-TOG-NER-MRU)	WB	68.00
28.03.2017	Africa regional	Second South West Indian Ocean Fisheries Governance and Shared Growth Project	WB	84.15
06.04.2017	Angola	Smallholder Development and Commercialization Project in Cuanza Sul and Huila Provinces	IFAD	38.20
23.05.2017	Malawi	Agricultural Commercialization Project	WB	95.00
13.07.2017	Congo, Rep	Commercial Agriculture Project	WB	100.00
20.07.2017	Burkina Faso	Livestock Sector Development Support Project (LDSP)	WB	78.90
08.09.2017	Côte D'Ivoire	Agricultural Value Chains Development Programme (PADFA)	IFAD	71.80
28.09.2017	Tanzania	Resilient Natural Resource Management for Tourism and Growth	WB	150.00
28.09.2017	Liberia	Land Administration Project	WB	7.00
18.10.2017	Malawi	Shire Valley Transformation Program - I	WB	234.59
14.11.2017	Africa Region	Sahel Irrigation Initiative Support Project	WB	197.25
12.12.2017	Burkina Faso	Agricultural Value Chain Support Project	IFAD	71.70
12.12.2017	Madagascar	Programme for Inclusive Agricultural Transformation	IFAD	250.00
12.12.2017	Malawi	Financial Advancement for Rural Markets, Smallholders and Enterprise Programme (FARMSE)	IFAD	57.73
12.12.2017	Ethiopia	Livestock and Fisheries Sector Development Project	WB	176.20
16	SUB-TOTAL SSA			USD 1 701 million

Asia and the Pacific Region (AP)

<i>Date approved</i>	<i>Country</i>	<i>Project title</i>	<i>Financing institution</i>	<i>Total investment (USD million)</i>
09.02.2017	China	Shaanxi Poor Rural Areas Community Development Project	WB	150.04
24.02.2017	Cambodia	Livelihood Enhancement and Association of the Poor Project (LEAP)	WB	22.17
15.03.2017	India	National Hydrology Project	WB	350.00
16.03.2017	China	Poyang Lake Basin Town Water Environment Management Project	WB	219.93
11.04.2017	Maldives	Sustainable Fisheries Resources Development Project	WB	18.00
27.04.2017	Bhutan	Food Security and Agriculture Productivity Project	WB	9.33
26.05.2017	India	Jharkhand Opportunities for Harnessing Rural Growth Project	WB	143.00
09.06.2017	Philippines	Inclusive Partnerships for Agricultural Competitiveness	WB	231.03
19.08.2017	Tonga	Rural Innovation Project – Phase II (TRIP II)	IFAD	10.90
22.08.2017	China	Hunan Integrated Management of Agricultural Land Pollution Project	WB	111.94
31.08.2017	India	Assam Agribusiness and Rural Transformation Project	WB	262.40
30.11.2017	Pakistan	Additional Financing for Punjab Irrigated Agriculture Productivity Program	WB	206.00
01.12.2017	India	Tamil Nadu Irrigated Agriculture Modernization Project	WB	455.80
07.12.2017	Nepal	Livestock Sector Innovation Project	WB	115.00
12.12.2017	India	Fostering Climate Change Resilient Highlands Farming System in the North East India Project	IFAD	168.46
12.12.2017	Nepal	Agriculture Sector Development Programme	IFAD	68.10
15.12.2017	China	Jiangxi Farm Produce Distribution System Development	WB	198.28
15.12.2017	Pakistan	Punjab Agriculture and Rural Transformation P4R Program	WB	300.00
18	SUB-TOTAL AP			USD 3 040 million

Europe & Central Asia Region (ECA)

Date approved	Country	Project title	Financing institution	Total investment (USD million)
06.04.2017	Montenegro	Rural Clustering and Transformation Project (RCTP)	IFAD	14.48
09.06.2017	Moldova	Climate Adaptation Project	WB	27.20
23.06.2017	Uzbekistan	Livestock Sector Development Project	WB	236.50
30.06.2017	Uzbekistan	Ferghana Valley Water Resources Management - Phase II	WB	225.00
12.12.2017	Tajikistan	Community-based Agricultural Support Project	IFAD	39.30
12.12.2017	Uzbekistan	Agriculture Diversification and Modernization Project	IFAD	157.00
15.12.2017	Tajikistan	Agriculture Commercialization Project - AF	WB	15.00
7	SUB-TOTAL ECA			USD 714 million

Near East and North Africa Region (NENA)

Date approved	Country	Project title	Financing institution	Total investment (USD million)
07.03.2017	Egypt	Investment Forum and Capacity Building for the Promotion of Agricultural Investment	TCP ^(FAO)	0.42
15.03.2017	Tunisia	Integrated Landscapes Management in Lagging Regions Project	WB	132.34
31.07.2017	Yemen	Smallholder Agricultural Production Restoration and Enhancement Project	WB	36.00
20.12.2017	Morocco	Strengthening Agri-Food Value Chains	WB	200.00
4	SUB-TOTAL NENA			USD 369 million

Latin America and the Caribbean region (LAC)

Date approved	Country	Project title	Financing institution	Total investment (USD million)
27.01.2017	Peru	National Program for Innovation in Fisheries and Aquaculture	WB	120.90
22.03.2017	Jamaica	Essex Valley Agricultural Development Project	CDB	35.50
24.03.2017	Mexico	Grain Storage and Information for Agricultural Competitiveness	WB	195.00
13.04.2017	Bolivia	Alianzas Rurales - AF	WB	129.30
18.05.2017	Honduras	Additional Financing for Rural Competitiveness Project (COMRURAL)	WB	35.43
25.05.2017	LAC Regional	OECS Regional Agriculture Competitiveness Project	WB	9.66
14.06.2017	Haiti	Relaunching Agriculture: Strengthening Agriculture Public Services	WB	35.00
		II Project (RESPAG) - AF	WB	35.00
20.10.2017	Brazil	Paraiba Sustainable Rural Development	WB	80.00
30.11.2017	Uruguay	Sustainable Management of Natural Resources and Climate Change - AF	WB	47.20
12.12.2017	Suriname	Sustainable Agriculture Development Project	EU	15.14
10	SUB-TOTAL LAC			USD 703 million

Approved projects in 2017 → **55 projects** → **USD 6 527 million of total investment**

Since the Investment Centre began 1964-2017 → **2 185 projects** → **USD 126 813 million of total investment**

Annex 2

List of policy support activities carried out in 2017

	<i>Main partners</i>
Contribution to agricultural strategies: 8	
Sub-Saharan Africa Region (SSA)	
Regional Agriculture Investment Plan formulation for Common Market for Eastern and Southern Africa (COMESA)	FAO-WB
Strategic Plan for the Transformation of Agriculture PSTA-IV/ASIP III in Rwanda	FAO-WB
National Agricultural Investment Plan (NAIP) in Malawi	FAO-WB
Zero Hunger Strategic Review in Lesotho	FAO-WB
Third Ghana Medium-Term Agriculture Sector Investment Plan (METASIP III)	FAO
Asia and the Pacific Region (AP)	
Agricultural Restructuring Plan (ARP) in Vietnam	FAO-WB
Europe & Central Asia Region (ECA)	
National-Level Irrigation and Drainage Strategy in Ukraine	FAO-WB
Near East and North Africa Region (NENA)	
Agriculture Global Practice ECA-MENA Unit Strategy	
Contribution to sector studies: 38	
Sub-Saharan Africa	
Forests and Biodiversity in the Congo Basin – Sector Report	FAO-WB
Agriculture Sector Review in the Comoros	FAO-WB
Ocean Economy Report	FAO-WB
Support to formulation of National Agriculture Investment Plan in Mozambique	FAO-WB
Rebuilding Resilient and Sustainable Agriculture in Somalia	FAO-WB
Zimbabwe Support Analysis for Land Governance	FAO-WB
Study on Smallholder Inclusion in Value Chains in Madagascar and Mozambique (AFRICA REGIONAL)	FAO-WB
Study on El Niño Impacts on Food Security, Crops and Livestock	FAO-WB
Value chain profiling reports for seven commodities (maize, sorghum, cowpea, wheat, millet, groundnut and sesame) selected by Climate Change Adaptation and Agribusiness Support Programme in the Savannah Belt	FAO-WB
Asia and the Pacific	
Jobs from Agriculture and Rural Development Operations in Afghanistan	FAO-WB
Food Security and Agricultural Situation Assessment on Monsoon Floods in Bangladesh	IFAD
Rural Jobs Diagnostic Study In South Asia	FAO-WB
West Bengal Major Irrigation and Flood Management: analyses of reservoir operations of the Maithon and Panchet dams	FAO-WB
Study on Cost and Benefits Related to Food Safety in Dhaka, Bangladesh	FAO-WB
Rural/Urban Market and Value Chain Integration in South Asia	FAO-WB
Mindanao Jobs Report in the Philippines	FAO-WB
Europe and Central Asia	
Development of the Wool Industry in Azerbaijan	FAO
Agricultural Cluster Development Program Study	FAO-WB
Digital Agriculture and Mechanization in the Climate Change Context	FAO-WB
Household Surveys on Forest Use, Poverty and Vulnerability to Natural Hazards in Georgia	FAO-WB
Agricultural Prices and Marketing report in Turkey	FAO-WB
Smallholder Inclusion in Agri food Value Chains in Romania	FAO-WB
Agriculture Sector Risk Assessment in Azerbaijan	FAO-WB
Review of the Azerbaijan Cotton Sector	FAO-EBRD
Study on Serbia's grain sector	FAO-EBRD
Public and Private Sector Capacities in Sustainable Agriculture and Bioenergy Investment (BEFS)	FAO-EBRD
Good Dairy Farm Practice note in Kazakhstan	FAO-EBRD
Serbian Meat Review	FAO-EBRD
Serbian Dairy Review	FAO-EBRD
Dairy Sector Review in Ukraine	FAO-EBRD
Review of the State Service for Food Safety and Consumer Protection in Ukraine	FAO-EBRD

	<i>Main partners</i>
Latin America and the Caribbean region (LAC)	
Strengthening of Water Security and Resilience in Mexico	FAO-WB
Report on Green Growth in Uruguay	FAO-WB
Revision of CDB Agricultural Policy and Strategy Paper (APSP) CDBWater Quality Management Report for the Wider Caribbean	FAO-WB
Near East and North Africa Region (NENA)	
Stocktaking of Agriculture Sector in Iraq	FAO-WB
Report on Tunisian Agricultural Cooperatives	FAO-EBRD
Review of the Egyptian Sugar Sector	FAO-EBRD
Cooperatives sector review in Egypt	FAO-EBRD
Contribution to policy studies: 19	
Sub-Saharan Africa Region (SSA)	
Qualitative Case Study on Productive Diversification in African Agriculture and Effects on Resilience and Nutrition	FAO-WB
Evaluation of Urban Food Security in Congo	FAO-WB
Assessment of the Lesotho Government Funded Food Price Subsidy Programme	FAO-WB
Qualitative Case Study on Impacts of Lesotho Child Grant Programme (CGP) and Sustainable Poverty Reduction through Income Generation, Nutrition and Access to Government Services Programme	FAO
Asia and the Pacific Region (AP)	
Guangdong Agricultural Pollution Control Study in China	FAO-WB
Analytical and Advisory Assistance for Agriculture in the Pacific Multi country study	FAO-WB
Policy papers on Myanmar Land Assessment (#5 in all)	FAO-WB
Synthesis Report on agricultural pollution in East Asia	FAO-WB
Europe & Central Asia Region (ECA)	
Improving state land management and assessing the feasibility of Transfer of Development Rights (TDRs) in Turkey	FAO-WB
Forestry Policy Note in Turkey	FAO-WB
Agriculture Policy Note: Policies for AgriFood Sector Competitiveness and Foreign Direct Investments in Russia	FAO-WB
Improving the Access to Markets of the Ukrainian Horticulture and Organic Sectors	FAO-EBRD
Latin America & the Caribbean	
Review of the main current rural finance mechanisms available in Brazil	FAO-WB
Near East and North Africa Region (NENA)	
Rural Development Policy Note in Morocco	FAO-WB
Initial Diagnostic of Incentive and Political Economic of Groundwater Governance in Morocco	FAO-EBRD
Contribution to public-private policy dialogue processes: 9	
Forum on Resilient Value Chains Fostering Sustainable Territorial Development in Morocco	FAO-EBRD
Horticultural Forum in Croatia	FAO-EBRD
Regional Conference on Apple Business in Tajikistan	FAO-EBRD
International Dairy Congress in Georgia	FAO-EBRD
Dairy Congress in Kazakhstan	FAO-EBRD
International Agricultural Exhibition AGRO 2017 in Ukraine	FAO-EBRD
Conference on Technology and Innovation in Tunisia	FAO-EBRD
Apimondia International Apicultural Congress 2017 in Turkey	FAO
	FAO-EBRD
Promoting Sustainable Investment in Egypt's Food Security in Egypt	FAO-EBRD
	FAO-WB
	FAO



“2017, has been a great year. My sincere thanks to our member countries and partners for showing continued trust in the Investment Centre’s support. My gratitude goes to the FAO management and colleagues and particularly to the Centre’s staff and consultants around the world for their hard work, dedication and entrepreneurial spirit.”

*Mohamed Manssouri,
Director, FAO Investment Centre*

